Jinxun stock
金浔股份

雲南金濤資源股份有限公司
Yunnan Jinxun Resources Co., Ltd.

(A joint stock company incorporated in the People's Republic of China with limited liability)
（於中華人民共和國註冊成立的股份有限公司）

Stock Code 股份代號：3636

2025
Annual Report
年 度 報 告

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Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Yuan Rong *(Chairman)*
Ms. Yuan Mei
Mr. Yang Yongchang

Independent Non-executive Directors

Ms. Zheng Dongyu
Mr. Xia Hongying
Mr. Wong Hok Bun Mario

COMPANY SECRETARY

Ms. Wan Wing Yi Carol

AUTHORISED REPRESENTATIVES

Ms. Yuan Mei
Ms. Wan Wing Yi Carol

AUDIT COMMITTEE

Mr. Wong Hok Bun Mario *(Chairman)*
Ms. Zheng Dongyu
Mr. Xia Hongying

REMUNERATION AND APPRAISAL COMMITTEE

Mr. Xia Hongying *(Chairman)*
Ms. Zheng Dongyu
Ms. Yuan Mei

NOMINATION COMMITTEE

Ms. Zheng Dongyu *(Chairlady)*
Mr. Yuan Rong
Mr. Wong Hok Bun Mario

STRATEGY COMMITTEE

Mr. Yuan Rong *(Chairman)*
Mr. Yang Yongchang
Mr. Xia Hongying

REGISTERED OFFICE IN THE PRC

3/F, Block B
No. 1389 Changyuan North Road
Gaoxin District
Kunming
Yunnan Province
PRC

HEADQUARTERS IN THE PRC

3/F, Block B
No. 1389 Changyuan North Road
Gaoxin District
Kunming
Yunnan Province
PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

40th Floor
Dah Sing Financial Centre
248 Queen's Road East
Wanchai
Hong Kong

H SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17th Floor
Hopewell Centre
183 Queen's Road East
Wan Chai
Hong Kong

Corporate Information

AUDITOR

KPMG
Public Interest Entity Auditor registered in accordance with the Accounting and Financial Reporting Council Ordinance
8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

HONG KONG LEGAL ADVISOR

Sidley Austin
Level 39, Two International Finance Centre
8 Finance Street
Central, Hong Kong

COMPLIANCE ADVISOR

Quam Capital Limited
5/F and 24/F (Rooms 2401 and 2412)
Wing On Centre
111 Connaught Road Central
Hong Kong

PRINCIPAL BANK

Industrial Bank Co., Limited, Hefei Branch

1 Floor, Huilong Building
No. 1777 Qimen Road
Administrative District
Hefei City
Anhui Province
PRC

CITIBANK N.A. SINGAPORE

5 Changi Business Park
Crescent, #07-00,
Singapore 486026

COMPANY'S WEBSITE

www.jinxunec.com

STOCK CODE

Hong Kong Stock Exchange: 3636

Definitions

In this annual report, unless the context otherwise requires, the following expressions have the following meanings:

"2025 AGM"	the 2025 annual general meeting of the Company to be convened and held on 18 May 2026
"Articles of Association" or "Articles"	the articles of association of the Company, as amended, supplemented or otherwise modified from time to time
"Audit Committee"	the audit committee of the Company
"Board"	the board of Directors
"China" or "PRC"	the People's Republic of China
"Company"	Yunnan Jinxun Resources Co., Ltd. (雲南金潯資源股份有限公司), a joint stock company established in the PRC
"Corporate Governance Code"	the Corporate Governance Code set out in Appendix C1 to the Listing Rules
"Director(s)"	the director(s) of the Company
"DR Congo"	the Democratic Republic of the Congo
"EIT Law"	the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得税法》), as amended, supplemented or otherwise modified from time to time
"Global Offering"	has the same meaning as defined in the Prospectus
"Group"	the Company and together with its subsidiaries
"H Share(s)"	shares of the Company with a nominal value of RMB1.00 each, which are subscribed for and traded in Hong Kong dollars and listed on the Stock Exchange
"Heli Investment"	Ji'an Heli Investment Management Center (Limited Partnership) (吉安縣合勵投資管理中心(有限合夥)), a limited partnership established in the PRC on 18 April 2016 and the share incentive platform of the Company, whose general partner is Mr. Yuan
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"Hong Kong dollars" or "HK$"	Hong Kong dollars, the lawful currency of Hong Kong

Definitions

"Jinxun Anhui"	Anhui Jinxun New Energy Material Co., Ltd. (安徽金潯新能源材料有限公司), a company established in the PRC with limited liability on 8 October 2022 and an indirect wholly-owned subsidiary of the Company
"Latest Practicable Date"	15 April 2026, being the latest practicable date for the purpose of ascertaining certain information in this report prior to its publication
"Listing Date"	9 January 2026, the date on which dealings in the H Shares first commence on the Main Board of the Stock Exchange
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
"Main Board"	the stock exchange (excluding the option market) operated by the Stock Exchange, which is independent from and operated in parallel with GEM of the Stock Exchange
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
"Net Proceeds"	the net proceeds raised by the Company from the Global Offering
"Nomination Committee"	the nomination committee of the Company
"Non-H Share(s)"	ordinary Share(s) with a nominal value of RMB1.00 each, other than the H Shares (namely, the Share(s) currently quoted on NEEQ)
"Prospectus"	the prospectus of the Company dated 31 December 2025
"Remuneration and Appraisal Committee"	the remuneration and appraisal committee of the Company
"Renminbi" or "RMB"	Renminbi, the lawful currency of the PRC
"Reporting Period"	the year ended 31 December 2025
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Share(s)"	shares in the share capital of the Company, with a nominal value of RMB1.00 each, comprising the Non-H Shares and the H Shares
"Shareholder(s)"	holder(s) of the Share(s)

Definitions

"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Tibet Huiyi"	Tibet Huiyi Information Technology Co., Ltd. (西藏匯益信息科技有限公司), a company established in the PRC with limited liability on 21 February 2017 and a wholly-owned subsidiary of the Company
"Zambia"	the Republic of Zambia

Chairman's Statement

Dear shareholders, investors, partners and all colleagues,

Time flies and a new chapter unfolds. On behalf of the board of directors of the Company, I hereby present the operating results of the past year and express my sincere gratitude to friends from all walks of life for their long-standing concern and support to the Company's development.

In 2025, the global copper industry chain faced significant pressure. Under the circumstances of policy tightening in resource-rich African countries, sharp fluctuations in the prices of key production materials, together with numerous challenges arising from cross-border operations, the Company forged ahead amid difficulties, adhering to its strategic vision of "building a world-class, fully integrated copper resources operator" and guided by the principles of "lean operation and compliance precedence". We achieved a simultaneous rise in both output and efficiency, as well as breakthroughs in both transformation and upgrading, successfully completing the business model transformation into an international mining enterprise.

Over the past year, we stayed committed to our core business and delivered transformative progress in our key operations. The Company's subsidiary in the Democratic Republic of the Congo (DRC) recorded cathode copper output of approximately 23,000 tons, with core technical indicators including leaching rate and recovery rate ranking among the industry's leading levels locally. Despite the disruption of a two-month production suspension, Rong Xing Investments Limited still achieved annual cathode copper output of approximately 4,970.5 tons. Through process optimization and efficient utilization of tailings resources, it maintained stable and sustainable capacity release.

During the reporting period, the Company's operating performance scaled new heights, with cathode copper production totaling approximately 28,000 tons, operating revenue amounting to approximately RMB2,271 million, and net profit reaching approximately RMB329 million. All three metrics hit a new high, representing year-on-year growth of 34.8%, 28.3%, and 62.4%, respectively, reflecting strengthened scale effects and enhanced operational efficiency in tandem.

Over the past year, we courageously forged new ground, achieving dual successes in industrial and capital layout. Jinxun Anhui was successfully completed and commenced trial production in October 2025. In just two months, it successfully produced high-grade cobalt sulfate products, delivering the impressive achievement of "qualified products upon production and high quality upon commissioning". This marked the Company's official entry into the new energy materials sector, the completion of a key layout in the new energy industry, and further optimization of its industrial structure. On 9 January 2026, the Company successfully listed on the Main Board of the Stock Exchange of Hong Kong Limited (Stock Code: 03636.HK), raising approximately HK$1.2 billion. The H-share listing enabled the Company to fully align with international capital market rules, drive continuous optimization of its governance structure, and significantly enhance its brand's international influence, injecting strong capital momentum into the Company's deepening presence in the African resource market and advancement of global operations.

Chairman's Statement

Over the past year, we drove innovation, achieving dual upgrades in research and development (R&D) and talent development. The Company deepened industry-university-research collaborative innovation, establishing R&D platforms with institutions such as the Beijing General Research Institute of Mining & Metallurgy and Kunming University of Science and Technology. We focused on tackling core technologies such as flotation of low-grade complex copper ores, with multiple patents granted, providing solid technical support for efficient resource utilization and process upgrading. Meanwhile, we precisely recruited high-level management and technical talents, improved talent training and incentive mechanisms, established an annual salary adjustment system and a management trainee development program, and reserved core talents for the Company's rapid development.

The achievements we have made are inseparable from the efforts and support of all colleagues and partners, and more importantly, attributable to the trust of all shareholders. At the same time, we clearly recognize that the Company still faces numerous challenges and shortcomings: externally, we need to address uncertainties such as fluctuations in global copper prices, changes in overseas policies, and intensifying industry competition; internally, there are issues including insufficient self-sufficiency in raw materials, relatively high indicators in certain consumption, and a shortage of professional R&D talents. In response to these issues, the Company will adopt a problem-oriented approach, formulate targeted measures, and vigorously implement them.

The year 2026 is a pivotal year for the Company to seize the momentum and achieve leapfrog development. The Company will pool its strengths to advance all key tasks and strive to take the Company's development to a new level:

The first is to drive steady growth in production capacity. We will accelerate the construction progress of the DRC Phase II Hydrometallurgical Plant Project, technical upgrade project of the DRC Phase I, as well as technical upgrade project of Rong Xing Investments Limited in Zambia. We will strictly control project quality and construction schedules to ensure the timely commissioning of all projects, thereby fully releasing production capacity dividends;

The second is to break through in resource development. We will actively acquire mining resources through a diversified approach including leasing, contracting, cooperation, and acquisition to effectively address the shortfall in self-sufficiency of raw materials and lay a solid resource foundation for the Company's long-term development;

The third is to deepen cost reduction efforts. We will take cost reduction and efficiency enhancement as core tasks. Focusing on key cost components such as sulfuric acid and electricity, we will comprehensively reduce production costs through multiple channels to ensure power supply, optimize and upgrade processes, and renovate equipment for energy conservation, aiming to maximize efficiency;

The fourth is to uphold the bottom line of safe production. We will strengthen refined safety and environmental management, implement safety production responsibilities at all levels, improve the safety prevention and control system, ensure zero safety accidents, and effectively safeguard the lives of employees and the overall development of the Company's operations.

Chairman's Statement

Those who share the same vision are not separated by mountains and seas; only those who gather their strength can overcome difficulties and forge ahead. Every step of Jinxun Resources' development is inseparable from the firm trust of all shareholders, the continuous support of investors, the partnership of collaborators, and most importantly, the hard work and dedication of all colleagues. In the year ahead, with a higher stance, a more pragmatic work style, and greater synergy, all employees of Jinxun Resources will seize the opportunity to open a new chapter and unite their strength to climb new heights. We will deeply cultivate our core business with a meticulous attitude, make breakthroughs in development with a spirit of pioneering innovation, and make every effort to fulfill all targets and missions for 2026. We will deliver returns to all shareholders and investors with even better operating performance and we will contribute Jinxun's strength to the high-quality development of global mining industry!

Yuan Rong
Chairman
Yunnan Jinxun Resources Co., Ltd.

Management Discussion and Analysis

OVERVIEW

In 2025, despite facing multiple complex challenges across the global copper industry chain, the overall resilience of the industry remained evident. Copper prices fluctuated at a high level throughout the year, while demand for metals related to the new energy sector steadily increased. The industry prosperity remained high, providing a solid external market foundation for business operation and development.

The Company seized opportunities arising from industry development, executed precise planning and maintained stable operation, while fully committed to enhancing the quality and efficiency of production and operation, resulting in steady growth in operating performance, with core operating indicators hitting historical new highs. The Company delivered outstanding annual operating results achieving operating revenue of RMB2,271.1 million, representing a 28.3% increase compared to the same period in 2024; and net profit of RMB328.8 million, representing a 62.4% increase compared to the same period in 2024, demonstrating significant growth in both operating revenue and profit and consistently highlighting the Company's development resilience and profitability.

Reviewing the rationale of the full-year performance growth, the core driving forces mainly stemmed from three aspects: Firstly, the improvement in quality and efficiency of overseas production capacity, with both volume and efficiency of core products increasing. The overseas production bases in DRC and Zambia maintained stable and efficient operation, achieving improvements in both capacity release and operational efficiency. In 2025, the DRC subsidiary produced approximately 23,263.4 tons of cathode copper and approximately 295.5 tons of cobalt hydroxide, while the Zambian subsidiary produced approximately 4,970.5 tons of cathode copper, demonstrating the stable capacity and increasingly prominent economies of scale in the Group's core cathode copper business, thereby laying a solid production foundation for performance growth. Secondly, lean upgrades in internal management. Through a combination of technological innovation and refined control, cost reduction and efficiency improvements, the Company achieved significant cost reductions and efficiency gains, with core technical indicators and material consumption indicators continuing to be optimized and remaining industry-leading. Thirdly seizing on market cycle opportunities by leveraging the prosperous upward trend in the global bulk commodity market to efficiently coordinate all aspects of production and sales, precisely capitalizing on the high-level copper price environment, successfully translating the favorable industry conditions into tangible operating results, and achieving a deep integration of industry tailwinds with business operations.

At the same time, the Company continued to improve our capacity layout of its industrial chain to secure a solid foundation for long-term development, with the Anhui cobalt processing plant successfully completed and put into operation in October 2025, providing ample momentum for the subsequent expansion of the new energy metal business and collaborative development within the industry chain.

INDUSTRY OVERVIEW

1. Copper

Copper, serving as a fundamental industrial raw material and a critical strategic resource, possesses dual attributes of both commodity and finance. Revered as the "Mother of Industry," copper plays an irreplaceable role in global energy transition and the development of high-end manufacturing. On the global commodities map, China, being the world's largest copper consumer and the second-largest producer of refined copper, has developed a pivotal market force within the global copper industry chain, providing essential support for the Chinese real economy. In recent years, China's copper industry has established a comprehensive industrial system encompassing geological exploration, mining, smelting and processing, trade logistics, and end-user applications.

In 2025, volatility in international copper prices increased significantly, with prices repeatedly reached new record highs. As of 31 December 2025, the London Metal Exchange ("LME") 3-month copper futures closed at US$12,496.5 per ton, representing a 42.0% increase from the opening price of US$8,801.0 at the beginning of the year. Similarly, the Shanghai Futures Exchange (SHFE) main contract closed at RMB98,240.0 per ton, up 34.0% from the opening price of RMB73,310.

In contrast to the soaring copper prices, growth in global copper mine supply remained sluggish. Several large-scale mines were forced to reduce production or suspend operations due to safety incidents and natural disasters, further exacerbating the tight supply landscape. Concurrently, the proportion of copper demand from the new energy sector (photovoltaics, wind power, and new energy vehicles) continued to climb. This has become the core engine driving copper consumption growth, significantly altering the structure of the traditional copper consumer market.

Furthermore, major multinational mining companies accelerated their resource deployment in 2025, consolidating resource barriers through mergers and acquisitions. Under the dual logic of tightening supply and green transition demand, the strategic attribute of copper as the "Oil of the New Era" has become increasingly prominent, with industry prosperity remaining at elevated levels.

2. Cobalt

Cobalt is a silvery-white, hard metal that belongs to the ferromagnetic elements. It possesses excellent high-temperature resistance, corrosion resistance, and magnetic properties. Cobalt is commonly found in nature in ore form, often coexisting with copper and nickel, and is considered an important strategic metal. Cobalt is primarily used in battery materials, alloy manufacturing, catalysts, magnetic materials, and other high-tech fields. It is one of the key raw materials for modern industry and high-tech industries. As the world's largest cobalt refiner and consumer, China's industrial chain relies heavily on imported resources.

In 2025, the global cobalt market underwent a fundamental shift in the supply-demand dynamics, primarily dictated by policy adjustments in DRC, the world's largest cobalt producer. The DRC initially imposed a temporary export ban on cobalt products for several months, followed by the formal implementation of a strict annual export quota system starting in October 2025 – capping exports at 96,600 tons per annum for 2026-2027. This measure significantly tightened global raw material supply.

Driven by this major supply-side policy shift, international cobalt prices rebounded strongly from historical lows.

BUSINESS REVIEW AND PROSPECTS

The Group's core business focuses on developing and supplying premium copper resources to cater China's substantial copper demand. Leveraging Africa's rich copper reserves, the Group has strategically expanded production capacity and achieved significant integration across the industrial value chain. The Group has established advanced copper cathode smelting operations in DRC and Zambia, considerably enhancing economic efficiency and market position. Furthermore, capitalizing on the natural coexistence of copper and cobalt within African ore reserves, the Group is proactively developing downstream cobalt-related production, strategically positioning the Group in the rapidly growing new energy materials sector.

The Group's business model is built upon an integrated approach that encompasses copper ore procurement, advanced hydrometallurgical processing, and the sale of high-purity copper cathodes and copper concentrates. The Group leverages extensive industry experience, technological innovation, and effective resource management to maintain competitive edge. The Group 's operations begin with the procurement of copper ores, primarily sourced from reliable suppliers in resource-rich regions such as DRC and Zambia. These copper ores include oxide ores, sulfide ores, and oxide-sulfide mixed ores, which the Group processes using advanced hydrometallurgical techniques.

During the year ended 31 December 2025, the Group derived its revenue primarily from (i) the production and sale of copper cathodes; (ii) the production and sale of copper concentrates; (iii) the production and sale of cobalt hydroxide; and (iv) the trading of non-ferrous metal products.

The following table sets out the production volume of copper cathodes, copper concentrates and cobalt hydroxide:

	Year ended 31 December	
	2025	2024
	(tons)	*(tons)*
Copper cathodes	**28,223.9**	20,934.8
Copper concentrates	**9.0**	32.0
Cobalt hydroxide	**295.5**	128.2
Total	**28,528.4**	21,095.0

The following table sets forth the breakdown of the sales volume of copper cathodes, copper concentrates and cobalt hydroxide:

	Year ended 31 December	
	2025	2024
	(tons)	*(tons)*
Copper cathodes	**28,695.0**	19,851.1
Copper concentrates	**21.2**	17.8
Cobalt hydroxide	**83.7**	–
Total	**28,799.9**	19,868.9

Copper Cathodes

Copper cathode is pure copper refined through the electrodeposition process, containing copper greater than or equal to 99.95%.

In 2024 and 2025, the Group produced 20,934.8 tons and 28,223.9 tons, respectively, of copper cathodes. The increase in the production of copper cathodes in 2025 was primarily due to increased production at the DR Congo copper smelter I by procuring and deploying new equipment, and increasing power supply.

The Group primarily sells copper cathodes to metal trading companies for onward sale to end customers.

Copper Concentrates

Copper concentrate is the concentrate obtained from copper ore through beneficiation and enrichment processes, usually containing 25% to 30% copper, which is one of the raw materials for electrolytic copper production.

In 2024 and 2025, the Zambia flotation plant had an output of 32.0 tons and 9.0 tons of copper concentrates, respectively, as a result of the Group's decision to downsize the copper concentrate production.

The Group primarily sells its copper concentrates to non-ferrous metal producers.

Cobalt Hydroxide

The Group uses cobalt, which is a by-product generated during the copper smelting process, to produce and sell cobalt (II) hydroxide. The original ore used in the Group's production facility in DRC contained a mix of copper and cobalt, and the Group produces cobalt hydroxide as a by product in the copper smelting process. In 2025, the Group produced 295.5 tons of cobalt hydroxide. As of 31 December 2025, the effective annual production capacity of cobalt (II) hydroxide was 4,500 tons (equivalent to 1,350 tons of cobalt based on a 30% cobalt content). Cobalt (II) hydroxide can be used to produce cobalt sulfates and cobalt chlorides, which are raw materials for new energy batteries.

The Group primarily sold 83.7 tons of cobalt hydroxide to non-ferrous metal producers located in the PRC.

Non-ferrous metal products

The Group trades a variety of non-ferrous metal products, such as copper, silver, lead, and zinc, purchased from suppliers and sell such metal products to metal trading companies or other non-ferrous metal producers.

PROSPECTS

Advancing Capacity Expansion to Unlock Growth Momentum

The Capacity Doubling Expansion Project serves as the Company's core strategy for driving future profit growth and solidifying its competitive edge in the industry. The ongoing Cathode Copper Capacity Doubling Expansion Project plays a pivotal role in supporting the Company's large-scale business expansion and improving the quality of its revenue and profit. In 2026, the Company will closely monitor project construction milestones and make every effort to ensure that the Zambia Technical Retrofit Project, the DRC Phase I Technical Retrofit Project and the DRC Phase II Hydrometallurgical Plant Project progress steadily and completed as planned, and are put into efficient operation. The Company will coordinate and allocate various high-quality resources, enforce construction responsibilities, refine implementation measures and strictly control project quality to systematically advance the implementation of these three major projects, steadily release cathode copper production capacity, inject strong momentum into the Company's high-quality development and further expand the profit growth potential.

Expanding Resource Channels to Strengthen the Foundation for Growth

The Company will remain focused on the core objective in resource development, striving to achieve substantial results with a pioneering and innovative spirit while adopting multiple measures to broaden diverse resource acquisition pathways, thereby solidifying the core foundation for industrial development. The Company will flexibly adopt market-oriented models to improve the resource security system. On one hand, we will focus on mining resources, rapidly securing in-production resources through acquiring, leasing and contracting mines, deeply exploring the potential for incremental resources through the acquisition of mining rights for independent exploration, integrating high-quality industry resources by holding premium mining rights through joint ventures and partnerships, and precisely securing stable supply sources through long-term commercial contracts. On the other hand, we will also target existing valuable resources by actively promoting the acquisition layout of high-quality tailings reservoirs, revitalizing existing valuable resources and broadening resource supply channels, and establishing a comprehensive and sustainable resource supply system, so as to lay a solid resource foundation for the Company's long-term and stable development.

Advancing Core Technologies to Drive Cost Reduction and Efficiency Improvement

The Company will concentrate on achieving breakthroughs in core technologies to drive cost reduction and efficiency gain. Leveraging the Research Institute for Beneficiation and Metallurgy Technology Innovation of New Energy Metal, a collaborative platform established with a university, to deepen industry-academia-research collaboration on innovation and drive the targeted R&D and implementation of key technologies, and empower cost control and efficiency improvement through technological innovation. Closely addressing the Company's pain points in production and operation and industrial upgrading needs, we will prioritize R&D in core processes such as oxygen pressure leaching, bio-metallurgy, calcination leaching, sulfide ore beneficiation, low-temperature roasting and cobalt electrowinning. By optimizing existing production processes, elevating comprehensive resource recovery rates, reducing production energy consumption and operating costs, and overcoming production technological bottlenecks, the Company will convert technological advancements into tangible cost savings and efficiency gains, thereby enhancing product quality, reducing resource consumption and boosting profitability to continuously strengthen the core competitiveness and empower high-quality and sustainable business development.

KEY RISKS AND UNCERTAINTIES

The Group's operations involve a number of key risks and uncertainties, some of which are beyond the Group's control. The material risks and uncertainties faced by the Group are set out below. Investors should exercise their own judgment or consult an investment expert before making any investments in the H Shares.

Risks relating to doing business in overseas jurisdictions in which the Group has operations

- Emerging markets are subject to greater risks than more developed markets, and financial turmoil in any emerging market could disrupt the Group's business.

The Group sourced a substantial majority of raw materials from, and/or operated local processing facilities in Zambia, DR Congo, and Peru. As a result, the business and results of operations are impacted by economic, political and social conditions in these countries. An emerging market such as Zambia, DR Congo, and Peru is subject to greater risks than more developed markets. For instance, greater political risk and the instability of the political and economic environment; civil strife, ethnic conflict, religious and regional tensions; government interventions etc.

Financial turmoil in any emerging market country tends to adversely affect prices in the financial markets of other emerging market countries, such as Zambia, DR Congo, and Peru. Inflationary pressure may lead to (i) increased energy costs in diesel and electricity; (ii) re-evaluation of salaries among local employees brought by social pressure; (iii) elevated chemical input expenditures due to the depreciation of the currency and (iv) increased expenditures related to any prospective expansion projects.

Protectionism trade policies emerging around the world and ongoing trade disputes between different countries may affect the costs and stability in supply of raw materials.

- High rates of inflation in the overseas jurisdictions the Group operates in could have a material adverse effect on the business, financial condition and results of operations.

Zambia and DR Congo, have historically experienced relatively high rates of inflation. The average annual inflation rate, indicated by the average annual percentage change in the consumer price index was 9.3%, 19.9% and 17.7% in DR Congo and 11.0%. 10.9% and 15.0% in Zambia in 2022, 2023 and 2024, respectively, according to the World Bank Group.

Inflationary pressures can exacerbate existing economic challenges, leading to higher operational costs and reduced profitability. The cost of labor, energy and tax imposed by local authorities, as well imported goods and services, may rise significantly in association with increased inflationary pressures, thereby impacting the Group's ability to maintain competitive production costs in overseas jurisdictions.

Risks relating to the Group's business and industry

- The Group is exposed to the market forces in the copper and cobalt industry, including the current and expected supply and demand dynamics of copper and cobalt.

The current and expected supply and demand dynamics of copper and cobalt are primarily based on resources availability, discovery of new mines, technological developments, government policies etc. The majority of copper and cobalt raw materials are produced by only a few suppliers. The Group primarily purchased raw materials from a limited number of suppliers. As the Group operates in a competitive environment for copper and cobalt resources, there is no assurance that the Group may continue to be able to secure high-quality copper and cobalt at relatively competitive costs.

- The Group's business and results of operations are highly dependent upon the global prices of copper and other non-ferrous metals, which may be influenced by various factors including global economic growth and international supply and demand.

- Governmental import or export controls could materially and adversely affect the Group's business, results of operations, financial condition and prospects.

- Copper and cobalt production depends on a stable, timely and adequate supply of copper and cobalt raw materials, energy, power and other raw materials such as water and chemicals at commercially reasonable prices.

- The Group's operations are subject to extensive environmental, chemical manufacturing, health and safety laws and regulations and production standards, and the compliance with these laws, regulations and standards may be onerous and costly.

FINANCIAL REVIEW

Revenue

The following table sets forth a breakdown of the Group's revenue by business line:

	Year ended 31 December			
	2025		2024	
	RMB'000	*%*	*RMB'000*	*%*
Copper production and processing				
Copper cathodes	**1,970,690**	**86.7**	1,228,967	69.4
Copper concentrates	**1,173**	**0.1**	946	0.1
Cobalt hydroxide	**10,739**	**0.5**	–	–
Cobalt production and processing				
Ammonium sulfate	**72**	**–**		
Subtotal	**1,982,674**	**87.3**	1,229,913	69.5
Trading of non-ferrous metal products	**288,397**	**12.7**	539,920	30.5
Total	**2,271,071**	**100.0**	1,769,833	100.0

Revenue of the Group increased by approximately 28.3% from approximately RMB1,769.8 million for the year ended 31 December 2024 to approximately RMB2,271.1 million for the year ended 31 December 2025, primarily due to the following:

(i) revenue from Copper and cobalt production and processing increased by approximately 61.2% from approximately RMB1,229.9 million for the year ended 31 December 2024 to approximately RMB1,982.7 million for the year ended 31 December 2025, primarily due to increased sales volume of copper cathodes from 19,851.1 tons in 2024 to 28,695.0 tons in 2025 following the stability of electricity supply at our production facilities in DR Congo.

(ii) revenue from trading of non-ferrous metal products decreased by approximately 46.6% from approximately RMB539.9 million for the year ended 31 December 2024 to approximately RMB288.4 million for the year ended 31 December 2025, primarily due to the decrease in the sales volume of our non-ferrous trading business. The decline was mainly due to the Group's strategic reduction in exposure to low profit margin businesses in light of the overall market conditions.

Cost of Sales

The cost of sales primarily consists of (i) cost of trading goods, representing costs of non-ferrous metals for the trading business; (ii) cost of raw materials, representing costs of ores materials for the production; (iii) other materials and consumables, such as sulfuric acid used in production; (iv) utilities; (v) depreciation, mainly arising from production facilities; (vi) direct labor costs; (vii) resource tax; and (viii) custom duties.

The Group's cost of sales increased from approximately RMB1,402.2 million for the year ended 31 December 2024 to approximately RMB1,752.2 million for the year ended 31 December 2025 which is in line with our increase of revenue.

Gross Profit and Gross Profit Margin

	Year ended 31 December			
	2025		2024	
	RMB'000	*%*	*RMB'000*	*%*
Copper production and processing				
Copper cathodes	**492,935**	**25.0**	339,821	27.7
Copper concentrates	**457**	**39.0**	(2,039)	(215.5)
Cobalt hydroxide	**1,011**	**9.4**	–	–
Cobalt production and processing				
Ammonium sulfate	**4**	**5.6**		
Subtotal	**494,407**	**24.9**	337,782	27.5
Trading of non-ferrous metal products	**24,443**	**8.5**	29,885	5.5
Total	**518,850**	**22.8**	367,667	20.8

The Group 's gross profit increased by approximately 41.1% from approximately RMB367.7 million for the year ended 31 December 2024 to approximately RMB518.9 million for the year ended 31 December 2025.

The Group's gross profit margin for the year ended 31 December 2025 was 22.8%, representing an increase of 2 percentage points from the same period in 2024. This improvement was mainly attributable to the Group's focus on its high-margin copper production and processing business, which led to a year-on-year expansion in the scale of this segment in 2025.

Other Gains and Losses

The Group's other gains and losses was approximately a loss of RMB7.1 million for the year ended 31 December 2024 and approximately a gain of RMB33.6 million for the year ended 31 December 2025, the turnaround was primarily due to (i) an increase of approximately RMB21.3 million in foreign exchange gains, mainly resulting from the fluctuations between ZMK and USD arising from input VAT recoverable in Zambia; and (ii) an increase of approximately RMB33.6 million in gains from changes in fair value of trade receivables at FVTPL given the increased volatility in copper prices during the 2025 compared to the same period in 2024, as we typically determine copper product pricing based on the average LME Cash Settlement Price over the quotation period (i.e. M+N) and the applicable discount level stipulated in the agreement; (iii) a decrease of approximately RMB23.9 million arising from impairment losses recognised on input VAT recoverable in Zambia.

Distribution and Selling Expenses

The Group 's distribution and selling expenses increased by approximately 33.3% from approximately RMB11.6 million for the year ended 31 December 2024 to approximately RMB15.5 million for the year ended 31 December 2025, primarily due to an increment in staff costs following the increased headcounts of our sales and marketing staff at our production facilities in Zambia and DRC in the corresponding periods.

Administrative Expenses

Administrative expenses increased by approximately 59.6% from approximately RMB81.2 million for the year ended 31 December 2024 to approximately RMB129.5 million for the years ended 31 December 2025, primarily due to increase in staff costs, traveling and insurance expenses, business and marketing expenses, which is in line with our business expansion.

Finance Costs

Finance cost decreased by approximately 42.7% from approximately RMB26.9 million for the year ended 31 December 2024 to approximately RMB15.4 million for the year ended 31 December 2025, primarily due to a decrease in our borrowings in the corresponding period.

Income Tax

Income tax increased by approximately 70.4% from approximately RMB40.3 million for the year ended 31 December 2024 to approximately RMB68.7 million for the year ended 31 December 2025, primarily due to an increase in the profit from the sale of copper cathodes.

Profit for the Year

As a result of the foregoing, profit for the year increased from approximately RMB202.4 million for the year ended 31 December 2024 to approximately RMB328.8 million for the year ended 31 December 2025.

Property, Plant and Equipment

Property, plant and equipment increased by approximately 24.0% from approximately RMB617.6 million for the year ended 31 December 2024 to approximately RMB765.8 million for the year end 31 December 2025, primarily due to the construction of the DRC copper smelter II and increases investment in machinery, equipment, and transportation vehicles.

Intangible Assets

Intangible assets decreased by approximately 3.2% from approximately RMB9.4 million as of 31 December 2024 to approximately RMB9.1 million as of 31 December 2025, primarily due to the reduction in the original value of Exploitation certificate through annual amortization.

Right-of-Use Assets

Right-of-use assets remained at approximately RMB20.2 million and RMB19.9 million as of 31 December 2024 and as of 31 December 2025, respectively.

Trade Receivables

The Group's trade receivables increased by approximately 7.9% from approximately RMB36.8 million as of 31 December 2024 to approximately RMB39.7 million as of 31 December 2025, primarily due to an increase of RMB2.9 million in trade receivables amortised at cost and trade receivables at FVTPL, reflecting the increased in accounts receivable from trading of non-ferrous metal products.

Deferred Tax Assets/(Liabilities)

Deferred tax assets increased by approximately 25.6% from RMB11.0 million as of 31 December 2024 to RMB13.9 million as of 31 December 2025, primarily due to an increase in deferred tax arising from credit loss allowance on financial assets.

Deferred tax liabilities remained at RMB2.9 million as of 31 December 2024, and RMB3.2 million as of 31 December 2025.

Prepayments, Deposits and Other Receivables

The Group's prepayments, deposits and other receivables increased by approximately 131.9% from approximately RMB117.8 million as of 31 December 2024 to RMB273.2 million as of 31 December 2025, primarily due to (i) an increase in tax refund and deposit; (ii) an increase in prepaid equipment procurement funds for the construction of DR Congo copper smelter II; and (iii) an increase in listing expenses.

Inventories

The Group's inventories comprised (i) raw materials, primarily including copper ore, tailings, sulfuric acid, diesel, extractants and other auxiliary materials required during the production; (ii) spare parts and consumables, (iii) work-in-progress, primarily including copper sulfate solution and cobalt sulfate solution; and (iv) finished goods, primarily including copper products from the production and non-ferrous metal products for trading purpose. Inventories increased by approximately 79.6% from approximately RMB432.1 million as of 31 December 2024 to RMB776.1 million as of 31 December 2025, primarily due to the increase in monthly production of copper cathodes at the DR Congo copper smelter I from 2024 to 2025, which pushed up the inventory level as of 31 December 2025.

Trade Payables

Trade payables primarily arose from purchases of raw materials, such as copper ore, non-ferrous metal products and chemical products. The Group's trade payables increased by approximately 50.3% from approximately RMB354.4 million as of 31 December 2024 to approximately RMB532.8 million as of 31 December 2025, primarily due to a further increase in purchases as the production in DR Congo ramped up during the year.

Accrued Expenses and Other Payables

Other payables and accruals represent (i) payables for properties, plant and equipment and intangible assets, mainly relating to the construction of production plants; (ii) deposits, mainly representing security deposits received from customers; (iii) payroll payables, mainly representing the salaries, bonuses, pension and other social security payable by us; (iv) other tax payables, mainly representing the withholding individual income tax and resource tax, value-added tax and other taxes payable by us; and (v) others, mainly representing accrued fees and other daily operation expenses.

The Group 's accrued expenses and other payables increased by approximately 108.5% from approximately RMB104.4 million as of 31 December 2024 to approximately RMB217.7 million as of 31 December 2025, primarily due to (i) an increase in deposits of RMB80.3 million arising from the expansion of our operations; (ii) an increase in payables of RMB10 million for costs incurred in connection with the proposed initial public offering of H share; (iii) the general increase in accruals and other payables attributed to the expansion of our operations in DR Congo.

Contract Liabilities

Contract liabilities represented advances received from customers. The Group's contract liabilities decreased by approximately 6.2% from approximately RMB62.8 million as of 31 December 2024 to approximately RMB58.9 million as of 31 December 2025, primarily driven by decreased advances received from customers.

Net Current Assets/(Liabilities)

The Group's total current assets increased by approximately 85.6% from approximately RMB679.4 million as of 31 December 2024 to approximately RMB1,261.1 million as of 31 December 2025, primarily due to (i) an increase in inventories of RMB344.0 million as the operations of our DR Congo copper smelter I ramped up during the year; (ii) an increase of cash and cash equivalents of RMB171.3 million, mainly caused by the cash inflow from operation; (iii) an increase of prepayment, deposits and other receivables totalled of RMB68.6 million, mainly arising from input VAT recoverable in Zambia. Total current liabilities increased by approximately 62.7% from approximately RMB763.7 million as of 31 December 2024 to approximately RMB1,242.7 million as of 31 December 2025, primarily due to (i) the increase in trade payables (including those recognized at amortized costs and designated at FVTPL) of RMB178.4 million as a result of the increase in purchases as our production in DR Congo ramped up during the year; (ii) an increase in short-term bank borrowings and other borrowings of RMB143.5 million; (iii) an increase of accrued expenses and other payables of RMB113.3 million, mainly attributed to the expansion of our operations.

LIQUIDITY AND CAPITAL RESOURCES

The Group 's main source of liquidity mainly came from cash flow from operations and interest-bearing borrowings. As of 31 December 2025, cash and cash equivalents of the Group amounted to approximately RMB295.2 million, as compared with 123.9 million as of 31 December 2024.

Bank and other Borrowings

As of 31 December 2025, bank and other borrowings of the Group amounted to approximately RMB436.8 million.

The table below sets forth a repayment schedule of the interest-bearing bank and other borrowings as of the dates indicated:

	31 December 2025 *RMB'000*	31 December 2024 RMB'000
Current		
–Bank and other Borrowings	**350,719**	207,171
Non-current		
–Bank and other Borrowings	**86,099**	61,465
Total	**436,818**	268,627

Pledge of Assets

As at 31 December 2025, the Group's bank loan of approximately RMB130.5 million were secured by the Group's assets. Please refer to note 23(c) to the consolidated financial statements.

Gearing Ratio

Gearing ratio is calculated based on total bank and other borrowings divided by total equity as of the end of that period. The Group's gearing ratio for the year ended 31 December 2025 was 53.1% (31 December 2024: 50.2%).

Contingent Liabilities

As of 31 December 2025, the Group did not have any outstanding material contingent liabilities.

Capital Expenditures

The Group 's capital expenditure primarily consists of expenditures on property, plant and equipment and intangible assets. During the year ended 31 December 2025, the Group incurred capital expenditures of approximately RMB241.1 million (31 December 2024: RMB171.4 million).

MARKET RISK ANALYSIS

The Company is exposed to a variety of financial risks, including credit, liquidity, commodity and currency risks. The Directors manage and monitor these exposures to ensure that appropriate measures are implemented in a timely and effective manner.

Credit Risk

Credit risk exposures are primarily attributable to trade receivables at amortized cost and trade receivables at FVTPL, other receivables, time deposit and bank balances. In order to minimize the credit risk, the Group's management continuously monitors the level of exposure to ensure that follow up action is taken to recover overdue debts. Except for trade receivables at FVTPL, the Group performed impairment assessment for financial assets and other items under ECL model individually.

Liquidity Risk

The Company's policy is to regularly monitor its liquidity requirements and compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

Commodity Risk

Commodity price risk is mainly the exposure to fluctuations in the prevailing market price of copper which are the major commodities purchased, produced and sold by us. To minimize this risk, the Group enters into copper futures contracts and provisional price arrangement to manage our exposure in relation to forecasted sales of copper products, forecasted purchases of copper concentrates, inventories and firm commitments to sell our copper products.

Currency Risk

Transactional exchange rate risk exposures mainly arising from sales or purchases by subsidiaries in currencies other than the subsidiaries' functional currencies. The Group has subsidiaries using U.S. dollar and RMB as their functional currencies. These subsidiaries have transactions in currencies other than their functional currencies. In addition, the Group has exchange rate exposures arising from foreign currency borrowings. The Group adopts an overall management on our foreign exchange business.

As at 31 December 2025, the Group did not have a foreign exchange hedging policy. However, the management of the Group monitors foreign exchange exposure and will consider hedging significant foreign exchange exposure should the need arises.

SIGNIFICANT INVESTMENTS, ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Except as disclosed below, the Company did not have any significant investment or significant acquisition and disposals of subsidiaries, associates and joint ventures during the year ended 31 December 2025.

The company made the following investment decisions related to its subsidiaries in 2025:

1. The company held the 18th meeting of the 3rd Board of Directors and the 4th extraordinary general meeting of shareholders in 2025 on August 1, 2025 and August 18, 2025 respectively, and deliberated and adopted the *Proposal on the Company's Intended Investment in the Jinxun Congo (DRC) Copper-Cobalt Smelting Project (Phase II)*. The specific contents are as follows:

   In accordance with the needs of business development and to promote the better and faster improvement of the company's operating performance, the company intends to invest in the Jinxun Congo (DRC) Copper-Cobalt Smelting Project (Phase II). The project will be constructed in Kolwezi, Congo (DRC), with an annual production scale of 30,000 tons of cathode copper (copper content ≥ 99.95%). The company intends to purchase assets related to production and operation, such as factory buildings and mechanical equipment, within next year. The investment funds for this project may be raised by the company and its subsidiary Jinxun Congo (DRC) Mining Co., Ltd. through self-owned funds or financing. The specific planning, implementation, adjustment and other matters of the project investment and construction shall be steadily promoted by the operating management of the subsidiary Jinxun Congo (DRC) Mining Co., Ltd. according to the actual situation. During the implementation of this project, if the company adjusts the content of the project investment and construction according to macro policies, market conditions and the actual needs of the company, it shall perform the corresponding decision-making procedures and information disclosure obligations in accordance with the *Articles of Association of the Company*, the *Rules for the Governance of Listed Companies on the National Equities Exchange and Quotations*, the *Rules for the Information Disclosure of Listed Companies on the National Equities Exchange and Quotations* and other relevant provisions.

   As at 31 December 2025, the Company has commenced the Phase II investment.

2. The company internally deliberated and approved the external investment matter of its holding subsidiary on December 15, 2025, with the contents as follows: Jinxun (Singapore) International Trading Co., Ltd. (hereinafter referred to as "Singapore Jinxun"), a wholly-owned subsidiary of Yunnan Jinxun Resources Co., Ltd., intends to increase its capital by US$10 million to its subsidiary Anhui Jinxun New Energy Materials Co., Ltd. with self-owned funds in accordance with the needs of strategic development. After the completion of the capital increase, the company's shareholding ratio remains unchanged.

   As of 31 December 2025, the Company has commenced the capital increase work and plans to complete it by the end of 2026.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

The investment decisions set out in "SIGNIFICANT INVESTMENTS, ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES" are expected to be fully completed in 2026.

Except as disclosed above, as at 31 December 2025, the Company did not have any future plans for material investments or additions of capital assets.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

No event has taken place subsequent to 31 December 2025 and up to the Latest Practicable Date that may have a material impact on the Group's operating and financial performance that needs to be disclosed.

PROCEEDS FROM LISTING

On 9 January 2026, the Company's H shares were listed on the Main Board of the Stock Exchange. 42,280,400 new H shares of RMB1.0 each were issued at a price of HK$30.00. The net proceeds of the global offering (taking into account the full exercise of the over-allotment option) was approximately RMB1,094.5 million.

Since the H shares of the Company were listed on the Listing Date, details of the utilization of net proceeds from the global offering were not applicable during the Reporting Period.

The Company intends to utilise the net proceeds according to the plans set out in the section headed "Future Plans and Use of Proceeds" in the prospectus.

EMPLOYEES AND REMUNERATION POLICY

As of 31 December 2025, the Group had a total of 1,092 employees, located in the PRC, Zambia, DR Congo, Singapore and Peru.

The Group provides employees with a good office environment, as well as professional training opportunities, through the establishment of a systematic and perfect talent training system, continuous attention to the performance of employees, and continue to improve the staff promotion policy and process, standardize the selection, appointment and training of talents, and establish a fair, just and open employment mechanism.

The remuneration package of employees of the Group includes salary and bonus, which are generally based on their qualifications, industry experience, position and performance. In terms of training and development, the Group assign or transfer employees to different positions to arrange occasional vocational training according to business development needs. Combined with the self-growth and development demands of employees, the Group focuses on key stages and key groups, and carry out key training specialties in different fields and modules, covering new employee training, technical training, professional ability training, among others, to meet the growth and development needs of different stages, different fields and different forms.

Biographical Details of Directors and Senior Management

The biographical details of the Directors and senior management of the Company are listed below. As at the date of this annual report, save that Mr. Yuan Rong is the brother of Ms. Yuan Mei, none of the following Directors or senior management had any relationship with any other Directors or senior management.

THE BOARD

Executive Directors

Mr. Yuan Rong (袁榮), aged 42, was appointed as a Director on March 10, 2011 and was re-designated as the executive Director and chief executive officer on May 16, 2025. He is primarily responsible for providing guidance and the formulation of business strategies for the overall management and business operation and development of the Group.

Mr. Yuan has over 15 years of experience in the industry of non-ferrous metals. Mr. Yuan founded the Company on January 21, 2010 and has been serving as the general manager and Director since March 2011. He has been serving as the chief executive officer and chairman of the Board since June 2016. Since December 2018, Mr. Yuan has been serving as the executive director of Shanghai Yisimai Industrial Co., Ltd (上海益斯麥實業有限公司), a company primarily engaged in business consulting services, where he was responsible for formulating the company's business strategies and investment plans.

Mr. Yuan graduated from Kunming University of Science and Technology (昆明理工大學) in the PRC with a diploma in economic management in July 2009. He also obtained his bachelor of laws from Yunnan University (雲南大學) in the PRC in January 2014 and his executive master of business administration in finance from Cheung Kong Graduate School of Business (長江商學院) in the PRC in September 2016.

In addition, Mr. Yuan has been the recipient of numerous awards and honors, including the China Youth May Fourth Medal, the National Award for Outstanding Private Entrepreneurs Who Care for Employees, the May 1st Labor Medal of Yunnan Province, the Governor's Award for Youth Entrepreneurship of Yunnan Province, and the Yunnan Award for the Top 10 Influential Yunnan Business Leaders, among others. He also holds a number of public positions and currently serves as an Executive Member of the All-China Federation of Industry and Commerce, a Standing Member of the All-China Youth Federation, a Member of the Yunnan Provincial Committee of the Chinese People's Political Consultative Conference, and Vice President of the Federation of Industry and Commerce (General Chamber of Commerce) of Yunnan Province.

Ms. Yuan Mei (袁梅), aged 41, was appointed as a Director and secretary of the Board on June 28, 2016 and was re-designated as the executive Director on May 16, 2025. Ms. Yuan joined the Group on February 25, 2016 as the assistant to general manager. She is primarily responsible for the overall supervision and management of corporate governance and company secretarial matters of the Group.

Ms. Yuan has over 15 years of experience in the finance and operations. From August 2010 to January 2016, Ms. Yuan held various positions in the group of Yunnanyun Copper and Zinc Industry Co., Ltd (雲南雲銅鋅業股份有限公司), a company primarily engaged in production, processing and sales of zinc and other non-ferrous metals and rare and precious metals, with her last position as a production operation officer. Since February 2017, Ms. Yuan has been serving as the director, general manager and financial controller of Tibet Huiyi, where she is responsible for overall management and execution of the company. Since October 8, 2022, Ms. Yuan has been serving as supervisor of Anhui Jinxun New Energy Material Co., Ltd. (安徽金潯新能源材料有限公司), where she is responsible for supervising and providing advice to the board of the company's director.

Ms. Yuan obtained her bachelor's degree in communications engineering from Jiangxi Normal University (江西師範大學) in the PRC in July 2009.

Mr. Yang Yongchang (羊永昌), aged 49, was appointed as a Director on July 19, 2019 and was re-designated as the executive Director on May 16, 2025. Mr. Yang joined the Group on November 6, 2016 as the treasurer and has been serving as the chief financial officer since August 2019. He is primarily responsible for the overall supervision and management of financial and accounting affairs of the Group.

Mr. Yang has over 25 years of experience in finance. Prior to joining the Group, Mr. Yang worked in Yunnan Green A Biology Engineering Co., Ltd. (雲南綠 A 生物工程有限公司), a company primarily engaged in production and sales of health food and Yunnan Lvwei Biotechnology Co., Ltd (雲南綠唯生物科技有限公司), a company primarily engaged in biotechnology research and development.

Mr. Yang obtained his bachelor of economics with a major in accounting from Xi'an Technological University (西安工業大學) in the PRC in July 2001. He was accredited as a senior accountant by the Human Resources and Social Security of Yunnan Province (雲南省人力資源和社會保障廳) in July 2023.

Independent Non-executive Directors

Ms. Zheng Dongyu (鄭冬渝), aged 69, was appointed as an independent Director on January 14, 2023. Ms. Zheng joined the Group on January 14, 2023 and is primarily responsible for providing independent opinion and judgment to the Board.

Ms. Zheng has decades of experience in the legal industry. From 1984 to 2012, Ms. Zheng held various academic positions at the Law School of Yunnan University (雲南大學法學院), with her last academic position as a professor prior to her retirement. Ms. Zheng has been serving as independent director of Kunming Yunnei Power Co., Ltd. (昆明雲內動力股份有限公司), a company listed on the Shenzhen Stock Exchange (Stock code: 000903) and primarily engaged in special and general equipment manufacturing, since October 2022 and Kunming Automation Group Co., Ltd. (昆明自動化成套集團股份有限公司), a company primarily engaged in providing integrated energy system services, shares of which are quoted on the NEEQ (Stock code: 832848), since December 2020 and an independent non-executive director of Kunming Dianchi Water Treatment Co., Ltd. (昆明滇池水務股份有限公司), a wastewater treatment company, shares of which are listed on the Stock Exchange (Stock code: 3768), from June 2021 to November 2025, where she was responsible for supervising and providing independent advice to the board of the company.

Ms. Zheng obtained her bachelor of laws from Southwest University of Political Science and Law (西南政法大學) in the PRC in July 1984. She obtained her master of laws from Peking University (北京大學) in the PRC in July 2000.

Mr. Xia Hongying (夏洪應), aged 45, was appointed as an independent Director on January 14, 2023. Mr. Xia joined the Group on January 14, 2023 and is primarily responsible for providing independent opinion and judgment to the Board.

Mr. Xia has over 16 years of experience in the industry of non-ferrous metals. Since November 2009, Mr. Xia has been successively serving as a lecturer, associate professor, professor and masters and doctoral advisor at the School of Metallurgical and Energy Engineering of Kunming University of Science and Technology (昆明理工大學冶金與能源工程學院), where he was engaged in lecturing, academic research and the supervision of masters and doctoral students. From April 2022 to October 2025, Mr. Xia has been serving as an independent director of Yunnan Luoping Zinc & Electricity Co., Ltd. (雲南羅平鋅電股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 002114) and primarily engaged in hydropower generation, non-ferrous metal mining and zinc smelting, where he was responsible for supervising and providing independent advice to the board of the company.

Mr. Xia obtained his bachelor's degree in metallurgical engineering in July 2003, his master's degree in non-ferrous metal metallurgy in May 2006 and his doctor's degree in non-ferrous metal metallurgy from Kunming University of Science and Technology (昆明理工大學) in the PRC in April 2010.

Mr. Wong Hok Bun Mario (黃學斌), aged 47, was appointed as an independent non-executive Director on May 16, 2025. Mr. Wong is primarily responsible for providing independent opinion and judgment to the Board.

Mr. Wong has over 20 years of experience in auditing, accounting and financial management. From 2018 to 2023, Mr. Wong has served as the chief financial officer and company secretary of Jinchuan Group International Resources Company Limited (金川集團國際資源有限公司), a company listed on the Main Board of the Stock Exchange (stock code: 2362) and principally engaged in mining operations. From May 2017 to May 2022, Mr. Wong has served as an independent non-executive director of Good Resources Holdings Limited (天成國際集團控股有限公司), a company previously listed on the Main Board of the Stock Exchange (stock code: 0109) and principally engaged in the provision of financial and optical fibre leasing services. Mr. Wong has been serving as the chief financial officer since July 2023 and the vice president and the Company secretary since September 2023 at Chifeng Jilong Gold Mining Co., Ltd. (赤峰吉隆黃金礦業股份有限公司), a company listed on the Hong Kong Stock Exchange (stock code: 6693) and Shanghai Stock Exchange (stock code: 600988) and principally engaged in the mining, processing, and sales of gold. Since December 2024, Mr. Wong has been serving as an independent non-executive director of Theme International Holdings Limited (榮暉國際集團有限公司) (formerly known as Deep Source Holdings Limited (至源控股有限公司)), a company listed on the Main Board of the Stock Exchange (stock code: 990) and principally engaged in distribution, trading and processing of metal products, where he was responsible for supervising and providing independent advice to the board of the company.

Since August 2025, Mr. Wong has been serving as an independent non-executive director of Jiaxin International Resources Investment Limited (佳鑫國際資源投資有限公司), a company listed on the Main Board of the Stock Exchange (stock code: 3858) and the "Belt and Road" Board of the Astana International Exchange (AIX) in Kazakhstan (stock code: JXIR.AIX), principally engaged in the exploration, development and operation of tungsten mines, where he was responsible for supervising and providing independent advice to the board of the company.

Mr. Wong obtained his bachelor's degree in economics and finance in November 2001 from the University of Hong Kong (香港大學) in Hong Kong. He was accredited as a certified public accountant by the Hong Kong Institute of Certified Public Accountants in July 2005, a chartered financial analyst by the Chartered Financial Analyst Institute in December 2008 and a member by The Australasian Institute of Mining and Metallurgy in May 2015.

Biographical Details of Directors and Senior Management

CHANGES TO DIRECTORS' INFORMATION

Save as otherwise disclosed in this annual report, there are no other changes in the Directors and Chief Executive Officer that are required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

SENIOR MANAGEMENT

The executive Directors also act as the senior management responsible for the day-to-day operations and management of the business of the Group.

For the biographical details of Mr. Yuan, Ms. Yuan and Mr. Yang, please refer to "Board of Directors — Executive Directors" in this section.

COMPANY SECRETARY

Ms. Wan Wing Yi Carol (温詠宜) is the company secretary of the Company. Ms. Wan is a manager of SWCS Corporate Services Group (Hong Kong) Limited and has over 11 years of experience in corporate secretarial industry. Ms. Wan is an associate member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom.

Ms. Wan graduated from The University of London in the United Kingdom and admitted to the Bachelor of Science in Business. She also received the Master of Corporate Governance from The Open University of Hong Kong (currently known as The Hong Kong Metropolitan University).

Corporate Governance Report

The Board presents the Corporate Governance Report for the year ended 31 December 2025.

CORPORATE GOVERNANCE

The Company recognises the importance of incorporating elements of good corporate governance in its management structure and internal control procedures so as to achieve effective accountability. This reflects its belief that the Shareholder wealth will be maximised in the long term and stakeholders will all benefit.

Corporate Culture and Values

The Board is committed to promoting the Company's lawful, ethical, and responsible business operations, all of which are rooted in the Company's well-defined core corporate culture system. As a supplier of non-ferrous metal new energy materials that integrates beneficiation and smelting of non-ferrous metals, rough and deep processing of new energy metal materials, and comprehensive recycling of resources, the Company takes "creating value for customers and driving industrial development" as its mission and "becoming a model non-ferrous metal new energy material supplier" as its vision. It upholds the corporate values of "integrity, efficiency, innovation, and win-win cooperation", and carries forward the corporate spirit of "carving career and pursuing excellence."

To effectively implement the core values of "integrity, efficiency, innovation, and win-win cooperation" and establish an operational environment based on integrity and win-win cooperation, the Company has designed and implemented a set of strict internal control procedures to ensure that all business activities comply with laws, regulations and business ethics. This includes anti-bribery and anti-corruption policies and procedures. These mechanisms enable the Company to continuously strengthen its risk management and internal control systems through the independent oversight and in-depth reviews by the Board's Audit Committee, thereby enhancing long-term sustainable performance. Furthermore, the Company has established reporting channels to encourage and protect internal and external stakeholders to report any potential violations in a timely manner, ensuring that issues are promptly investigated and rectified, and jointly maintaining a clean, fair, and transparent operational ecosystem.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company aims to achieve high standards of corporate governance which are crucial to the development of the Group and would safeguard the interests of the Shareholders.

As the Shares were not listed on the Stock Exchange as of 31 December 2025, the code provisions set out in Part 2 of the Corporate Governance Code were not applicable to the Company during the Reporting Period.

Since the Listing Date up to the date of this annual report, the Company has applied the principles of good corporate governance and complied with the code provisions set out in Part 2 of the Corporate Governance Code, save for the deviation below:

According to code provision C.2.1 of Part 2 of the Corporate Governance Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. Yuan is currently the chairman of the Board and the chief executive officer of the Company. In view of the fact that Mr. Yuan is the founder and has been assuming the responsibilities in the overall management and operation and formulation of business strategies of the Group since 2011, the Board believes that it is in the best interest of the Group to have Mr. Yuan taking up both roles for effective management and operations. Therefore, the Directors consider that the deviation from such code provision is appropriate.

Notwithstanding such deviation, the Directors are of the view that the Board is able to work efficiently and perform its responsibilities with all key and appropriate issues discussed in a timely manner. In addition, as all major decisions will be made in consultation with members of the Board and the relevant committees of the Board, and there are three independent non-executive Directors on the Board offering independent perspective, the Board is therefore of the view that there are adequate safeguards in place to ensure sufficient balance of powers within the Board. The Board shall nevertheless review the structure and composition of the Board and senior management from time to time in light of prevailing circumstances to maintain a high standard of corporate governance practices of the Company. ◦

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

Since the Listing Date, the Company has adopted the Model Code as its own code of conduct for dealings in the securities of the Company by the Directors.

Specific enquiry has been made of all the Directors and they have confirmed that they have complied with the Model Code since the Listing Date up to the date of this annual report.

BOARD OF DIRECTORS

Board Composition

As at the date of this annual report, the Board comprises six Directors with three executive Directors and three independent non-executive Directors. The composition of the Board is set forth below:

Executive Directors

Mr. Yuan Rong *(Chairman)*
Ms. Yuan Mei
Mr. Yang Yongchang

Independent Non-executive Directors

Ms. Zheng Dongyu
Mr. Xia Hongying
Mr. Wong Hok Bun Mario

Personal particulars of the Directors are set out in the section headed "Biographical Details of Directors and Senior Management" in this annual report. Save as disclosed in the section headed "Biographical Details of Directors and Senior Management", no relationship (including financial, business, family or other material/relevant relationship(s)) exist between any member of the Board and other directors and senior management.

Corporate Governance Report

The Role of the Board and the Management

The Board shall be accountable to the Shareholders' general meeting and responsible for the management and conduct of the Group's business. The duties of Board include but not limited to convene Shareholders' general meeting and report its work to such meeting; implement the resolutions of a general meeting; decide on the Group's business plans and investment plans and formulate the annual financial budgets and final accounts of the Company; prepare the profit distribution plan and plan for recovery of losses; decide on the establishment of the internal management structure of the Company; appoint or remove the senior management officers and decide on their remunerations; establish a basic management system of the Company; and exercise other duties and powers specified in relevant laws, regulations, and the Articles of Association.

Matters relating to the daily operations and management of the businesses of the Group shall be handled by the management authorized by the Board. The Board provides clear guidelines on the management authority of the management team and what the management team should report, and regularly reviews the authorized functions, rights and tasks to ensure that they remain applicable.

Board Independence and Independent Non-executive Directors

The independent non-executive Directors play an essential role in the Board through their independent professional judgment, and their views play an important role in the decisions of the Board. Their extensive experience has contributed significantly to enhancing the decision-making capability of the Board and achieving a sustainable and balanced development of the Group.

From the Listing Date up to the date of this annual report, the Board has complied with the requirements of Rule 3.10A of the Listing Rules (which specified that an issuer must appoint independent non-executive directors representing at least one-third of the board), and the requirements of Rules 3.10(1) and 3.10(2) of the Listing Rules (which specify that every board of directors shall include at least three independent non-executive directors, and at least one of the independent non-executive directors must have appropriate professional qualifications or accounting or related financial management expertise).

Each of the independent non-executive Directors has confirmed his/her independence with regards to each of the factors as set out in Rules 3.13(1) to (8) of the Listing Rules. The Company confirms it considers all the independent non-executive Directors to be independent with reference to the factors set out in Rule 3.13 of the Listing Rules.

The Board has also established mechanisms to ensure independent views are available to the Board, including providing the Directors with sufficient resources to perform its duties and shall seek, at the Company's expense, independent professional advice to perform its responsibilities if necessary.

The Board shall at all times comprise at least three independent non-executive Directors that represent at least one-third of the Board, such that there is always a strong element of independence on the Board which can effectively exercise independent judgement.

All the Directors, including the independent non-executive Directors, are given equal opportunity and channels to communicate and express their views to the Board and have separate and independent access to the management of the Group in order to make informed decisions. The chairman of the Board will hold meetings with the independent non-executive Directors without the involvement of other Directors at least annually to discuss any issues and concerns.

Any Director or his/her associate who has a conflict of interest in a matter to be considered by the Board will be dealt with by a physical Board meeting rather than by written resolutions. Such Director will be required to declare his/her interests before the meeting and abstain from voting and not counted towards the quorum on the relevant resolutions. Independent non-executive Directors who, and whose associates, have no interest in the matter should attend the Board meeting.

The Board has reviewed and considered that the mechanisms are effective in ensuring that independent views and input are provided to the Board from the Listing Date to the date of this annual report.

Term of Appointment of Directors

Code provision B.2.2 of the Corporate Governance Code provides that every Director, including those appointed for a specific term, shall be subject to retirement by rotation at least once every three years. The term of office of each Director shall be three years. The current term of the Directors (being the fourth session of the Board) commenced on 2 March 2026, which was the date of Shareholders' approving their appointment. Upon maturity of the term of office, Directors shall be eligible to offer himself/herself for re-election and re-appointment in accordance with the provisions of the Articles of Association but the independent non-executive Directors should not hold office for more than nine consecutive years except for the other requirements of relevant law and regulations.

Directors' Training and Professional Development

Directors should participate in appropriate continuing professional development to develop and refresh their knowledge and skills. The Company has arranged training for its Directors and provided them with reading material on relevant topics. Every newly appointed Director shall receive a formal and comprehensive induction on the first occasion of his/her appointment to ensure appropriate understanding of the business and operations of the Company. In addition, all the Directors have received formal and comprehensive training regarding their responsibilities and obligations under the Listing Rules and relevant laws. All the Directors have been trained in respect of the duties and responsibilities of Directors, the relevant laws and regulations applicable to Directors and the duty of disclosure of interests, and have read materials relevant to the Company's business or the Directors' functions and powers.

On 16 May 2025, all the Directors obtained legal advice referred to in Rule 3.09D of the Listing Rules and confirmed that they understood their obligations as a director of a listed issuer.

During the Reporting Period, all Directors regularly attended meetings and were kept informed of the amendments to or updates of relevant laws, regulations and rules. All Directors have kept abreast of the latest developments in the Listing Rules and other applicable regulatory requirements to ensure compliance with relevant provisions and to enhance their knowledge of good corporate governance practices. In addition, since the Listing Date, the Company has been systematically implementing training and continuing professional development for its Directors and senior management, encouraging all Directors and senior management to participate in relevant training courses, and requiring them to submit records relating to training to the Company annually.

BOARD COMMITTEES

Audit Committee

The Company has established the Audit Committee with written terms of reference in compliance the Listing Rules. The primary duties of the Audit Committee are to (i) review and supervise the financial reporting process and internal control system of the Group, risk management and internal audit; and (ii) provide advice and comments to the Board and perform other duties and responsibilities as may be assigned by the Board.

As at the date of this annual report, the Audit Committee consists of three independent non-executive Directors, namely Ms. Zheng Dongyu, Mr. Xia Hongying and Mr. Wong Hok Bun Mario. The chairman of the Audit Committee is Mr. Wong Hok Bun Mario, who has been a certified public accountant by the Hong Kong Institute of Certified Public Accountants in July 2005, a chartered financial analyst by the Chartered Financial Analyst Institute in December 2008 and a member by The Australasian Institute of Mining and Metallurgy in May 2015.

During the Reporting Period, the Audit Committee of the Company held three meetings, which were attended by all Committee members. The Committee reviewed and approved the Internal Audit Management System《內部審計管理制度》of the Group and the internal audit plan for the second half of 2025 to improve the internal supervision system. Meanwhile, it reviewed the proposal on the Company's estimated new guarantees for 2025 and considered and approved important resolutions including the 2025 Interim Report《二零二五年半年度報告》of the Company, the Proposal on the 2025 Interim Profit Distribution Plan《關於二零二五年半年度權益分派預案》and the Proposal on the Correction of Prior Period Accounting Errors《關於前期會計差錯更正》. From the Listing Date up to the date of this Report, the Audit Committee held a further two meetings: It reviewed and approved the relevant fees and engagement terms for the reappointment of KPMG as the auditor of the Company's financial statements and the provider of non-audit services for the year 2025; during the annual audit, the Committee maintained dedicated communication with the auditors and held thorough discussions on key matters of concern in the audit; finally, the Committee reviewed the audited financial information of the Group for the year ended 31 December 2025, and conducted a comprehensive assessment of the effectiveness of the relevant accounting policies, internal control and risk management, as well as the internal audit function.

Remuneration and Appraisal Committee

The Company has established the Remuneration and Appraisal Committee with written terms of reference in compliance with the Listing Rules. The primary duties of the Remuneration Committee are to (i) establish, review and provide advices to the Board on the Company's policy and structure concerning remuneration of the Directors and senior management and on the establishment of a formal and transparent procedure for developing policies concerning such remuneration; (ii) determine the terms of the specific remuneration package of each executive Director and senior management; (iii) review and approve performance-based remuneration by reference to corporate goals and objectives resolved by the Directors from time to time; and (iv) to review and/or approve matters relating to share schemes under Chapter 17 of the Listing Rules, if any.

As at the date of this annual report, the Remuneration and Appraisal Committee consists of one executive Director and two independent non-executive Directors, namely Ms. Yuan Mei, Ms. Zheng Dongyu and Mr. Xia Hongying. The chairman of the Remuneration and Appraisal Committee is Mr. Xia Hongying.

In determining the remuneration of Directors the Remuneration Committee will consider the remuneration level of comparable companies, the time commitment and responsibilities of the Directors and employment conditions, individual performance of respective Directors and the Company's performance. No Director shall be involved in deciding his/her own remuneration.

As the Company was listed on the Stock Exchange of Hong Kong Limited in January 2026, the Remuneration and Appraisal Committee did not hold any meetings during the year ended 31 December 2025. From the Listing Date up to the date of this annual report, the Remuneration and Appraisal Committee held one meeting, which was attended by all Committee members. A summary of the work performed by the Remuneration and Appraisal Committee from the Listing Date up to the date of this annual report is set out below:

(i) Reviewed, discussed and determined the annual remuneration package of Directors for 2026.

Nomination Committee

The Company has established the Nomination Committee with written terms of reference in compliance with the Listing Rules. The primary duties of the Nomination Committee are to (i) review the structure, size and composition of the Board on a regular basis and make recommendations to the Board regarding any proposed changes to the composition of the Board; (ii) identify, select or make recommendations to the Board on the selection of individuals nominated for directorship, and ensure the diversity of the Board members; (iii) assess the independence of the independent non-executive Directors; and (iv) make recommendations to the Board on relevant matters relating to the appointment, reappointment and removal of the Directors and succession planning for the Directors.

As at the date of this annual report, the Nomination Committee consists of one executive Director and two independent non-executive Directors, namely Mr. Yuan Rong, Ms. Zheng Dongyu and Mr. Wong Hok Bun Mario. The chairlady of the Nomination Committee is Ms. Zheng Dongyu.

As the Company was listed on the Stock Exchange of Hong Kong Limited in January 2026, the Nomination Committee did not hold any meetings during the year ended 31 December 2025.

From the Listing Date up to the date of this annual report, the Nomination Committee held one meeting, which was attended by all Committee members.

A summary of the work performed by the Nomination Committee from the Listing Date up to the date of this annual report is set out below:

(i) Put forward suggestions on the appointment of the Chairman of the 4th Board of Directors of the Company,

(ii) Put forward suggestions on the appointment of the general manager of the Company,

(iii) Put forward suggestions on the appointment of the secretary of the Board of the Company,

(iv) Put forward suggestions on the appointment of the chief financial officer of the Company, and

(v) Reviewed the employee diversity policy.

Strategy Committee

The Company has established the Strategy Committee with written terms of reference in compliance with the Listing Rules. The primary duties of the Strategy Committee are to (i) reviewing and commenting on the overall development and strategy planning of the Company and advising the Board on related matters; (ii) reviewing and commenting on the operational, investment, financing plans and advising the Board on related matters; and (iii) supervising the implementation of the plans and the corporate government matters and advising the Board.

As at the date of this annual report, the Strategy Committee consists of two executive Directors and one independent non-executive Director, namely Mr. Yuan Rong, Mr. Yang Yongchang and Mr. Xia Hongying. The chairman of the Strategy Committee is Mr. Yuan Rong.

As the Company's Shares were listed on the Stock Exchange in January 2026, no meetings of the Strategy Committee were held during the Reporting Period. The Company will strictly comply with the requirements under the Listing Rules and other relevant laws and regulations to ensure that the Strategy Committee holds regular meetings, so as to effectively discharge its duties of providing recommendations on and supervising the overall strategy, major investment and financing plans of the Company.

GENERAL MEETINGS, BOARD OF DIRECTORS AND THE BOARD COMMITTEES' MEETINGS

As the Company's Shares were listed on the Stock Exchange in January 2026, the code provisions in relation to the number of board meetings and board committees meetings held during the Reporting Period set out in the CG Code were not applicable to the Company during Reporting Period.

As of 31 December 2025, the Board held 9 meetings and held 8 general meetings. The following table sets out the attendance of each Director at the meetings of the Board, Board committees and general meetings during the year ended 31 December 2025:

	Number of attendance/Number of meetings held					
Name of Director	Board	Audit Committee	Remuneration and Appraisal Committee	Nomination Committee	Strategy Committee	General meetings
Mr. Yuan Rong	9/9	–	–	0/0	0/0	8/8
Ms. Yuan Mei	9/9	–	0/0	–	0/0	8/8
Mr. Yang Yongchang	9/9	–	–	–	–	8/8
Ms. Zheng Dongyu	9/9	3/3	0/0	0/0	–	8/8
Mr. Xia Hongying	9/9	3/3	0/0	–	0/0	8/8
Mr. Wong Hok Bun Mario	5/5	3/3	–	0/0	–	4/4

During the period from the Listing Date up to the date of this report, the Board held two meetings and the Company held one general meeting. The following table sets out the attendance of each Director at the meetings of the Board and Board committees and general meetings from the Listing Date to the date of the annual report:

	Number of attendance/Number of meetings held					
Name of Director	Board	Audit Committee	Remuneration and Appraisal Committee	Nomination Committee	Strategy Committee	General meetings
Mr. Yuan Rong	2/2	–	–	1/1	0/0	1/1
Ms. Yuan Mei	2/2	–	1/1	–	0/0	1/1
Mr. Yang Yongchang	2/2	–	–	–	0/0	1/1
Ms. Zheng Dongyu	2/2	2/2	1/1	1/1	–	1/1
Mr. Xia Hongying	2/2	2/2	1/1	–	0/0	1/1
Mr. Wong Hok Bun Mario	2/2	2/2	–	1/1	–	1/1

NOMINATION POLICY

The Nomination Committee identifies suitably qualified individuals and makes recommendations to the Board for nomination as Directors to ensure that the members of the Board have the skills, experience, and multiple perspectives necessary to meet the business needs of the Company. The Nomination Committee will evaluate candidates based on the Company's business model and specific needs with reference to the following factors, including but not limited to the provisions of the Articles of Association, skills, experience and expertise, diversity, commitment, status, and independence.

The procedure for nominating Directors of the Company is as follows:

(i) To make nominations, the chairman of the Nomination Committee shall convene the Nomination Committee meeting and invite nominations from the Board members, if any, for consideration by the Nomination Committee prior to the meeting. The Nomination Committee may nominate candidates without nomination from the Board members.

(ii) The Nomination Committee conducts preliminary review on the qualifications and background of the candidates for Directors and submits qualified candidates to the Board for consideration; after consideration and approval by the Board, the candidates for Directors are submitted to the general meeting in the form of written proposal; the Nomination Committee or other organizations authorized by the Board are responsible for specific matters on the election of Directors.

(iii) In order to provide information on the candidates nominated by the Board for election at the general meeting and to invite Shareholders to provide nominations, the Company will issue a circular to the Shareholders, setting out the information on the candidates to the Shareholders in accordance with the applicable laws, rules and regulations.

(iv) Until such time as a circular to the Shareholders is issued, a nominee may not assume that he/she has been recommended by the Board for election at the general meeting.

(v) The proposal of the Nomination Committee shall be submitted to the Board for consideration and approval. After the nomination of the candidates for Directors has been considered and approved by the Board, it shall be submitted to the Shareholders' general meeting for approval.

The Nomination Policy sets out the factors for assessing the suitability of proposed candidates and their potential contributions to the Board, including but not limited to the following:

(i) Character and integrity;

(ii) Qualifications: including professional qualifications, skills, knowledge and experience relevant to the Company's business and corporate strategy;

(iii) Diversity in all aspects: including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills and length of service;

(iv) The Board's requirements for independent non-executive Directors and the independence requirements for proposed independent non-executive Directors under the Listing Rules;

(v) Commitment to the availability of time and relevant interests to fulfill the duties as a member of the Company's Board and/or Board committees.

The Nomination Committee shall also supervise and review the implementation of the Nomination Policy in due time and report to the Board annually.

DIRECTORS' AND SENIOR MANAGEMENT'S REMUNERATION POLICY

The Company has put in place a Directors' and senior management's remuneration policy to determine the remuneration packages of Directors and senior management. The objective of remunerating the Directors and senior management is to ensure that there is an appropriate level of remuneration to attract and retain experienced people of high calibre to oversee the Group's business and development.

The remuneration of Directors and senior management is determined with reference to the skills and knowledge of the Directors and senior management, their job responsibilities and level of involvement in the Group's affairs, the performance and profitability as well as remuneration benchmark in the industry and the prevailing market conditions. Remuneration comprises basic salaries, allowances, performance related bonuses and contributions to a pension scheme.

REMUNERATION OF SENIOR MANAGEMENT

Details of the remuneration of members of senior management and executive directors for the year ended 31 December 2025 are set out in Note 9 to the consolidated financial statements. None of the Directors had waived or agreed to waive the receipt of any emoluments during the year ended 31 December 2025.

The remuneration payable to members of senior management by band for the year ended 31 December 2025 is set out below:

Remuneration level (HKD)	Number of persons
0 – 1,000,000	2
1,000,001 – 2,000,000	1

BOARD DIVERSITY POLICY

The Board has adopted a board diversity policy which sets out the approach to achieve diversity on the Board. The Company recognizes and embraces the benefits of having a diverse Board and sees increasing diversity at Board level as an essential element in supporting the attainment of the Company's strategic objectives and sustainable development. The Company seeks to achieve Board diversity through the consideration of a number of factors, including but not limited to talents, skills, gender, age, ethnicity, experience, independence and knowledge.

The Directors have a balanced mix of knowledge and skills, including overall management and strategic development, human resources, accounting and financial management, and corporate governance. They obtained degrees in various disciplines including economic management, communications, economics, finance, accounting, law and engineering. The Company has three independent non-executive Directors with different backgrounds, representing half of the number of Directors. Taking into account the Group's existing business model and specific needs as well as the different background of the Directors, the composition of the Board satisfies the board diversity policy of the Company.

With regards to gender diversity on the Board, the Company recognizes the particular importance of gender diversity. The Board currently comprises two female Directors and four male Directors. The Board considers that the Company has achieved gender diversity at the Board level and targets to maintain the current level of female representation and in any event at least one female Director shall be seated on the Board. The Company will ensure that gender diversity is taken into account when recruiting staff members of mid to senior level and ensure that sufficient resources are available for providing appropriate trainings and career development to develop a pipeline of potential successors to the Board and maintain gender diversity.

The Company will continue to implement measures and steps to promote and enhance gender diversity at all levels. The Company will select potential Board candidates based on merit and his/her potential contribution to the Board while taking into account the board diversity policy and other factors. The Company will also take into consideration its own business model and specific needs from time to time. All Board appointments will be based on meritocracy and candidates will be considered against objective criteria, having due regard to the benefits of diversity on the Board.

The Nomination Committee is responsible for ensuring the diversity of the Board members and will review the board diversity policy from time to time to ensure its continued effectiveness.

EMPLOYEE DIVERSITY

The Group insists on the principle of fairness and voluntariness in recruitment, and does not impose any restrictive requirements on gender, ethnicity, nationality and region.

The indicators on employees of the Group, including senior management, as at 31 December 2025 are set out below:

	As at 31 December 2025	
Indicator	Number of persons	Percentage of total number of employees
Male employees	977	89.5%
Female employees	115	10.5%
Employees aged 30 and under	468	42.9%
Employees aged from 31 to 50	579	53.0%
Employees aged 51 or above	45	4.1%

The Group encourages gender diversity across its workplace. However, as the manufacturing and production industry in which the Group operates in is highly labour intensive, the roles which are required in regions the Group operates are generally taken up by males, such industry nature may make achieving gender diversity across the workforce more challenging for the Group. Nevertheless, to encourage diversity at workforce level, the Group has put in place appropriate recruitment and selection practices such that a diverse range of candidates with different age, gender and experiences are considered. The Group has also established talent management and training programs to provide career development guidance and promotion opportunities to develop a broad and diverse pool of skilled and experienced employees.

DIRECTORS' AND OFFICERS' INSURANCE

The Company has arranged for appropriate insurance cover for Directors' and officers' liabilities in respect of any legal actions against them arising out of the Company's business, and the insurance coverage will be assessed annually.

CORPORATE GOVERNANCE FUNCTION

The Board is responsible for performing the functions stipulated in code provisions A.2.1 in Part 2 of the Corporate Governance Code. Since the Listing Date, the Board formulated and reviewed the corporate governance policies and practices of the Company; reviewed and supervised the training and continuing professional development of Directors and senior management, as well as the Company's policies and practices in complying with legal and regulatory requirements; and formulated, reviewed and supervised the code of conduct and compliance manual for employees and Directors.

INTERNAL CONTROL AND RISK MANAGEMENT

The Company has established risk management systems with relevant policies and procedures that are appropriate for its business operations, in order to identify and monitor potential risks of the Company and their probability of occurrence in a timely manner, determine the Company's risk tolerance level and limit, and identify the losses arising from such risks. The overall objectives of the Company's risk management are to identify in advance any signs of risks through the risk confirmation and identification process, and take necessary pre-control measures in advance to avoid risks and reduce losses. For the risks that have occurred, they will first be controlled through the existing control measures, and then be controlled through compensatory measures, so as to minimize the losses arising from such risks.

The Group has established an internal control system to prevent and control risks and enhance its risk management standards. The components of the internal control system framework are set out below:

(i) Risk Management Organizational Structure

The Company's General Manager is responsible for the effectiveness of comprehensive risk management. His main responsibilities in comprehensive risk management include: formulating the company's overall risk management objectives, determining the Company's risk appetite and risk tolerance, reviewing and approving the risk assessment results and response plans for major Company events, and preparing the annual comprehensive risk management work report.

The Legal Manager is responsible for the daily work of comprehensive risk management, including: organizing the collection of various internal and external risk information, organizing risk assessments, organizing the formulation of risk management strategies, supervising the implementation of various risk controls, reporting the company's risk management information to the general manager monthly, preparing the Company's annual comprehensive risk management work report, and reporting and disclosing information externally as required.

The Company has its internal audit function to evaluate the adequacy and effectiveness of the risk management and internal control system of the Group. The Audit Manager is responsible for supervising and evaluating the comprehensive risk management, issuing a comprehensive risk management supervision and evaluation report, and reporting to the Audit Committee.

(ii) Risk Management Process:

(1) Risk Identification and Classification

Based on the Company's development goals and strategies, each department at the headquarters and its subordinate units break down and formulate annual production and operation management objectives, identify risks in various important business activities and key management and operational processes, and recognize relevant risks that may affect the achievement of objectives. Through risk identification, the sources of risks, main influencing factors, the affected objects and scope after the risks occur, and the possible manifestations of the risks are determined. Five main risks include strategic risks, financial risks, market risks, operational risks, and compliance risks.

(2) Risk management

The Company manages all types of risks according to the principle of "prevention first". Based on the different attributes of various risks, the Company adopts targeted risk response measures such as risk avoidance, risk reduction, risk transfer, and risk acceptance, and rationally allocates the human and financial resources required for risk management.

For significant and major risks, the Company's Legal Manager organizes relevant departments and affiliated units at the Company headquarters to complete the "Risk Response Measures Form", submits it to the heads of each department, compiles it, and submits it to the General Manager. After approval by the General Manager, the relevant departments and affiliated units organize and implement it.

Based on the implementation status of relevant departments and affiliated units, the Audit Manager conducts irregular inspections of the implementation of major risk response measures by relevant departments and affiliated units. This can be done through methods such as on-site interviews, questionnaires, and random checks of vouchers. All departments and affiliated units should actively cooperate with the risk management department's inspection work, truthfully reflect the situation, and report to the General Manager after compilation.

(3) Risk Monitoring and Reporting

Each year, the Legal Manager organizes all departments at headquarters and subsidiaries to prepare an annual comprehensive risk management work report. This report systematically summarizes the risk management work and its effectiveness in the previous stage, analyzes the risk situation facing the company in the next stage, and proposes corresponding risk management recommendations. After review by the General Counsel, it is submitted to the General Manager for review.

The Audit Manager should establish and improve the risk management audit system. Each year, the Audit Manager should independently supervise and evaluate whether relevant functional departments and subsidiaries can carry out risk management work in accordance with relevant regulations and the effectiveness of their work. An evaluation report should be issued, reviewed by the General Manager, and submitted to the Risk Control Committee for review. This work can be carried out in conjunction with the annual audit or special audit.

For deficiencies discovered during audit supervision and evaluation, special diagnosis, etc., the Audit Manager should analyze their nature, causes, and impact, propose rectification plans, and submit them to the Risk Control Committee for approval after review by the General Manager. The Audit Manager will track the implementation of the rectification of deficiencies based on the approved rectification plan.

Furthermore, since listing and for legal and financial reporting compliance, the Company has:

(a) Establishment of an Audit Committee to be responsible for overseeing our financial records, internal control procedures and risk management systems;

(b) Appointment of Ms. Wan Wing Yi Carol as the Company secretary to ensure our operations comply with relevant laws and regulations;

(c) Appointment of Quam Capital Limited (華富建業企業融資有限公司) as our compliance advisor to advise us on compliance with the Listing Rules;

(d) Engagement of external legal advisor to advise us on compliance with the Listing Rules and to ensure our compliance with relevant regulatory requirements and applicable laws where necessary.

Based on the internal control review conducted up to the date of this annual report, no material internal control deficiencies were identified.

The Board believes that, since the Listing Date, the Company's risk management and internal control system were effective and the overall risk level was within its acceptable level.

The Board is responsible for the Company's risk management and internal control systems and regularly reviews the effectiveness of such systems. Such risk management and internal control systems are designed to manage the risks associated with the achievement of business objectives but not to eliminate the risk of failure to achieve them. In addition, it can only make reasonable rather than absolute assurance that no material misstatement or loss will result.

Anti-corruption and anti-bribery

The Company's anti-corruption and anti-bribery policies are set out in the Employee Integrity Management System (《員工廉潔管理制度》), which serves to identify and address bribery or corrupt practices, professional ethics, and risks arising from fraud and corruption. All Directors, management and employees are strictly prohibited from accepting or offering bribes, kickbacks, commissions, unauthorized payments, or any other forms of bribery or corrupt conduct. All employees are required to sign an Employee Integrity Commitment (《員工廉正承諾書》) upon joining the Company. The Commitment incorporates the Company's anti-bribery policies, key procedures and code of conduct as an integral part of their employment contracts. Meanwhile, the Company provides regular and systematic training on professional ethics and compliance to all new and existing employees. The internal audit department is responsible for assessing and identifying risks arising from fraud and corruption at the company level, departmental level and account level respectively during the period from the beginning of the year up to 31 December 2025.

Whistleblowing

The Company has also established a whistleblowing policy, which is set out in the Employee Integrity Management System. Pursuant to such policy, the Company has put in place accessible reporting channels. The purpose of the whistleblowing policy is to establish reporting procedures for the Company's employees and other relevant external parties to report and escalate any suspected misconduct. Under the policy, the Group protects all whistleblowers from any form of retaliation. All information provided by whistleblowers will be kept strictly confidential.

Inside information

The Company maintains a policy on disclosure of inside information with reference to the Guidelines on Disclosure of Inside Information issued by the Securities and Futures Commission. The policy sets out procedures and internal controls for handling and disseminating inside information in an appropriate and timely manner, such as taking steps to determine sufficient details, conducting internal assessment of the matter and its possible impact on the Company, seeking professional advice when required and verifying the facts. Anyone in possession of the information must ensure such information is kept in strict confidentiality and is not allowed to buy or sell any securities of the Company until the information is fully disclosed to the public.

The Board has reviewed the risk management and internal control systems for the year ended 31 December 2025 to ensure their effectiveness and adequacy. The review covered all material controls, including financial, operational and compliance controls, as well as the risk management function.

DIRECTORS' RESPONSIBILITIES FOR FINANCIAL REPORTING IN RELATION TO FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the financial statements of the Company for the year ended 31 December 2025, which give a true and fair view of the condition of the Company and the Group and of the Group's results and cash flows.

The management has provided to the Board such explanation and information as are necessary to enable the Board to carry out an informed assessment of the Company's financial statements, which are put to the Board for approval. The Directors were not aware of any material uncertainties which may cast significant doubt upon the Group's ability to continue as a going concern.

The auditor's statement on its reporting responsibilities in respect of the Group's consolidated financial statements is set out in the Independent Auditor's Report in this annual report.

AUDITOR'S REMUNERATION

For the year ended 31 December 2025, the Company's remuneration to the external auditor of the Company, KPMG, in respect of its audit services was RMB7.26 million. Apart from this, the Company's external auditor provided non-audit services at a fee of RMB850,000.

For the year ended 31 December 2025, the analysis of remuneration paid to KPMG, the Company's external auditor, in respect of audit services and non-audit services is set out below:

Services provided to the Company	RMB'000
Audit services – audit fees for 2025	2,360
Audit services – fee of the auditor and reporting accountant for Listing	4,900
Non-audit services	850
Total	8,110

COMPANY SECRETARY

Ms. Wan Wing Yi Carol, a manager of SWCS Corporate Services Group (Hong Kong) Limited, an external professional corporate service provider of the Company, has been appointed as the company secretary of the Company. Ms. Yuan Mei, a Director and the secretaryof the Board, is the primary contact person who cooperates and communicates with Ms. Wan Wing Yi Carol on the Company's corporate governance matters.

During the year ended 31 December 2025, Ms. Wan Wing Yi Carol has received relevant professional training of not less than 15 hours respectively in accordance with Rule 3.29 of the Listing Rules. The biography of Ms. Wan Wing Yi Carol is set out in the section headed "Biographical Details of Directors and Senior Management" of this annual report.

SHAREHOLDERS' RIGHTS

Convening of General Meetings by Shareholders

Shareholders individually or in aggregate holding more than 10% of the Shares (excluding treasury shares) have the right to make a request to the Board to convene an extraordinary general meeting, and such proposal shall be made in writing to the Board.

The Board shall, in accordance with the requirements of laws, administrative regulations and the Articles of Association, give a written response within 10 days after receipt of the request on whether it agrees or disagrees to convene the extraordinary general meeting.

If the Board agrees to convene an extraordinary general meeting, it shall issue a notice of such general meeting within 5 days after a resolution is passed by the Board. Any change to the original proposal contained in the notice shall be subject to the consent of the relevant shareholders.

If the Board does not agree to convene an extraordinary general meeting or fails to make a response within 10 days upon receipt of the request, the shareholders individually or in aggregate holding more than 10% of the shares have the right to propose to the Audit Committee to convene an extraordinary general meeting, and such request shall be made in writing to the Audit Committee.

If the Audit Committee agrees to convene an extraordinary general meeting, it shall issue a notice of convening the general meeting within 5 days after receiving the request. Any changes to the original proposal contained in the notice shall be subject to approval by the relevant shareholders.

If the Audit Committee fails to issue a notice of general meeting within the prescribed time limit, the Audit Committee shall be deemed not to convene and preside over the general meeting, and shareholders who individually or in aggregate hold more than 10% of the shares (excluding treasury shares) of the Company for more than 90 consecutive days may convene and preside over the meeting by themselves.

Putting Forward Proposals at General Meetings

When convening a general meeting of the Company, the Board and the Shareholders individually or in aggregate holding 1% or more of the shares of the Company shall have the right to put forward proposals to the Company.

Shareholders individually or in aggregate holding 1% or more of the shares of the Company may put forward ad hoc proposal and submit it in writing to the convener 10 days before the general meeting.

The convener shall, within 2 days after receiving the proposal, issue a supplementary notice of general meeting to notify the content of the ad hoc proposal and submit such ad hoc proposal to the general meeting for consideration; except for any ad hoc proposal that violates the laws, administrative regulations, the Listing Rules, or requirements of other securities regulatory rules of the places where the shares of the Company are listed or the Articles of Association, or is not within the scope of the authority of the general meeting.

Except for the circumstances prescribed in the preceding paragraph, after the convener has issued the notice of the general meeting, no modification or addition may be made to the proposals contained in the notice of general meeting.

The convener shall issue a notice to all shareholders 21 days before an annual general meeting, or 15 days before an extraordinary general meeting. When the Company calculates the periods of “21 days” and “15 days” as mentioned in the preceding paragraph, the date on which the meeting is convened will be excluded, but the date on which the notice is issued will be included. With the consent of more than two-thirds of the voting rights held by the shareholders (including proxies) attending the extraordinary general meeting of the Company, the advance notice period of meeting may be waived, and it shall be recorded in the minutes of the meeting such that resolutions passed in that general meeting are legal and valid.

Enquiries to the Board

The Company maintains a website at www.jinxunec.com, where information on the Company's businesses and projects, key corporate governance policies and announcements, financial reports and other information are available for public access. Shareholders and investors may send written enquiries or requests to the Company by the following ways:

Address: 3/F, Block B, No. 1389 Changyuan North Road, Gaoxin District, Kunming, Yunnan Province, PRC

Email: IR@jinxunec.com

INVESTOR RELATIONS

Shareholders' Communication Policy

This policy aims to set out the provisions with the objective of ensuring the Shareholders are provided with equal and timely access to information about the Company, in order to enable the Shareholders to exercise their rights in an informed manner and to allow them to engage actively with the Company.

The Board will maintain an on-going dialogue with the Shareholders and will review this policy regularly to ensure its effectiveness.

Information will be communicated to the Shareholders through the Company's financial reports, annual general meetings and other general meetings that may be convened, as well as all the disclosures submitted to the Stock Exchange.

The Company's shareholder communication policy is set out in the Investor Relations Management System《投資者關係管理制度》, which aims to establish a systematic communication framework to facilitate two-way dialogue, enabling shareholders to effectively engage in the Company's affairs and exercise their rights.

To ensure that shareholders have equal and timely access to information, the Company communicates primarily through the following channels:

(a) statutory and corporate communications, including announcements, circulars, interim and annual reports;

(b) general meetings (including annual general meetings and extraordinary general meetings);

(c) investor and analyst briefings;

(d) press releases;

The Official Platforms mean the Company's website (www.jinxunec.com), which features an "Investor Relations" section, and the Stock Exchange website (www.hkexnews.hk). Corporate communications, listing documents, announcements, financial reports and other relevant information are published in full on the websites for public inspection.

Effective and timely dissemination of information to the Shareholders will be ensured at all times.

Shareholders may at any time make a request for the Company's information to the extent such information is publicly available.

Shareholders may contact investor relations via E-mail (IR@jinxunec.com) or make enquiries via telephone (+86 0871-65238475) for any question regarding this policy.

Since the Listing Date up to the date of this annual report, all corporate communications and regulatory announcements were published by the Company on its website and the website of the Stock Exchange in a timely manner.

In view of the above, the Board considers that the shareholders communication policy is effective since the Listing Date.

Dividend Policy

The payment and amounts of dividends (if any) depend on the Group's results of operations, cash flows, financial position, statutory and regulatory restrictions on the dividends to be paid by the Company, future prospects and other relevant factors. The declaration, payment and amount of dividends will be subject to the Company's discretion. Any declaration and payment as well as the amount of dividends will be subject to the Articles and the PRC laws and regulations. No dividend shall be declared or payable except out of profits and reserves lawfully available for distribution. Any proposed payment of dividends is also subject to the approval of the Shareholders.

The Company has formulated specific profit distribution policies which are set out in the Profit Distribution Management System (《利潤分配管理制度》). These policies are designed to regulate the Company's profit distribution practices, establish a scientific, sustainable and stable distribution mechanism, enhance the transparency of profit distribution, and effectively protect the legitimate rights and interests of small and medium-sized investors. The policies specify the forms of profit distribution, the specific conditions and ratios for cash dividends, and the decision-making mechanisms and procedures for profit distribution, and are in compliance with the Company Law of the People's Republic of China (《中華人民共和國公司法》) and other relevant laws, regulations and regulatory documents. No adjustment or change was made to the cash dividend policy since the Listing Date.

Based on the Group's operating performance, financial position and future funding requirements for the year ended 31 December 2025, the Board resolved, subject to the approval by the Shareholders, to distribute final cash dividends out of retained earnings to Shareholders participating in the distribution, with a proposed distribution of RMB3.3 (tax inclusive) in cash dividend for every 10 shares. No final dividend was distributed in respect of the year ended 31 December 2024. The difference in the decisions for dividend payouts is primarily attributable to the following reasons:

(a) **Significant improvement in operating performance:** For the year 2025, the Group achieved notable growth in both revenue and net profit, with substantial enhancement in overall profitability and cash flow position, providing a solid financial foundation for rewarding Shareholders.

(b) **Balancing Shareholder returns with sustainable development:** The Group has always been committed to striking a balance between delivering returns to Shareholders in the current term and supporting the long-term development of the Company. The decision in respect of the year 2024 focused on accumulating internal resources to seize development opportunities. In light of the excellent financial performance in the year 2025, the Group considers it appropriate and responsible to share the operating results with Shareholders in a timely manner, while continuing to meet its future funding requirements.

In light of the above, the Board considers the dividend policy for the year ended 31 December 2025 to be effective.

Constitutional Documents

There were no changes in the Articles of Association since the Listing Date up to the date of this annual report. The full text of the up-to-date Articles of Association is available on the Company's website (www.jinxunec.com) and the website of the Stock Exchange (www.hkexnews.hk).

Report of the Directors

The Board is pleased to present its Directors' report and the audited consolidated financial statements of the Company for the year ended 31 December 2025.

BUSINESS REVIEW

The Group's business review and its future business development, an analysis of the Group's business using financial key performance indicators, and a description of the principal risks and uncertainties facing the Group are set out in the section headed "Management Discussion and Analysis" in this annual report.

FINAL DIVIDEND

The Board proposed the distribution of a final dividend of RMB0.33 per Share (including tax) for the year ended 31 December 2025 (the "Final Dividend"), which will be subject to the approval of the Shareholders at the AGM.

The Final Dividend will be denominated and declared in RMB.

The Final Dividend payable to the holders of Non-H Shares will be paid in Renminbi.

The Final Dividend payable to the holders of H Shares will be paid in Hong Kong dollars, being HK$0.373371 per Share (including tax), calculated with reference to the exchange rate of RMB against Hong Kong dollars published by The People's Bank of China on 30 March 2026, which is one business days prior to the date of the passing of the relevant board resolution on 31 March 2026 at HKD:RMB = 1:0.88384.

Subject to obtaining approval of the Shareholders at the annual general meeting, the Final Dividend will be paid to the H Shareholders on or about Friday, 10 July 2026.

Subject to obtaining approval of the Shareholders at the annual general meeting, the Final Dividend will be paid to the Shareholders whose names appear on the register of members of the Company as at the close of business on Wednesday, 24 June 2026.

For the purpose of determining the entitlement of holders of H Shares to the Final Dividend, the H Share register of members of the Company will be closed from Monday, 22 June 2026 to Wednesday, 24 June 2026, both days inclusive, during which period no transfer of H Shares will be registered. The record date for determining the entitlement of holders of H Shares to the Final Dividend is Wednesday, 24 June 2026 (the Record Date). In order for holders of H Shares to qualify for the proposed Final Dividend, all properly completed share transfer forms together with the relevant share certificates must be lodged with the Company's H share registrar Computershare Hong Kong Investor Services Limited at 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, for registration no later than 4: 30 p.m. on Thursday, 18 June 2026.

DIVIDEND TAXATION

Under applicable PRC tax laws, regulations and rules, non-PRC resident individuals and non-PRC resident enterprises who are holders of the H Shares are subject to different tax obligations.

Under the Individual Income Tax Law of the PRC (2018 Revision)《(中華人民共和國個人所得税法(2018 修訂)》and its implementation regulations, non-PRC resident individuals are required to pay PRC individual income tax at a 20% rate for dividends received from the Company and the gains realized upon the sale or other disposition of the H Shares held by them. The Company is required to withhold such tax from dividend payments, unless applicable tax treaties between China and the jurisdictions in which the foreign individuals reside, reduce or provide an exemption for the relevant tax obligations. Generally, a tax rate of 10% shall apply to the dividends paid by domestic non-foreign-invested enterprises issuing shares in Hong Kong to overseas resident individuals, pursuant to Circular of the State Administration of Taxation on Individual Income Tax Collection Issues upon Abolishment of Document Guoshuifa [1993] No. 045《國家税務總局關於國税發[1993] 045號文件廢止後有關個人所得税徵管問題的通知》. Where the 10% tax rate is not applicable, the withholding company shall: (i) return the excessive tax amount pursuant to the relevant procedures if the applicable tax rate is below 10%; (ii) withhold such income tax payable by the foreign individual at the applicable tax rate if the applicable tax rate is between 10% and 20%; and (iii) withhold such foreign individual income tax at a rate of 20% if no double tax treaty is applicable.

For non-PRC resident enterprises that are set up in accordance with the law of the foreign country (region) whose actual administration institution is outside China, but have set up institutions or establishments in China or, without institutions or establishments set up in China but have income originating from China, under the EIT Law, dividends paid by the Company and the gains realized by such non-PRC resident enterprises from the sales or other disposition of H Shares are subject to PRC enterprise income tax at a rate of 20%. In accordance with the EIT Law Implementation Rules and the Notice on the Issues Concerning Withholding the Enterprise Income Tax on the Dividends Paid by Chinese Resident Enterprise to Shareholders Which are Overseas Non-resident Enterprises《關於中國居民企業向境外 H 股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》issued by the State Taxation Administration of the PRC (中華人民共和國國家稅務總局), such tax rate has been reduced to 10%, which is subject to a further reduction under an applicable treaty or a special arrangement between China and the jurisdiction of the residence of the relevant non-PRC resident enterprise. On 21 August 2006, China and Hong Kong entered into the Arrangements between Mainland China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Incomes《內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排》, pursuant to which any non-resident enterprise registered in Hong Kong that holds directly at least 25% of the shares of the Company shall pay enterprise income tax for the dividends declared and paid by the Company at a tax rate of 5% subject to the satisfaction of certain conditions such as approval by the relevant PRC tax authority.

Shareholders are recommended to consult their tax advisors regarding the ownership and disposal of H Shares in the PRC and in Hong Kong and other tax effects.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares) as defined under the Listing Rules since the Listing Date and up to the date of this annual report.

As of 31 December 2025, the Group did not hold any treasury shares.

SHARE CAPITAL

Details of movements in the share capital of the Company during the Reporting Period are set out in Note 28(b) to the financial statements.

DEBENTURES

The Company did not issue any debentures during the year ended 31 December 2025.

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

As far as the Board and the management are aware, the Group has complied in all material aspects with the relevant laws and regulations that have a significant impact on the business and operation of the Company. For the year ended 31 December 2025, there was no material breach of, or non-compliance with, applicable laws and regulations by the Group.

RESERVES AND DISTRIBUTABLE RESERVES

Details of movements in the reserves of the Group during the year ended 31 December 2025 are set out in the consolidated statement of changes in equity and in the section headed Consolidated Statement of Changes in Equity in this annual report.

As at 31 December 2025, the Company's aggregate amount of reserve available for distribution to equity Shareholders was approximately RMB93.68 million.

PRE-EMPTIVE RIGHTS

According to the PRC laws and the Articles of Association, there is no arrangement for the rights of pre-emption.

TAX RELIEF AND EXEMPTION TO HOLDERS OF LISTED SECURITIES

The Company is not aware of any tax relief or exemption available to the Shareholders due to their holding of the Company's securities. Shareholders should seek expert advice if they are unsure of the tax implications of purchasing, holding, selling, dealing in the Shares, or exercising any of the rights attached to them.

EQUITY LINKED AGREEMENTS

During the year ended 31 December 2025, no equity-linked agreement was entered into by the Group.

BOARD OF DIRECTORS

The Directors since the Listing Date and up to the date of this annual report are set out below:

Executive Directors

Mr. Yuan Rong *(Chairman)*
Ms. Yuan Mei
Mr. Yang Yongchang

Independent Non-executive Directors

Ms. Zheng Dongyu
Mr. Xia Hongying
Mr. Wong Hok Bun Mario

SERVICE CONTRACTS AND APPOINTMENT LETTERS OF DIRECTORS

Each of the Directors entered into a service contract or appointment letter with the Company for a term of three years. The principal particulars of these service contracts and appointment letters comprise (a) the term of the service; (b) subject to termination in accordance with their respective term; and (c) a dispute resolution provision. The service contracts and appointment letters may be renewed in accordance with the Articles of Association and the applicable laws, rules and regulations from time to time.

None of the Directors has or is proposed to have a service contract with any member of the Group which is not determinable within one year without payment of compensation, other than statutory compensation.

MATERIAL INTERESTS OF DIRECTORS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

During the year ended 31 December 2025, no Director or any entity connected with the Directors of the Company was materially interested in, either directly or indirectly, any transactions, arrangements or contracts of significance relating to the business of the Company to which the Company or any of its subsidiaries is a party.

INTERESTS OF DIRECTORS IN COMPETING BUSINESS

During the year ended 31 December 2025, no Directors or any of their respective associates (as defined in the Listing Rules) had any interest in a business (other than being a Director of the Company and/or its subsidiaries) which competes or is likely to compete with the Company's business.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ITS ASSOCIATED CORPORATIONS

As the Company's H Shares were listed in January 2026, Divisions 7 and 8 of Part XV of the SFO and Section 352 of the SFO were not applicable to the Directors or chief executives of the Company during the Reporting Period.

As far as the Company is aware, as of the Latest Practicable Date, the interests and/or short positions (if applicable) of the Directors and the chief executives of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations of our Company (within the meaning of Part XV of the SFO), which were required (a) to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have taken under such provisions of the SFO); or (b) pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) to be notified to our Company and the Stock Exchange pursuant to the Model Code, were as follows:

Name of Director	Nature of interest	Class of Shares[2]	Number of Shares[1]	Percentage of the total issued share capital of the Company[6]
				(Approximate)
Mr. Yuan Rong[3]	Beneficial owner	Non-H Shares	101,230,612 (L)	66.35%
	Interest in controlled corporation	Non-H Shares	8,973,467 (L)	5.88%
Ms. Yuan Mei[4]	Interest in controlled corporation	Non-H Shares	8,973,467 (L)	5.88%

Notes:

(1) The letter "L" denotes a long position in the Shares.

(2) Non-H Shares and H Shares are regarded as two different types of Shares. For the avoidance of doubt, both Non-H Shares and H Shares are ordinary Shares in the share capital of the Company, and are considered as one class of Shares.

(3) Heli Investment (the share incentive platform) is owned as to 10% by its general partner, Mr. Yuan, who manages its daily affairs and exercises the voting rights on behalf of Heli Investment as the Shareholder. Heli Investment has 19 limited partners, including Ms. Yuan Mei, the executive Director and Mr. Yuan's sister, who owns approximately 69.32%, Mr. Yang Yongchang, the executive Director, who owns approximately 4.02%, Mr. Chen Weijun, a director of Jinxun Anhui, who owns approximately 0.23% and 15 existing employees and one former employee who collectively owns approximately 16.43% as of the Latest Practicable Date. For the purpose of the SFO, Mr. Yuan is deemed to be interested in the interest held by Heli Investment.

(4) Ms. Yuan Mei is a limited partner holding approximately 69.32% in Heli Investment. For the purpose of the SFO, Ms. Yuan is deemed to be interested in the Shares held by Heli Investment.

(5) This calculation is based on the total number of 110,296,643 Non-H Shares and 42,280,400 H Shares as at the the date of this report. Save as disclosed above and to the best knowledge of the Company, as of the Latest Practicable Date, none of the Directors or chief executive of the Company had any interest or short position in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities) as recorded in the register required to be kept by the Company under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

INTERESTS OF PERSONS OTHER THAN THE DIRECTORS AND CHIEF EXECUTIVE IN SHARES AND UNDERLYING SHARES

As the Company's H Shares were listed in January 2026, Divisions 7 and 8 of Part XV of the SFO and Section 352 of the SFO were not applicable to the substantial shareholders of the Company during the Reporting Period.

As of the Latest Practicable Date, the following persons other than the Directors and chief executive of the Company had interests or short positions in the Shares or underlying Shares of the Company as recorded in the register required to be kept by the Company under section 336 of the SFO:

Name of Shareholder	Nature of interest	Description of Shares[2]	Number of Shares[1]	Percentage of the total issued H Shares of the Company[4]	Percentage of the total issued Non-H Shares of the Company[4]	Percentage of the total issued share capital of the Company[4]
Glencore International AG	Beneficial owner	H Shares	7,780,800 (L)	18.40%	–	5.10%

Name of Shareholder	Nature of interest	Description of Shares[2]	Number of Shares[1]	Percentage of the total issued H Shares of the Company[4]	Percentage of the total issued Non-H Shares of the Company[4]	Percentage of the total issued share capital of the Company[4]
Glencore PLC	Interest in controlled corporation	H Shares	7,780,800 (L)	18.40%	–	5.10%
JPMorgan Chase & Co	Beneficial owner	H Shares	430,800 (L)	1.02 %		0.28%
			430,800 (S)	1.02 %		0.28%
	Person having security interest	H Shares	3,684,200 (L)	8.71%		2.41%
	Approved Lending Agent	H Shares	1,269,399 (L)	3.00%		0.83%
J.P. Morgan Securities plc	Beneficial owner	H Shares	1,690,800 (L)	4.00%		1.11%
			1,157,200 (S)	2.74%		0.76%
	Person having security interest	H Shares	3,536,600 (L)	8.36%		2.32%
Stoneylake Global Alpha Fund	Beneficial owner	H Shares	5,183,600 (L)	12.26%		3.40%
Stoneylake Asset Management (Hong Kong) Limited	Investment manager	H Shares	5,183,600 (L)	12.26%		3.40%

Name of Shareholder	Nature of interest	Description of Shares[2]	Number of Shares[1]	Percentage of the total issued H Shares of the Company[4]	Percentage of the total issued Non-H Shares of the Company[4]	Percentage of the total issued share capital of the Company[4]
Templeton Asset Management Ltd.	Investment manager	H Shares	2,257,000 (L)	5.34%		1.48%
Morgan Stanley & Co. International plc	Beneficial owner	H Shares	1,854,800 (L)	4.39%		1.22%
			330,000 (S)	0.78%		0.22%
Morgan Stanley International Holdings Inc.	Interest in controlled corporation	H Shares	1,854,800 (L)	4.39%		1.22%
			330,000 (S)	0.78%		0.22%
Morgan Stanley International Limited	Interest in controlled corporation	H Shares	1,854,800 (L)	4.39%		1.22%
			330,000 (S)	0.78%		0.22%
Morgan Stanley Investments (UK)	Interest in controlled corporation	H Shares	1,854,800 (L)	4.39%		1.22%
			330,000 (S)	0.78%		0.22%
Morgan Stanley	Interest in controlled corporation	H Shares	2,073,818 (L)	4.9%		1.36%
			59,800 (S)	0.14%		0.04%
Heli Investment[3]	Beneficial owner	Non-H Shares	8,973,467 (L)	–	8.14%	5.88%

Notes:

(1) The letter "L" denotes a long position in the Shares and the letter "S" denotes a short position in the Shares.

(2) Non-H Shares and H Shares are regarded as two different types of Shares. For the avoidance of doubt, both Non-H Shares and H Shares are ordinary Shares in the share capital of the Company, and are considered as one class of Shares.

(3) Heli Investment (the share incentive platform) is owned as to 10% by its general partner, Mr. Yuan, who manages its daily affairs and exercises the voting rights on behalf of Heli Investment as the Shareholder. Heli Investment has 19 limited partners, including Ms. Yuan Mei, the executive Director and Mr. Yuan's sister, who owns approximately 69.32%, Mr. Yang Yongchang, the executive Director, who owns approximately 4.02%, Mr. Chen Weijun, a director of Jinxun Anhui, who owns approximately 0.23% and 15 existing employees and one former employee who collectively owns approximately 16.43% as of the Latest Practicable Date. For the purpose of the SFO, Mr. Yuan is deemed to be interested in the interest held by Heli Investment.

(4) This calculation is based on the total number of 110,296,643 Non – H Shares and 42,280,400 H Shares as at the Latest Practicable Date.

Save as disclosed above, to the best knowledge of the Company, as at the Latest Practicable Date, the Directors were not aware of any other person (other than the Directors or chief executive of the Company) who had interests or short positions in the Shares or underlying Shares of the Company which were recorded in the register required to be kept by the Company under section 336 of the SFO.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

At no time during the year ended 31 December 2025 were there any rights to acquire benefits by means of the purchase of Shares in or debentures of the Company granted to any Director or their respective spouse or children under 18 years of age, nor were there any such rights exercised by them. Also, there was no subsisting arrangement to which the Company, its holding company, or any of its subsidiaries or fellow subsidiaries is a party that would enable the Directors to acquire such rights in any other body corporate.

PERMITTED INDEMNITY PROVISION

During the Reporting Period and up to the date of this annual report, the Company has appropriate liability insurance in place for the Directors. Up to the date of this report, such insurance policies remain in full force and effect.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year ended 31 December 2025.

CHARITABLE DONATIONS

During the year ended 31 December 2025, the Group made charitable donations amounted to approximately RMB0.6 million.

MAJOR CUSTOMERS AND SUPPLIERS

Revenue attributable to the Group's five largest customers and the largest customer accounted for 63.9% and 26.7%, respectively, of the Group's total revenue for the year ended 31 December 2025.

Purchases attributable to the Group's five largest suppliers and the largest supplier accounted for 65.7% and 41.4%, respectively, of the Group's total purchases for the year ended 31 December 2025.

To the reasonable knowledge of the Directors, one of the Directors or any of their close associates (as defined in the Listing Rules) or any Shareholders (whom, to the best knowledge and belief of the Directors, own more than 5% of the Company's total issued share capital) had beneficial interest in the Group's five largest suppliers and customers for the year ended 31 December 2025.

CONTROLLING SHAREHOLDERS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

Neither the Company nor any of its subsidiaries entered into any significant contracts with the controlling shareholders of the Company or any of its subsidiaries for the year ended 31 December 2025.

RELATED PARTY TRANSACTIONS

Details of the related party transactions entered into by the Group during the year ended 31 December 2025 are set out in Note 32(c) to the consolidated financial statements. The related party transactions set out in the note above do not fall within the definition of "connected transaction" or "continuing connected transaction" under Chapter 14A of the Listing Rules.

MATERIAL LITIGATION

During the year ended 31 December 2025, the Group was not engaged in any material litigation or arbitration which could have a material effect on its financial condition or results of operations. So far as the Directors are aware, no such litigation or arbitration of material importance is pending or threatened against the Group.

AUDITOR

There has been no change in the auditor of the Company since the Listing Date. The consolidated financial statements for the year ended 31 December 2025 have been audited by KPMG.

PUBLIC FLOAT

Based on the information that is publicly available and to the knowledge of the Directors, since the Listing Date and up to the date of this annual report, the Company maintained sufficient public float in compliance with the Listing Rules.

RELATIONSHIP WITH STAKEHOLDERS

The Group recognizes that its various stakeholders, including employees, customers, suppliers and other business partners, are key to its success. The Group strives to maintain employment, cooperation and solid relationships with them in order to achieve sustainable development.

During the year ended 31 December 2025, the Group's customer base primarily consists of copper cathodes trading companies, copper concentrates and non-ferrous metal producers and traders in Chinese Mainland. The Group also serves state-owned enterprises in the mining and metallurgy industries in China. The Group has established procedures to handle customer complaints to ensure that customer complaints are handled in a prompt and timely manner.

During the year ended 31 December 2025, the suppliers of the Group are primarily commodity providers covering copper ore, nonferrous and chemical products.The Group maintains business cooperation relationship with suppliers through effective communication with them to ensure quality and delivery.

The Group places great importance on attracting and retaining qualified employees and is committed to investing in the employees' training and development. The Group emphasizes the training of employees in order to enhance their technical and product knowledge, as well as their personal development, job challenge and satisfaction, recognition, work environment, work safety and career advancement.

During the Reporting Period, the Group did not experience any material labor disputes with its employees or material difficulties in recruiting employees for its business operations.

PENSION PLAN

The employees of the Group's subsidiaries which operate in Mainland China are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute a certain proportion of its payroll costs to the central pension scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme.

As at 31 December 2025, no forfeited contributions were available to reduce the existing level of contributions payable by the Group.

SHARE INCENTIVE PLATFORM

For the purpose of awarding the Group's employees for their contributions to the Group and to incentivize them to further promote our development, Heli Investment was established in the PRC on 18 April 2016 as a share incentive platform to hold equity interests in our Company.

As at the Latest Practicable Date, there was no outstanding options or awards granted by the Company. As at the Latest Practicable Date, all of the awards under the platform have been granted and vested, and, as a result, the grantees held the partnership interest of our employee shareholding platforms.

Heli Investment is owned as to 10% by its general partner, Mr. Yuan, who manages its daily affairs and exercises the voting rights on behalf of Heli Investment as the Shareholder. Heli Investment has 19 limited partners, including Ms. Yuan Mei, the executive Director and Mr. Yuan's sister, who owns approximately 69.32%, Mr. Yang Yongchang, the executive Director, who owns approximately 4.02%, Mr. Chen Weijun, a director of Jinxun Anhui, who owns approximately 0.23% and 15 existing employees and one former employee who collectively owns approximately 16.43% as of the Latest Practicable Date.

The platform does not constitute a share scheme under Chapter 17 of the Listing Rules.

As at the Latest Practicable Date, there is no outstanding award. All of the awards under the platform has been granted and vested, and, as a result, the grantees held the partnership interest in the platform.

CONTINUING DISCLOSURE OBLIGATIONS UNDER THE LISTING RULES

The Company did not have any other disclosure obligations under Rules 13.20, 13.21 and 13.22 of the Listing Rules.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Group is committed to environmental protection and the Directors believe that the establishment and implementation of sound environmental, social and governance principles and practices will help increase the Group's investment value and provide long-term returns to the Group's stakeholders.

A separate environmental, social and governance report will be published on the Stock Exchange's website and the Company's website.

For and on behalf of the Board
Yuan Rong
Chairman of the Board, Executive Director and Chief Executive Officer

Hong Kong, 31 March 2026

Independent Auditor's Report

To the shareholders of Yunnan Jinxun Resources Co., Ltd.
(A joint stock company incorporated in the People's Republic of China with limited liability)

OPINION

We have audited the consolidated financial statements of Yunnan Jinxun Resources Co., Ltd. (the "Company") and its subsidiaries (the "Group") set out on pages 68 to 151, which comprise the consolidated statement of financial position as at 31 December 2025, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and notes, comprising material accounting policies information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (the "IASB") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") as issued by Hong Kong Institute of Certified Public Accountants ("HKICPA"). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTER

Key audit matter is the matter that, in our professional judgement, was of most significance in our audit of the consolidated financial statements of the current period. The matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Timing of revenue recognition	
Refer to note 4 to the consolidated financial statements and the accounting policies in note 2(v).	
The key audit matter	**How the matter was addressed in our audit**
The Group's revenue, amounted to RMB2,271 million for the year ended 31 December 2025, is generated from the production and sales of copper, cobalt hydroxide and trading business. Revenue from the sale of goods is recognised when control of the goods has transferred based on the terms of the sale contracts. In most cases, the control of goods is transferred upon delivery when the goods have been shipped from the Group's premises. In some other cases, the control of goods is transferred upon delivery at specific destination ports, plants or border points. We identified the timing of revenue recognition as a key audit matter because revenue is one of the key performance indicators of the Group and therefore there is an inherent risk of manipulation of timing of revenue recognition by management to meet specific targets or expectations.	Our audit procedures to assess timing of revenue recognition included the following: • assessing the design, implementation and operating effectiveness of management's key internal controls over revenue recognition; • inspecting selected sales contracts or sales orders to identify the terms of delivery and acceptance and assessing the revenue recognition criteria with reference to the requirements of the prevailing accounting standards;

KEY AUDIT MATTER (CONTINUED)

Timing of revenue recognition	
Refer to note 4 to the consolidated financial statements and the accounting policies in note 2(v).	
The key audit matter	**How the matter was addressed in our audit**
	• inspecting, on a sample basis, sales contracts or sale orders and goods delivery documents like loading sheets, weighbridge slips or customs declaration forms ("underlying documentation") for revenue transactions recorded during the year to assess whether the related revenue had been recognised in accordance with the Group's revenue recognition accounting policies; • obtaining confirmations from customers, on a sample basis, for the amount of sales during the year and balances of trade receivables as at the year end, and for unreturned confirmations, performing alternative procedures by comparing the sales amount of the transactions with relevant underlying documentation; • inspecting, on a sample basis, underlying documentation for revenue transactions recorded before and after the financial year end date to determine whether the related revenue had been recognised in the appropriate financial period; and • inspecting revenue transactions recorded during the reporting period which met specific risk-based criteria, enquiring of management about the reasons for such adjustments and comparing details of the adjustments with relevant underlying documentation.

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The directors are responsible for the other information. The other information comprises all the information included in the annual report, other than the consolidated financial statements and our auditor's report thereon. The other information is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The directors are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Chu Man Wai (practising certificate number: P04995).

KPMG
Certified Public Accountants
8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

31 March 2026

Consolidated Statement of Profit or Loss

	Note	2025 RMB'000	2024 RMB'000
Revenue	4	**2,271,071**	1,769,833
Cost of sales		**(1,752,221)**	(1,402,166)
Gross profit		**518,850**	367,667
Other income	5	**5,524**	1,865
Other gains and losses	6	**33,564**	(7,101)
Distribution and selling expenses		**(15,501)**	(11,626)
Administrative expenses		**(129,516)**	(81,173)
Profit from operations		**412,921**	269,632
Finance costs	7(a)	**(15,395)**	(26,870)
Profit before taxation	7	**397,526**	242,762
Income tax	8	**(68,703)**	(40,324)
Profit for the year		**328,823**	202,438
Other comprehensive income for the year			
Item that are or may be reclassified subsequently to profit or loss:			
Exchange differences on translation of financial statements of overseas subsidiaries		**(10,480)**	3,464
Other comprehensive income for the year		**(10,480)**	3,464
Total comprehensive income for the year		**318,343**	205,902
Earnings per share			
Basic and diluted (RMB)	11	**2.98**	1.84

Consolidated Statement of Financial Position

	Note	31 December 2025 RMB'000	31 December 2024 RMB'000
Non-current assets			
Property, plant and equipment	12	**765,785**	617,621
Intangible assets	13	**9,128**	9,433
Right-of-use assets	14	**19,925**	20,160
Deferred tax assets	27	**13,868**	11,041
Prepayments, deposits and other receivables	18	**123,047**	36,196
		931,753	694,451
Current assets			
Inventories	16	**776,079**	432,129
Trade receivables at amortised cost	17	**2,347**	264
Trade receivables at fair value through profit or loss ("FVTPL")	17	**37,353**	36,517
Prepayments, deposits and other receivables	18	**150,176**	81,554
Time deposit	19	**–**	5,000
Cash and cash equivalents	19	**295,170**	123,901
		1,261,125	679,365
Current liabilities			
Trade payables at amortised cost	20	**124,660**	82,868
Trade payables designated at FVTPL	20	**408,156**	271,527
Accrued expenses and other payables	21	**217,656**	104,402
Contract liabilities	22	**58,870**	62,782
Income tax payable	27	**82,225**	34,848
Bank and other borrowings	23	**350,719**	207,171
Lease liabilities	24	**121**	90
Financial liabilities at FVTPL	25	**251**	–
		1,242,658	763,688
Net current assets/(liabilities)		**18,467**	(84,323)
Total assets less current liabilities		**950,220**	610,128

Consolidated Statement of Financial Position (continued)

	Note	31 December 2025 RMB'000	31 December 2024 RMB'000
Non-current liabilities			
Bank and other borrowings	23	**86,099**	61,456
Lease liabilities	24	**341**	–
Provision for restoration, rehabilitation and environmental costs	26	**37,376**	10,746
Deferred tax liabilities	27	**3,247**	2,944
		127,063	75,146
NET ASSETS		**823,157**	534,982
CAPITAL AND RESERVES			
Share capital	28	**110,297**	110,297
Reserves	28	**712,860**	424,685
TOTAL EQUITY		**823,157**	534,982

Approved and authorised for issue by the board of directors on 31 March 2026.

Yuan Rong
Executive director

Yang Yong Chang
Executive director

Consolidated Statement of Changes in Equity

	Share capital RMB'000 (Note 28(b))	Capital reserve RMB'000 (Note 28(d))	Statutory reserve RMB'000 (Note 28(e))	Special reserves RMB'000 (Note 28(f))	Exchange reserve RMB'000 (Note 28(g))	Retained profits RMB'000	Total equity RMB'000
Balance at 1 January 2025	**110,297**	**43,725**	**22,238**	**–**	**7,860**	**350,862**	**534,982**
Changes in equity for 2025:							
Profit and total comprehensive income for the year	**–**	**–**	**–**	**–**	**(10,480)**	**328,823**	**318,343**
Appropriation to reserve	**–**	**–**	**5,578**	**3**	**–**	**(5,581)**	**–**
Employees share-based payments (Note 29)	**–**	**715**	**–**	**–**	**–**	**–**	**715**
Dividends declared (Note 28(c))	**–**	**–**	**–**	**–**	**–**	**(30,883)**	**(30,883)**
Balance at 31 December 2025	**110,297**	**44,440**	**27,816**	**3**	**(2,620)**	**643,221**	**823,157**
Balance at 1 January 2024	110,297	43,255	15,638	–	4,396	215,687	389,273
Changes in equity for 2024:							
Profit and total comprehensive income for the year	–	–	–	–	3,464	202,438	205,902
Appropriation to reserve	–	–	6,600	–	–	(6,600)	–
Employees share-based payments (Note 29)	–	470	–	–	–	–	470
Dividends declared (Note 28(c))	–	–	–	–	–	(60,663)	(60,663)
Balance at 31 December 2024	110,297	43,725	22,238	–	7,860	350,862	534,982

Consolidated Statement of Cash Flows

	Note	2025 RMB'000	2024 RMB'000
Operating activities			
Profit before taxation		**397,526**	242,762
Adjustments for:			
Depreciation of property, plant and equipment	7(c)	**46,116**	41,144
Depreciation of right-of-use assets	7(c)	**469**	668
Amortisation of intangible assets	7(c)	**658**	636
Expense for employees share-based payments	29	**715**	470
Finance costs	7(a)	**15,395**	26,870
Interest income	5	**(448)**	(175)
Net foreign exchange (gains)/losses	6	**(19,866)**	1,482
Impairment losses/(gains):			
– input value added tax ("VAT") receivables	6	**20,128**	(3,774)
– other financial assets under expected credit loss ("ECL") model	6	**622**	680
– property, plant and equipment		**–**	4,438
(Gains)/losses arising on fair value change of financial assets/liabilities at FVTPL		**(34,496)**	2,213
Net losses on disposal of property, plant and equipment	6	**48**	2,062
Changes in working capital:			
Increase in inventories		**(335,442)**	(247,048)
Increase in trade receivables and prepayments, deposits and other receivables		**(30,722)**	(31,134)
Increase in trade and other payables and accrued expenses		**267,123**	225,443
(Decrease)/increase in contract liabilities		**(3,912)**	34,793
Cash generated from operations		**323,914**	301,530
Income tax paid	27(a)	**(26,797)**	(8,972)
Net cash generated from operating activities		**297,117**	292,558

Consolidated Statement of Cash Flows (continued)

	Note	2025 RMB'000	2024 RMB'000
Investing activities			
Interest received		**448**	175
Payments for the purchase of property, plant and equipment and intangible assets		**(241,131)**	(171,386)
Proceeds from disposal of property, plant and equipment, net of transaction costs		**60**	210
Net cash used in investing activities		**(240,623)**	(171,001)
Financing activities			
Decrease/(Increase) in time deposits		**5,000**	(5,000)
Payments for costs incurred in connection with the proposed initial public offering of H shares		**(12,584)**	–
Dividends paid to shareholders of the Company		**(30,883)**	(60,663)
Proceeds from bank and other borrowings	19(b)	**597,125**	512,170
Repayment of bank and other borrowings	19(b)	**(427,319)**	(458,700)
Interest paid	19(b)	**(12,728)**	(25,962)
Capital element of lease rentals paid	19(b)	**(179)**	(241)
Interest element of lease rentals paid	19(b)	**(26)**	(10)
Net cash generated from/(used in) financing activities		**118,406**	(38,406)
Net increase in cash and cash equivalents		**174,900**	83,151
Cash and cash equivalents at 1 January	19(a)	**123,901**	39,876
Effect of foreign exchange rate changes		**(3,631)**	874
Cash and cash equivalents at end of the year	19(a)	**295,170**	123,901

Notes to Financial Statements

1 GENERAL INFORMATION

Yunnan Jinxun Resources Co., Ltd. (雲南金潯資源股份有限公司, the "Company") was established in the People's Republic of China (the "PRC") on 21 January 2010 as a limited liability company under the laws of the PRC and was converted into a joint stock limited liability company on 15 July 2016. Its shares have been quoted on the National Equities Exchange and Quotations (the "NEEQ") since February 2017 (Stock Code: 870844). The Company's H shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 9 January 2026.

The Company and its subsidiaries (together, the "Group") are principally engaged in the mineral processing, smelting and trading of non-ferrous metals.

2 MATERIAL ACCOUNTING POLICIES

(a) Statement of compliance

These financial statements have been prepared in accordance with IFRS Accounting Standards, which collective term includes all applicable individual International Financial Reporting Standards, International Accounting Standards ("IASs") and Interpretations issued by the International Accounting Standards Board ("IASB") and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). Material accounting policies adopted by the Group are disclosed below.

The IASB has issued certain new and revised IFRS Accounting Standards that are first effective or available for early adoption for the current accounting period of the Group and the Company. Note 2(e) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current accounting periods reflected in these financial statements.

(b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 December 2025 comprise the Company and its subsidiaries.

The financial statements are presented in Renminbi ("RMB") and all values are rounded to the nearest thousand (RMB'000) except when otherwise indicated.

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(c) Basis of measurement

The measurement basis used in the preparation of the financial statements is the historical cost basis except that the following assets and liabilities are stated at their fair value as explained in the accounting policies set out below:

- Trade receivables and trade payables under provisional priced sales arrangements (see Notes 2(g), 2(o) and 2(q)); and
- derivative financial instruments (see Note 2(g)).

(d) Use of estimates and judgements

The preparation of financial statements in conformity with IFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of IFRS Accounting Standards that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in Note 3.

(e) Changes in accounting policies

The Group has applied amendments to IAS 21, The effects of changes in foreign exchange rates – Lack of exchangeability issued by the IASB to these financial statements for the current accounting period. The amendments do not have a material impact on these financial statements as the Group has not entered into any foreign currency transactions in which the foreign currency is not exchangeable into another currency.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(f) Subsidiaries and associate

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Intra-group balances and transactions, and any unrealised income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see Note 2(k)(ii)), unless it is classified as held for sale (or included in a disposal group classified as held for sale).

(g) Derivative financial instruments

The Group holds derivative financial instruments to manage its commodity price risk exposures. The Group's derivative financial instruments mainly include copper future contracts and those embedded in provisional price arrangements.

Derivatives are initially measured at fair value. Subsequently, they are measured at fair value with changes therein recognised in profit or loss ("FVTPL").

Provisional price arrangements are initially measured at fair value. Subsequently, they are measured at FVTPL. (see Note 2(o) and Note 2(q)).

(h) Property, plant and equipment

Property, plant and equipment are stated at cost, which includes capitalised borrowing costs, less accumulated depreciation and any accumulated impairment losses (see Note 2(k)(ii)).

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components).

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Depreciation is recognised so as to write off the cost of assets other than construction in progress less their residual values over their estimated useful lives, using the straight-line method.

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(h) Property, plant and equipment (continued)

The estimated useful lives for property, plant and equipment (other than construction in progress) are as follows:

	Estimated useful lives
Buildings	10 – 20 years
Machinery equipment	10 years
Electronic, transportation equipment and others	3 – 5 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Construction in progress represents property, plant and equipment under construction, which is stated at cost less accumulated impairment losses (see Note 2(k)(ii)). Capitalisation of construction costs ceases and the construction in progress is transferred to property, plant and equipment when substantially all of the activities necessary to prepare the assets for their intended use are completed. No depreciation is provided in respect of construction in progress until it is substantially completed and ready for its intended use.

(i) Intangible assets

Intangible assets that have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses (see Note 2(k)(ii)).

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, if any, and is generally recognised in profit or loss.

The estimated useful lives of the exploitation certificate are determined based on the validity period of the exploitation certificate. The estimated useful lives for the exploitation certificate are 16 years.

Amortization methods, useful lives and residual values are reviewed annually and adjusted if appropriate.

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(j) Leased assets

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

(i) As a lessee

Where the contract contains lease component(s) and non-lease component(s), the Group has elected not to separate non-lease components and accounts for each lease component and any associated non-lease components as a single lease component for all leases.

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability, except for short-term leases that have a lease term of 12 months or less and leases of low-value assets. When the Group enters into a lease in respect of a low-value asset, the Group decides whether to capitalise the lease on a lease-by-lease basis. The lease payments associated with those leases which are not capitalised are recognised as an expense on a systematic basis over the lease term.

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is calculated using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and hence are charged to profit or loss in the accounting period in which they are incurred.

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation (see Note 2(h)).

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

In the consolidated statements of financial position, the current portion of long-term lease liabilities is determined as the present value of contractual payments that are due to be settled within twelve months after the reporting period.

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(j) Leased assets (continued)

(ii) As a lessor

The Group determines at lease inception whether each lease is a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to the ownership of an underlying assets to the lessee. Otherwise, the lease is classified as an operating lease.

When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. The rental income from operating leases is recognised in profit or loss on a straight line basis over the term of the leases.

(k) Credit losses and impairment of assets

(i) Credit losses from financial instruments

The Group recognises a loss allowance for expected credit losses ("ECLs") on financial assets measured at amortised cost (including cash and cash equivalents, trade receivables measured at amortised cost, input VAT receivables, other receivables, deposits and bank deposit and bank balances).

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all expected cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

The expected cash shortfalls are discounted using the following discount rates where the effect of discounting is material:

- fixed-rate financial assets, trade receivables, deposits and other receivables: effective interest rate determined at initial recognition or an approximation thereof;

- variable-rate financial assets: current effective interest rate.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(k) Credit losses and impairment of assets (continued)

(i) Credit losses from financial instruments (continued)

Measurement of ECLs (continued)

ECLs are measured on either of the following bases:

- 12-month ECLs: these are losses that are expected to result from possible default events within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months); and

- lifetime ECLs: these are losses that are expected to result from all possible default events over the expected lives of the items to which the ECL model applies.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-months ECLs:

- financial instruments that are determined to have low credit risk at the reporting date; and

- other financial instruments for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables measured at amortised cost are always measured at an amount equal to lifetime ECLs.

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(k) Credit losses and impairment of assets (continued)

(i) Credit losses from financial instruments (continued)

Significant increases in credit risk

When determining whether the credit risk of a financial instrument has increased significantly since initial recognition and when measuring ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment, that includes forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when:

– the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or

– the financial asset is 90 days past due.

The Group considers a financial instrument to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The Group recognises an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except FVOCI (with recycling) financial assets.

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(k) Credit losses and impairment of assets (continued)

(i) Credit losses from financial instruments (continued)

Credit-impaired financial assets

At each reporting date, the Group assesses whether a financial asset is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable events:

- significant financial difficulties of the debtor;
- a breach of contract, such as a default or past due event;
- it becoming probable that the borrower will enter into bankruptcy or other financial reorganisation;
- significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; or
- the disappearance of an active market for a security because of financial difficulties of the issuer.

Write-off policy

The gross carrying amount of a financial asset, lease receivable or contract asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(k) Credit losses and impairment of assets (continued)

(ii) Impairment of non-current assets

At the end of each reporting period, the Group reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units ("CGU"s).

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or CGU or a group of CGUs) is increased to the revised estimate of its recoverable amount, but not to an amount exceeding the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a CGU or a group of CGUs) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(l) Inventories

Inventories are stated at the lower of cost and net realisable value.

Costs of inventories are determined on the following bases:

- Purchased copper related materials and all other materials, including spare parts and consumables, are valued on weighted average basis.

- Finished products are valued at raw material cost plus costs of conversion, comprising labour costs and an attributable proportion of manufacturing overheads based on normal levels of activity.

Net realisable value represents the estimated selling price less any estimated costs of completion and the estimated costs necessary to make the sale.

When inventories are sold, the carrying amount of those inventories is recognised as cost of sales in the period in which the related revenue is recognised.

(m) Environmental rehabilitation

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the development or ongoing production of the production facilities. Costs arising from facility decommissioning and dismantling, removal or treatment of waste materials and site and land rehabilitation, discounted to net present value, are provided for and a corresponding amount is capitalised at the start of each project, as soon as the obligation to incur such costs arises. These costs are charged to profit or loss over the life of the operation through the depreciation of the asset and the unwinding of the discount on the provision. The cost estimates are reviewed periodically and are adjusted to reflect known developments which may have an impact on the cost estimates or life of operations. The cost of the related asset is adjusted for changes in the provision due to factors such as updated cost estimates, new disturbance and revisions to discount rates. The adjusted cost of the asset is depreciated prospectively over the life of the operation. The unwinding of the discount is shown as a finance cost in profit or loss.

Costs for restoration of subsequent site damage which is caused on an ongoing basis during production are provided for at their net present values and charged to profit or loss as production progresses. Where the costs of site restoration are not anticipated to be significant, they are expensed as incurred.

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(n) Contract liabilities

A contract liability is recognised when the customer pays non-refundable consideration before the Group recognises the related revenue (see Note 2(v)). A contract liability is also recognised if the Group has an unconditional right to receive non-refundable consideration before the Group recognises the related revenue. In such latter cases, a corresponding receivable is also recognised (see Note 2(o)).

(o) Trade and other receivables

A receivable is recognised when the Group has an unconditional right to receive consideration and only the passage of time is required before payment of that consideration is due.

Financial assets that do not meet the criteria for being measured at amortised cost or fair value to other comprehensive income ("FVTOCI") or designated as FVTOCI are measured at FVTPL.

Trade receivables under provisional priced sales arrangements are measured at FVTPL. Considering that the contractual cash flows of trade receivables vary depending on the market price at the date of final settlement, and do not give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Trade receivables at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss and is included in the "other gains and losses" line item.

(p) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, time deposits with banks and other financial institutions that are held for meeting short-term cash commitments, and other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents for the purpose of the consolidated cash flow statement. Cash and cash equivalents are assessed for ECL (see Note 2(k)(i)).

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(q) Trade and other payables

Trade and other payables are initially recognised at fair value. Subsequent to initial recognition, trade and other payables are stated at amortised cost or at FVTPL.

Trade payables other than those designated at FVTPL and other payables are subsequently measured at amortised cost, using the effective interest method.

For purchase contracts containing one or more embedded derivatives, IFRS 9 permits designating the entire combined contract as FVTPL.

Trade payables arising from provisional pricing arrangements of copper ores and other non-ferrous metal purchase are settled at final prices set at a specified future period after shipment by suppliers based on prevailing spot prices. These trade payables are designated at FVTPL.

(r) Interest-bearing borrowings

Interest-bearing borrowings are measured initially at fair value less transaction costs. Subsequently, these borrowings are stated at amortised cost using the effective interest method. Interest expense is recognised in accordance with Note 2(x).

(s) Employee benefits

(i) Short-term employee benefits and contributions to defined contribution retirement plans

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Obligations for contributions to defined contribution retirement plans are expensed as the related service is provided.

(ii) Retirement benefit costs

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

The employees of the Group's overseas subsidiaries are members of the state-managed retirement benefit schemes operated by local government. The subsidiaries are required to contribute a certain percentage of their payroll to the retirement benefit schemes to fund the benefits.

In addition, certain employees of the Group are members of the state-managed retirement benefit scheme operated by the PRC government and the Group contributes a certain percentage of their payroll to the retirement benefit scheme to fund the benefit.

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(s) Employee benefits (continued)

(iii) Share-based payments

The grant-date fair value of equity-settled share-based payments granted to employees is measured using market approach. The amount is generally recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service conditions at the vesting date. The equity amount is recognised in the capital reserve.

(iv) Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring that involves the payment of termination benefits.

(t) Income tax

Income tax expense comprises current tax and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

Current tax comprises the estimated tax payable or receivable on the taxable income or loss for the year and any adjustments to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects any uncertainty related to income taxes. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences;

- temporary differences related to investment in subsidiaries and associates to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

- those related to the income taxes arising from tax laws enacted or substantively enacted to implement the Pillar Two model rules published by the Organization for Economic Co-operation and Development.

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(t) Income tax (continued)

The Group recognised deferred tax assets and deferred tax liabilities separately in relation to its leases and decommissioning obligations;

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Deferred tax assets and liabilities are offset only if certain criteria are met.

(u) Provisions and contingent liabilities

Generally provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the liability.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, a separate asset is recognised for any expected reimbursement that would be virtually certain. The amount recognised for the reimbursement is limited to the carrying amount of the provision.

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(v) Revenue and other income

Income is classified by the Group as revenue when it arises from the sale of goods in the ordinary course of the Group's business.

Revenue is recognised when control over a product is transferred to the customer at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties such as value added tax or other sales taxes.

Further details of the Group's revenue and other income recognition policies are as follows:

(i) Sale of goods

Revenue from the sale of goods is recognised when control of the goods has transferred based on the terms of the sale contracts. In most cases, the control of goods is transferred upon delivery when the goods have been shipped from the Group's premises. In some other cases, the control of goods is transferred upon delivery at specific destination ports or plants.

The Group is the principal for its revenue transactions and recognises revenue on a gross basis, including the sale of products that are sourced externally. In determining whether the Group acts as a principal or as an agent, it considers whether it obtains control of the products before they are transferred to the customers. Control refers to the Group's ability to direct the use of and obtain substantially all of the remaining benefits from the products.

The Group sells copper products under provisional pricing arrangements where final grades of copper, gold, silver and cobalt in copper products are agreed based on third-party examination and final prices are set at a specified date based on market prices. Revenues are recognised using forward prices for the expected date of final settlement. The period between revenue recognition and final settlement is within one to three months. The contractual cash flows of trade receivable vary depending on the market price at the date of final settlement, and do not represent solely payments of principal and interest on the principal amount outstanding. Consequently, these trade receivables resulted from provisionally priced contracts are measured at FVTPL.

(ii) Interest income

Interest income is recognised using the effective interest method. The "effective interest rate" is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. In calculating interest income, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired). However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(v) Revenue and other income (continued)

(iii) Government grants

Government grants are recognised in the statement of financial position initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them. Grants that compensate the Group for expenses incurred are recognised as income in profit or loss on a systematic basis in the same periods in which the expenses are incurred.

(w) Translation of foreign currencies

Transactions in foreign currencies are translated into the respective functional currencies of group companies at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss.

The assets and liabilities of foreign operations are translated into RMB at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into RMB at the exchange rates at the dates of the transactions.

Foreign currency differences are recognised in OCI and accumulated in the exchange reserve.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence is lost, the cumulative amount in the exchange reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. On disposal of a subsidiary that includes a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation that have been attributed to the NCI shall be derecognised, but shall not be reclassified to profit or loss. If the Group disposes of part of its interest in a subsidiary but retains control. When the Group disposes of only part of an associate while retaining significant influence, the relevant proportion of the cumulative amount is reclassified to profit or loss.

(x) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(y) Related parties

(a) A person, or a close member of that person's family, is related to the Group if that person:

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or the Group's parent.

(b) An entity is related to the Group if any of the following conditions applies:

(i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.

(vi) The entity is controlled or jointly controlled by a person identified in (a).

(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(z) Segment reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

3 ACCOUNTING JUDGEMENTS AND ESTIMATES

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(a) Impairment assessment of property, plant and equipment

Property, plant and equipment is stated at costs less accumulated depreciation and impairment loss, if any. In determining whether an asset is impaired, the Group has to exercise judgement and make estimation, particularly in assessing: (i) whether an event has occurred or any indicators that may affect the asset value; (ii) whether the carrying value of an asset can be supported by the recoverable amount, in the case of value in use, the net present value of future cash flows which are estimated based upon the continued use of the asset; and (iii) the appropriate key assumptions to be applied in estimating the recoverable amounts including cash flow projections and an appropriate discount rate. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the CGU to which the assets are allocated, including allocation of corporate assets when a reasonable and consistent basis of allocation can be established, otherwise recoverable amount is determined at the smallest group of CGUs, for which the relevant corporate assets have been allocated. Changing the assumptions and estimations, including the discount rate or the growth rate in the cash flow projections, could materially affect the net present value used in the impairment test.

3 ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

(b) Restoration, rehabilitation and environmental costs

Provision is made for costs associated with restoration and rehabilitation of certain production facilities of the Group as soon as the obligation to incur such costs arises. Such restoration and closure costs are typical of mining, leaching and smelting industries and they are normally incurred at the end of the life of the production facilities. The costs are estimated on the basis of plant closure plans and the estimated discounted costs of dismantling and removing these facilities and the costs of restoration are capitalised reflecting the Group's obligations at that time. A corresponding provision is created on the liability side.

The capitalised asset is charged to profit or loss through depreciation over the life of the operation and the provision is increased during each reporting period via unwinding the discount on the provision. The management estimates are mainly based on the local legislation. The actual costs and cash outflows may differ from estimates because of changes in laws and regulations, changes in prices, analysis of site conditions and changes in restoration technology.

The Group provides for such costs in accordance with the statutory requirements.

(c) Income taxes

The Group is subject to taxes in a number of jurisdictions. Significant judgement is required in determining the tax position and the estimates and assumptions in relation to the provision for taxes, having regard to the nature and timing of their origination and compliance with the relevant tax legislation.

Deferred tax assets are recognised only if it is probable that future taxable profits will be available to utilise those temporary differences and losses, and the tax losses continue to be available having regard to the nature and timing of their origination and compliance with the relevant tax legislation associated with their recoupment. In addition, the applicable tax rate used in recognising deferred tax assets is determined by the forecast proportion of assessable income against gross sales and the timing of the usage of tax losses when the entity was granted income tax incentives.

(d) Impairment for input VAT receivables

In assessing the recoverable amount of input VAT receivables of certain overseas subsidiaries, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. The amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows.

4 REVENUE AND SEGMENT REPORTING

The Group is principally engaged in metal production and processing and trading business. Further details regarding the Group's principal activities are disclosed in Note 4(b).

(a) Revenue

(i) Disaggregation of revenue

Disaggregation of revenue from contracts with customers by major products or service lines and by the timing of revenue recognition is as follows:

	2025 RMB'000	2024 RMB'000
Revenue from contracts with customers within the scope of IFRS 15 and recognised at a point in time		
Disaggregated by major products lines		
Copper production and processing		
– Copper cathodes	**1,970,690**	1,228,967
– Copper concentrate	**1,173**	946
– Cobalt hydroxide	**10,739**	–
Cobalt production and processing		
– Ammonium sulfate	**72**	–
Trading revenue	**288,397**	539,920
	2,271,071	1,769,833

4 REVENUE AND SEGMENT REPORTING (CONTINUED)

(a) Revenue (continued)

(i) Disaggregation of revenue (continued)

Disaggregation of revenue from contracts with customers by geographic markets, based on the delivery location is as follows:

	2025 RMB'000	2024 RMB'000
Disaggregated by delivery location		
The Democratic Republic of the Congo ("DRC")	**1,395,926**	877,004
Zambia	**410,260**	352,912
Chinese Mainland	**350,913**	409,070
Peru	**113,972**	130,847
	2,271,071	1,769,833

Disaggregation of revenue from contracts with customers by geographic markets, based on the place of registration of the customers is as follows:

	2025 RMB'000	2024 RMB'000
Disaggregated by place of registration		
Singapore	**969,331**	406,455
Chinese Mainland	**397,227**	634,035
Switzerland	**368,402**	265,917
British Virgin Islands	**325,972**	266,201
Chinese Hong Kong	**96,089**	25,598
Luxembourg	**94,166**	170,167
Peru	**18,711**	514
Zambia	**1,173**	946
	2,271,071	1,769,833

During the year ended 31 December 2025 and 2024, the Group's customers with whom transactions have exceeded 10% of the total revenue of the Group in the respective years are as follows. Details of concentrations of credit risk arising from largest debtors are set out in Note 30(a).

4 REVENUE AND SEGMENT REPORTING (CONTINUED)

(a) Revenue (continued)

(i) Disaggregation of revenue (continued)

	2025 RMB'000	2024 RMB'000
Customer K	**607,341**	*
Customer B	**325,972**	266,201

* The corresponding customer did not contribute over 10% of the total revenue of the Group in the respective year.

The Group applies the practical expedient in paragraph 121(a) of IFRS 15 of not disclosing the transaction price allocated to the remaining performance obligation as the original expected duration of substantially all the contracts of the Group are within one year or loss.

(b) Segment reporting

The Group manages its businesses by divisions, which are organised by business lines (products and services). In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the following two reportable segments. No operating segments have been aggregated to form the following reportable segment.

- Metal production and processing – Production and sale of copper cathodes which are produced using the solvent extraction electrowinning technology, processing and sale of copper concentrate, and processing and sale of cobalt and related material.

- Trading business – Trading business for non-ferrous metal.

4 REVENUE AND SEGMENT REPORTING (CONTINUED)

(b) Segment reporting (continued)

(i) Segment results

For the purposes of assessing segment performance and allocating resources between segments, the Group's senior executive management monitors the results attributable to each reportable segment on the following bases:

Revenue and expenses are allocated to the reportable segments with reference to revenue generated by those segments and the expenses incurred by those segments. The measure used for reporting segment result is gross profit.

The Group's other operating income and expenses, such as other income, other gains and losses, distribution and selling expenses and administrative expenses are not measured under individual segments. The Group's most senior executive management monitor the Group's assets and liabilities as a whole, accordingly, no segment assets and liabilities is presented.

Disaggregation information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance is set out below.

	2025		
	Metal production and processing RMB'000	Trading business RMB'000	Total RMB'000
Revenue from external customers and reportable segment revenue	**1,982,674**	**288,397**	**2,271,071**
Reportable segment gross profit	**494,407**	**24,443**	**518,850**

	2024		
	Metal production and processing RMB'000	Trading business RMB'000	Total RMB'000
Revenue from external customers and reportable segment revenue	1,229,913	539,920	1,769,833
Reportable segment gross profit	337,782	29,885	367,667

5 OTHER INCOME

	2025 RMB'000	2024 RMB'000
Interest income	448	175
Government grants	3,111	266
Sale of spare parts and other materials	389	730
Others	1,576	694
	5,524	1,865

6 OTHER GAINS AND LOSSES

	2025 RMB'000	2024 RMB'000
Losses on disposal of property, plant and equipment, net	(48)	(2,062)
Impairment (losses)/reversals recognised in respect of		
– input VAT receivables (Note 18)	(20,128)	3,774
– financial assets under ECL	(622)	(680)
– property, plant and equipment (Note 12)	–	(4,438)
Foreign exchange gains/(losses), net	19,866	(1,482)
Gains/(losses) from changes in fair value of financial liabilities/assets at FVTPL		
– trade receivables at FVTPL	36,477	2,871
– trade payables designated at FVTPL	(1,007)	(94)
– other financial liabilities at FVTPL	(974)	(4,990)
	33,564	(7,101)

7 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging/(crediting):

(a) Finance costs

	2025 RMB'000	2024 RMB'000
Interest on bank and other borrowings	16,017	26,472
Interest on lease liabilities	26	10
Unwinding of discount (Note 26)	2,509	1,025
Less: interest expense capitalised into construction in progress (Note)	(3,157)	(637)
	15,395	26,870

Note: Interest on bank and other borrowings have been capitalised at a rate of 4.3% and 4.3% per annum during the years ended 31 December 2025 and 2024.

(b) Staff costs

	2025 RMB'000	2024 RMB'000
Salaries, wages and other benefits	95,259	70,332
Contributions to defined contribution retirement schemes	4,453	3,538
	99,712	73,870

7 PROFIT BEFORE TAXATION (CONTINUED)

(c) Other items

	2025 RMB'000	2024 RMB'000
Depreciation of property, plant and equipment (Note 12)	**46,116**	41,144
Amortisation of intangible assets (Note 13)	**658**	636
Depreciation of right-of-use assets (Note 14)	**469**	668
Total amortisation and depreciation	**47,243**	42,448
Lease payments not included in the measurement of lease liabilities	**1,484**	1,166
Cost of inventories (Note)	**1,779,703**	1,402,166
Auditor's remuneration	**2,510**	547
Listing expenses	**3,875**	–

Note: Cost of sales of inventories includes RMB44,626,000 (2024: RMB36,710,000) relating to staff costs, which are included in the respective total amounts disclosed separately above or in Note 7(b).

Cost of sales of inventories also includes RMB44,357,000 (2024: RMB39,884,000) relating to depreciation and amortisation expenses, which are also included in the respective total amounts disclosed separately above.

8 INCOME TAX IN THE CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(a) Taxation in the consolidated statements of profit or loss and other comprehensive income represents:

	2025 RMB'000	2024 RMB'000
Current tax (Note 27(a))		
– Income tax in the PRC	**13,770**	14,835
– Income tax in Singapore	**23,839**	4,021
– Income tax in Peru	**258**	578
– Income tax in DRC	**16,163**	14,517
– Income tax in Zambia	**17,157**	–
Provision for the year	**71,187**	33,951
Deferred tax (Note 27(b))		
(Reversal)/origination of temporary differences	**(2,484)**	6,373
	68,703	40,324

Income tax in the PRC is calculated at 25% on the estimated taxable profit.

Income tax in Singapore is calculated at 17% on the estimated taxable profit.

Income tax in Peru is calculated at 29.5% on the estimated taxable profit.

Income tax in DRC is calculated at 30% on the estimated taxable profit when 30% of the taxable profit exceeds 1% of gross sales, and calculated at 1% of gross sales when 30% of the taxable profit does not exceeds 1% of gross sales.

Income tax in Zambia is calculated at 30% on the estimated taxable profit.

The Group enjoyed the following income tax incentives:

8 INCOME TAX IN THE CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)

(a) Taxation in the consolidated statements of profit or loss and other comprehensive income represents: (continued)

- Tibet Huiyi Information Technology Co., Ltd. 西藏匯益信息科技有限公司("Tibet Huiyi") located in the PRC, is eligible for a 15% income tax rate from 1 January 2021 to 31 December 2030. Tibet Huiyi is also eligible for an additional 6% income tax rate relief (2024:6%).

- Upon meeting certain requirements for trading businesses in Singapore, Jinxun (Singapore) International Trade PTE. Ltd. ("Jinxun (Singapore)") is eligible for a 10% income tax rate for profit arising from certain specified commodities trading revenue from 1 April 2025 to 31 March 2028.

- In Singapore, the income tax is eligible for progressive tax relief. The subsidiary of the Company is eligible for 75% income tax relief when the profit before taxation is less than SGD10,000, 50% income tax relief when the profit before taxation is SGD10,000 or greater but less than SGD200,000.

Certain dividend income of Jinxun (Singapore) from subsidiaries in the PRC and DRC is subject to withholding tax at tax rate of 10%.

Certain dividend income of the Company and Jinxun (Singapore) from a subsidiary in Peru is subject to withholding tax at tax rate of 5%.

According to the Convention between the Republic of Zambia and the PRC for the Avoidance of Double Taxation, certain dividend income of the Company from a subsidiary in Zambia is subject to withholding tax at tax rate of 5%.

Certain dividend income of the Company from a subsidiary in Singapore is subject to withholding tax at tax rate of 10%.

8 INCOME TAX IN THE CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)

(b) Reconciliation between tax expense and accounting profit at applicable tax rates

	2025 RMB'000	2024 RMB'000
Profit before taxation	**397,526**	242,762
Tax at income tax rate in the PRC – for operations at 25%	**29,901**	36,852
Tax at income tax rate in Singapore – for operations at 17%	**38,334**	10,054
Tax at income tax rate in Peru – for operations at 29.5%	**(223)**	512
Tax at income tax rate in DRC – for operations at 30%	**669**	6,129
Tax at income tax rate in Zambia – for operations at 30%	**14,656**	4,215
Expected tax on profit before taxation, calculated at the rate applicable to profits	**83,337**	57,762
Effect of changes of tax rate	**4**	(149)
Effect of tax incentives granted to the Group	**(28,529)**	(21,414)
Tax effect of non-deductible expenses	**16,954**	8,225
Tax effect of deductible temporary differences not recognised	**1,407**	497
Tax effect of utilisation of prior years' unused tax losses previously and other deductible temporary differences not recognised	**–**	(416)
Tax effect of non-taxable income	**(4,470)**	(4,181)
Income tax	**68,703**	40,324

9 DIRECTORS' AND SUPERVISORS' EMOLUMENTS

Details of the emoluments of the directors and supervisors of the Company are as follows:

	Year ended 31 December 2025					
	Directors' fees RMB'000	Salaries, allowances and benefits in kind RMB'000	Discretionary bonuses RMB'000	Share option scheme RMB'000	Retirement scheme contributions RMB'000	Total RMB'000
Executive Directors:						
Mr. Yuan Rong	6	963	609	–	71	1,649
Ms. Yuan Mei	6	363	475	–	15	859
Mr. Yang Yongchang	6	385	364	86	15	856
Non-executive director:						
Mr. Li Mengtao Note (i)	–	–	–	–	–	–
Independent non-executive directors:						
Ms. Zheng Dongyu	60	–	–	–	–	60
Ms. Yao Ronghui Note (iii)	20	–	–	–	–	20
Mr. Xia Hongying	60	–	–	–	–	60
Mr. Wong Hok Bun Mario Note (v)	127	–	–	–	–	127
	285	1,711	1,448	86	101	3,631
Supervisors:						
Mr. Yan Lei Note (vi)	–	89	27	17	5	138
Mr. Zhu Zhiming Note (vi)	–	43	8	3	8	62
Ms. Wang Xiuxuan Note (ii)	–	27	4	–	2	33
Ms. Gao Chang Note (iv) (vi)	–	47	13	–	5	65
	–	206	52	20	20	298
	285	1,917	1,500	106	121	3,929

9 DIRECTORS' AND SUPERVISORS' EMOLUMENTS (CONTINUED)

Details of the emoluments of the directors and supervisors of the Company are as follows: (continued)

	Year ended 31 December 2024					
	Directors' fees RMB'000	Salaries, allowances and benefits in kind RMB'000	Discretionary bonuses RMB'000	Share option scheme RMB'000	Retirement scheme contributions RMB'000	Total RMB'000
Executive Directors:						
Mr. Yuan Rong	–	818	–	–	71	889
Ms. Yuan Mei	–	315	85	–	12	412
Mr. Yang Yongchang	–	379	86	86	15	566
Non-executive director:						
Mr. Li Mengtao	–	–	–	–	–	–
Independent non-executive directors:						
Ms. Zheng Dongyu	60	–	–	–	–	60
Ms. Yao Ronghui	60	–	–	–	–	60
Mr. Xia Hongying	60	–	–	–	–	60
	180	1,512	171	86	98	2,047
Supervisors:						
Mr. Yan Lei	–	155	79	29	9	272
Mr. Zhu Zhiming	–	74	19	6	13	112
Ms. Wang Xiuxuan	–	87	33	–	8	128
	–	316	131	35	30	512
	180	1,828	302	121	128	2,559

9 DIRECTORS' AND SUPERVISORS' EMOLUMENTS (CONTINUED)

Details of the emoluments of the directors and supervisors of the Company are as follows: (continued)

Notes:

(i) In February 2025, Mr. Li Mengtao resigned as a non-executive director of the Company.

(ii) In March 2025, Ms. Wang Xiuxuan resigned as a supervisor of the Company.

(iii) In May 2025, Ms. Yao Ronghui resigned as an independent non-executive director of the Company.

(iv) On 16 May 2025, Ms. Gao Chang was appointed as a supervisor of the Company for the period from 16 May 2025 to 14 January 2026.

(v) On 16 May 2025, Mr. Wong Hok Bun Mario was appointed as an independent non-executive director of the Company for the period from 16 May 2025 to 14 January 2026.

(vi) On 8 August 2025, the board of supervisors was cancelled which was approved by supervisors of the Company.

No amounts were paid or payable by the Group to the directors as an inducement to join or upon joining the Group or as compensation for loss of any office in connection with the management of the affairs of any member of the Group.

10 INDIVIDUALS WITH HIGHEST EMOLUMENTS

The number of directors, supervisors and other employees included in the five highest paid individuals for the years ended 31 December 2025 and 2024 are set forth below:

	2025 Number of individuals	2024 Number of individuals
Director	1	–
Other employees	4	5
	5	5

10 INDIVIDUALS WITH HIGHEST EMOLUMENTS (CONTINUED)

The emoluments of the directors and supervisors are disclosed in Note 9. The aggregate of the emoluments in respect of the remaining highest paid individuals are as followings:

	2025 RMB'000	2024 RMB'000
Salaries, allowances and benefits in kind	4,835	4,927
Discretionary bonuses	224	210
Share option scheme	570	58
Retirement scheme contributions	30	45
	5,659	5,240

The emoluments of the individuals who are not directors or supervisors and who are amongst the five highest paid individuals of the Group are within the following band:

	2025 Number of individuals	2024 Number of individuals
HK$500,001 to HK$1,000,000	–	1
HK$1,000,001 to HK$1,500,000	2	4
HK$1,500,001 to HK$2,000,000	1	–
HK$2,000,001 to HK$2,500,000	1	–
	4	5

For the years ended 31 December 2025 and 2024, no emoluments were paid or payable by the Group to these individuals as an inducement to join or upon joining the Group or as compensation for loss of office in connection with the management of the affairs of any member of the Group.

11 EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to equity shareholder of the Company of RMB328,823,000 (2024: RMB202,438,000), and the weighted average of 110,297,000 ordinary shares in issue during the year (2024: 110,297,000 ordinary shares).

(b) Diluted earnings per share

There were no dilutive potential ordinary shares outstanding during the years ended 31 December 2025 and 2024. Hence, the diluted earnings per share is the same as basic earnings per share.

12 PROPERTY, PLANT AND EQUIPMENT

	Buildings RMB'000	Machinery equipment RMB'000	Electronic and transportation equipment and others RMB'000	Construction in progress RMB'000	Total RMB'000
Cost:					
At 1 January 2024	241,913	153,471	53,304	101,608	550,296
Additions	–	20,280	16,856	119,457	156,593
Transfer from construction in progress	44,719	58,363	–	(103,082)	–
Disposals	(21)	(452)	(2,388)	(291)	(3,152)
Exchange adjustments	4,070	2,358	359	1,451	8,238
Other adjustments:	–	–	–	–	–
Provision for restoration, rehabilitation and environmental costs	191	–	–	–	191
At 31 December 2024 and 1 January 2025	**290,872**	**234,020**	**68,131**	**119,143**	**712,166**
Additions	**–**	**2,273**	**21,441**	**166,717**	**190,431**
Transfer from construction in progress	**82,693**	**81,043**	**11,050**	**(174,786)**	**–**
Disposals	**(64)**	**(1,389)**	**(686)**	**–**	**(2,139)**
Exchange adjustments	**(6,410)**	**(5,512)**	**(1,458)**	**(243)**	**(13,623)**
Other adjustments:	**–**	**–**	**–**	**–**	**–**
Provision for restoration, rehabilitation and environmental costs	**24,386**	**–**	**–**	**–**	**24,386**
At 31 December 2025	**391,477**	**310,435**	**98,478**	**110,831**	**911,221**
Accumulated depreciation:					
At 1 January 2024	(12,169)	(18,939)	(14,227)	–	(45,335)
Charge for the year	(14,251)	(17,984)	(12,233)	–	(44,468)
Written back on disposals	5	316	559	–	880
Exchange adjustments	(320)	(502)	(315)	–	(1,137)
At 31 December 2024 and 1 January 2025	**(26,735)**	**(37,109)**	**(26,216)**	**–**	**(90,060)**
Charge for the year	**(20,109)**	**(22,007)**	**(13,074)**	**–**	**(55,190)**
Written back on disposals	**14**	**537**	**311**	**–**	**862**
Exchange adjustments	**916**	**1,236**	**749**	**–**	**2,901**
At 31 December 2025	**(45,914)**	**(57,343)**	**(38,230)**	**–**	**(141,487)**

12 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Buildings RMB'000	Machinery equipment RMB'000	Electronic and transportation equipment and others RMB'000	Construction in progress RMB'000	Total RMB'000
Accumulated impairment:					
At 1 January 2024					
Charge for the year (Note)	(1,576)	(2,862)	–	–	(4,438)
Written back on disposals	–	–	–	–	–
Exchange adjustments	(16)	(31)	–	–	(47)
At 31 December 2024 and 1 January 2025	**(1,592)**	**(2,893)**	**–**	**–**	**(4,485)**
Written back on disposals	**–**	**444**	**–**	**–**	**444**
Exchange adjustments	**35**	**57**	**–**	**–**	**92**
At 31 December 2025	**(1,557)**	**(2,392)**	**–**	**–**	**(3,949)**
Net book value:					
At 31 December 2024	262,545	194,018	41,915	119,143	617,621
At 31 December 2025	**344,006**	**250,700**	**60,248**	**110,831**	**765,785**

As at 31 December 2025 and 2024, the Group pledged property, plant and equipment with a net carrying amount of RMB186,987,000 and RMB190,665,000 to secure loans amounting to RMB130,516,000 and RMB90,457,000 respectively.

At 31 December 2025, certificates of certain buildings in the PRC with an aggregate net book value of RMB51,620,000 (31 December 2024: RMB Nil) are yet to be obtained.

Note: In 2024, certain flotation facilities of Rong Xing Investments Limited ("Rong Xing Investments") were not expected to be used in future and was therefore fully impaired.

13 INTANGIBLE ASSETS

	Exploitation certificate RMB'000
Cost:	
At 1 January 2024	7,645
Additions	2,358
Exchange adjustment	113
At 31 December 2024 and 1 January 2025	**10,116**
Additions	**552**
Exchange adjustment	**(224)**
At 31 December 2025	**10,444**
Accumulated amortisation:	
At 1 January 2024	(37)
Charge for the year	(636)
Exchange adjustment	(10)
At 31 December 2024 and 1 January 2025	**(683)**
Charge for the year	**(658)**
Exchange adjustment	**25**
At 31 December 2025	**(1,316)**
Net book value:	
At 31 December 2024	9,433
At 31 December 2025	**9,128**

14 RIGHT-OF-USE ASSETS

	Properties leased for own use RMB'000	Interest in leasehold land held for own use RMB'000	Total RMB'000
Cost:			
At 1 January 2024	680	20,450	21,130
Additions	–	431	431
Expiration of lease term	(225)	–	(225)
Exchange adjustments	2	180	182
At 31 December 2024 and 1 January 2025	**457**	**21,061**	**21,518**
Additions	**551**	**111**	**662**
Expiration of lease term	**(453)**	**–**	**(453)**
Exchange adjustments	**(4)**	**(283)**	**(287)**
At 31 December 2025	**551**	**20,889**	**21,440**
Accumulated depreciation:			
At 1 January 2024	(356)	(551)	(907)
Charge for the year	(241)	(427)	(668)
Expiration of lease term	225	–	225
Exchange adjustments	(1)	(7)	(8)
At 31 December 2024 and 1 January 2025	**(373)**	**(985)**	**(1,358)**
Charge for the year	**(203)**	**(434)**	**(637)**
Expiration of lease term	**453**	**–**	**453**
Exchange adjustments	**6**	**21**	**27**
At 31 December 2025	**(117)**	**(1,398)**	**(1,515)**
Net book value:			
At 31 December 2024	84	20,076	20,160
At 31 December 2025	**434**	**19,491**	**19,925**

14 RIGHT-OF-USE ASSETS (CONTINUED)

Notes:

(i) Property leased for own use represents the right to use properties as its offices through tenancy agreements. The leases run for an initial period of 2 to 5 years.

(ii) Interest in leasehold land held for own use represented land use right premiums paid by the Group for land situated in the PRC, Zambia and DRC. Lump sum payments were made upfront for these interests in leasehold land, and there are no ongoing payments to be made under the terms of the land lease. The period for these land use rights is no more than 25 to 99 years.

(iii) As at 31 December 2025 and 2024, the Group pledged right-of-use assets with a net carrying amount of RMB14,145,000 and RMB14,493,000 to secure loans amounting to RMB130,516,000 and RMB90,457,000 respectively.

The Group does not have the option to renew or early terminate the lease and there are no significant restrictions or covenants imposed to the lease. None of the leases includes variable lease payments.

Details of the maturity analysis of lease liabilities are set out in Note 24.

15 INVESTMENTS IN SUBSIDIARIES

The Group

The following list contains only the particulars of subsidiaries which principally affected the results, assets or liabilities of the Group.

Name of company	Place of establishment and business	Date of establishment	Particulars of registered/ paid-in capital	The Group's effective interest	Held by the Company	Held by subsidiaries	Principal activities
Rong Xing Investments	Zambia	16 August 2016	Zambian Kwacha ("ZMW") 20,000/ZMW20,000	100%	99%	1%	Smelting, processing and sales of cathode copper and copper concentrate
Tibet Huiyi (Note (i))	The PRC	21 February 2017	RMB20,000,000/ RMB20,000,000	100%	100%	–	Mining trading business
Jinxun (Singapore)	Singapore	25 April 2018	Singapore Dollar ("SGD") 14,141,374/SGD14,141,374	100%	100%	–	Mining trading business
Jin Xun Congo Mining SARL	DRC	13 August 2018	United States Dollar ("USD") 10,000/USD10,000	100%	–	100%	Smelting and sales of cathode copper and cobalt
Minera Jinxun Peru S.A.C.	Peru	14 October 2020	Peruvian Nuevo Sol ("SOL") 2,168,054/SOL 2,168,054	100%	1%	99%	Mining trading business
Anhui Jinxun New Energy Material Co., Ltd. (Note (i)) 安徽金浔新能源材料有限公司("Jinxun Anhui")	The PRC	8 October 2022	USD20,000,000/ USD12,993,228	100%	–	100%	Manufacturing and sale of cobalt related material

(i) These entities were registered as limited liability companies under the laws and regulations in the PRC. The official names of the entities are in Chinese. The English translation is for identification only.

15 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

The Company

	2025 RMB'000	2024 RMB'000
Investments in subsidiaries, at cost	**183,986**	176,814

16 INVENTORIES

	2025 RMB'000	2024 RMB'000
Raw materials	**446,033**	230,502
Spare parts and consumables	**61,270**	28,396
Work in progress	**101,645**	79,981
Finished goods	**167,131**	93,250
	776,079	432,129

17 TRADE RECEIVABLES AT AMORTISED COST AND TRADE RECEIVABLES AT FVTPL

The Group

	2025 RMB'000	2024 RMB'000
Trade receivables at amortised cost-contracts with customers	2,471	278
Less: Allowance for credit losses	(124)	(14)
	2,347	264
Trade receivables at FVTPL – contracts with customers	37,353	36,517

Ageing analysis

The following is an ageing analysis of trade receivables at amortised cost, net of allowance for credit losses, presented based on the invoice dates:

	2025 RMB'000	2024 RMB'000
0 to 30 days	2,347	264

The following is an ageing analysis of trade receivables at FVTPL, presented based on the invoice dates:

	2025 RMB'000	2024 RMB'000
0 to 30 days	35,819	32,612
31 to 90 days	1,534	3,905
	37,353	36,517

17 TRADE RECEIVABLES AT AMORTISED COST AND TRADE RECEIVABLES AT FVTPL (CONTINUED)

The Company

	2025 RMB'000	2024 RMB'000
Trade receivables at amortised cost – contracts with customers	169,352	103,181
Less: Allowance for credit losses	(117)	–
	169,235	103,181
Trade receivables at FVTPL – contracts with customers	43	882

Included in the Company's trade receivables at amortised cost are balances with the following related parties:

	2025 RMB'000	2024 RMB'000
Trade receivables at amortised cost-subsidiaries	167,014	103,181

17 TRADE RECEIVABLES AT AMORTISED COST AND TRADE RECEIVABLES AT FVTPL (CONTINUED)

Ageing analysis

The following is an ageing analysis of trade receivables at amortised cost, net of allowance for credit losses, presented based on the invoice dates:

	2025 RMB'000	2024 RMB'000
0 to 30 days	**24,576**	16,795
31 to 90 days	**27,937**	9,415
91 to 180 days	**55,727**	10,951
181 to 365 days	**20,010**	20,972
Over one year	**40,985**	45,048
	169,235	103,181

The following is an ageing analysis of trade receivables at FVTPL, presented based on the invoice dates:

	2025 RMB'000	2024 RMB'000
0 to 30 days	**43**	153
31 to 90 days	**–**	729
	43	882

18 PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

The Group

	2025 RMB'000	2024 RMB'000
Non-current:		
Prepayments for property, plant and equipment	**58,535**	4,624
Deposits	**1,235**	301
Input VAT receivables (Note)	**89,706**	38,130
Less: loss allowance	**(26,429)**	(6,859)
	123,047	36,196
Current:		
Prepayments for inventories and others	**26,958**	14,748
Prepayments for costs incurred in connection with the proposed initial public offering of H shares	**22,629**	–
Input VAT receivables (Note)	**45,320**	30,989
Tax recoverable	**33,152**	18,795
Deposits	**24,796**	19,377
Other receivables	**541**	180
Less: loss allowance	**(3,220)**	(2,535)
	150,176	81,554
	273,223	117,750

18 PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES (CONTINUED)

The Company

	2025 RMB'000	2024 RMB'000
Non-current:		
Prepayments for property, plant and equipment	**57,012**	–
Current:		
Prepayments for costs incurred in connection with the proposed initial public offering of H shares	**22,629**	–
Prepayments for inventories and others (to third parties)	**9,364**	3,541
Deposits	**2,167**	287
Tax recoverable	**7,728**	3,801
Amounts due from subsidiaries	**13,558**	31,046
Other receivables	**90**	47
Less: loss allowance	**(336)**	(82)
	55,200	38,640

Note:

The gross carrying amount of input VAT receivables are primarily from the subsidiaries in Zambia and Peru. The impairment provision is estimated based on the present value of the estimated future cash flows, discounted using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the input VAT receivables for which the estimates of future cash flows have not been adjusted. As at 31 December 2025 and 2024, impairment provision amounting to RMB27,829,000 and RMB8,127,000 respectively in aggregate has been made on input VAT receivables.

19 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION

(a) Cash and cash equivalents comprise:

	2025 RMB'000	2024 RMB'000
Cash at bank and on hand	**295,170**	128,901
Less: time deposit	**–**	(5,000)
Cash and cash equivalents	**295,170**	123,901

The time deposits carry interest rates at 1.35% per annum during the year ended 31 December 2024.

19 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION (CONTINUED)

(b) Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Group's consolidated statements of cash flows as cash flows from financing activities.

	Bank and other borrowings RMB'000	Lease liabilities RMB'000	Total RMB'000
At 1 January 2024	213,211	328	213,539
Changes from financing cash flows:			
Financing cash flows			
Proceeds from new loans	512,170	–	512,170
Interest expenses	25,835	10	25,845
Repayment of loans	(458,700)	(241)	(458,941)
Interest paid	(25,962)	(10)	(25,972)
Exchange adjustments	2,073	3	2,076
At 31 December 2024 and 1 January 2025	268,627	90	268,717
Changes from financing cash flows:			
Financing cash flows			
Proceeds from new loans	**597,125**	**–**	**597,125**
New leases	**–**	**551**	**551**
Interest expenses	**12,860**	**26**	**12,886**
Repayment of loans	**(427,319)**	**(179)**	**(427,498)**
Interest paid	**(12,728)**	**(26)**	**(12,754)**
Exchange adjustments	**(1,747)**	**–**	**(1,747)**
At 31 December 2025	**436,818**	**462**	**437,280**

20 TRADE PAYABLES AT AMORTISED COST AND TRADE PAYABLES AT FVTPL

	2025 RMB'000	2024 RMB'000
Trade payables at amortised cost	**124,660**	82,868
Trade payables at FVTPL	**408,156**	271,527

The following is an ageing analysis of trade payables at amortised cost presented based on the invoice dates:

	2025 RMB'000	2024 RMB'000
0 to 30 days	**89,466**	58,545
31 to 90 days	**33,841**	19,505
91 to 180 days	**1,169**	2,506
181 to 365 days	**184**	208
Over one year	**–**	2,104
	124,660	82,868

The following is an ageing analysis of trade payables at FVTPL presented based on the invoice dates:

	2025 RMB'000	2024 RMB'000
0 to 30 days	**245,231**	254,244
31 to 90 days	**162,098**	16,272
91 to 180 days	**–**	–
181 to 365 days	**–**	53
Over one year	**827**	958
	408,156	271,527

All trade payables are expected to be settled within one year or are repayable on demand.

21 ACCRUED EXPENSES AND OTHER PAYABLES

The Group

	2025 RMB'000	2024 RMB'000
Payables for properties, plant and equipment and intangible assets	75,294	62,131
Payables for costs incurred in connection with the proposed initial public offering of H shares	10,045	–
Deposits	95,414	15,143
Others	12,637	11,585
Financial liabilities measured at amortised cost	193,390	88,859
Payroll payables	12,605	7,490
Other tax payables	11,661	8,053
	217,656	104,402

The Company

	2025 RMB'000	2024 RMB'000
Payables for properties, plant and equipment	3,504	3,449
Payables for costs incurred in connection with the proposed initial public offering of H shares	10,045	–
Deposits	15,030	15,030
Amounts due to subsidiaries	154,155	27,533
Others	2,516	1,503
Financial liabilities measured at amortised cost	185,250	47,515
Payroll payables	1,484	3,902
Other tax payables	3,447	171
	190,181	51,588

22 CONTRACT LIABILITIES

	2025 RMB'000	2024 RMB'000
Advance from customers	**58,870**	62,782

During each of years ended 31 December 2025 and 2024, respectively, revenue of RMB62,782,000 and RMB27,989,000 recognised was related to contract liabilities carried forward.

As at 31 December 2025 and 2024, all of contract liabilities is expected to be recognised as revenue within one year.

23 BANK AND OTHER BORROWINGS

(a) The Group's and Company's bank and other borrowings comprise:

The Group

	2025 RMB'000	2024 RMB'000
Bank loans:		
Guaranteed by related parties and/or third parties	**–**	66,098
Secured by property, plant and equipment, right-of-use assets and trade receivables of the Group	**130,516**	28,754
Guaranteed by related parties, pledged by securities of the related parties, and secured by property, plant and equipment and right-of-use assets of the Group	**–**	61,703
Secured by time deposits of the Group	**–**	4,503
Unguaranteed and unsecured bank loans	**206,288**	–
	336,804	161,058
Other borrowings:		
Unguaranteed and unsecured loans from third parties	**100,014**	107,569
	100,014	107,569
	436,818	268,627

23 BANK AND OTHER BORROWINGS (CONTINUED)

(a) The Group's and Company's bank and other borrowings comprise: (continued)

The Company

	2025 RMB'000	2024 RMB'000
Bank loans:		
Guaranteed by related parties and/or third parties	**118,161**	40,069
Secured by bank deposits of the Group	**–**	4,503
	118,161	44,572

(b) The Group's/Company's bank and other borrowings are repayable as follows:

As of the end of the reporting period, bank and other borrowings of the Group were repayable as follows:

The Group

	2025 RMB'000	2024 RMB'000
Within 1 year or on demand	**350,719**	207,171
After 1 year but within 2 years	**24,120**	22,991
After 2 years but within 3 years	**20,000**	20,000
After 3 years but within 4 years	**20,000**	18,465
After 4 years but within 5 years	**20,000**	–
More than 5 years	**1,979**	–
	86,099	61,456
	436,818	268,627

Bank and other borrowings of the Company were repayable within 1 year as at 31 December 2025 and 2024.

23 BANK AND OTHER BORROWINGS (CONTINUED)

(c) Certain bank and other borrowings are secured by the following assets of the Group:

The Group's asset

	2025 RMB'000	2024 RMB'000
Property, plant and equipment	186,987	190,665
Right-of-use assets	14,145	14,493
Bank deposits	–	5,000

(d) Certain bank and other borrowings are guaranteed by third parties, where related parties provide counter-guarantee and/or are secured by time deposits to these third parties:

	2025 RMB'000	2024 RMB'000
Counter-guarantee by related parties	–	15,015

(e) At 31 December 2025, the Group's unutilised banking facilities amounted to RMB352,144,000. All of the Group's banking facilities were utilised as at 31 December 2024.

(f) Certain of the Group's bank loans are subject to the fulfilment of covenants commonly found in lending arrangements with financial institutions. If the Group were to breach the covenants, the loans would become repayable on demand. The Group regularly monitors its compliance with these covenants. Further details of the Group's management of liquidity risk are set out in Note 30(b). At 31 December 2025 and 2024, none of the covenants relating to the bank loans had been breached.

(g) At 31 December 2025 and 2024, certain bank loans were guaranteed by the subsidiaries within the Group.

24 LEASE LIABILITIES

As of the end of the reporting period, the lease liabilities were repayable as follows:

	2025 RMB'000	2024 RMB'000
Within 1 year	121	90
After 1 year but within 2 years	108	–
After 2 years but within 5 years	233	–
	341	–
	462	90

25 FINANCIAL LIABILITIES AT FVTPL

	2025 RMB'000	2024 RMB'000
Non-ferrous metal futures contracts	251	–

26 PROVISION FOR RESTORATION, REHABILITATION AND ENVIRONMENTAL COSTS

	2025 RMB'000	2024 RMB'000
Balance at beginning of year	10,746	9,380
Provisions revision	24,386	191
Unwinding of discount (Note 7(a))	2,509	1,025
Exchange adjustments	(265)	150
Balance at end of the year	37,376	10,746

26 PROVISION FOR RESTORATION, REHABILITATION AND ENVIRONMENTAL COSTS (CONTINUED)

The Group's provision for restoration, rehabilitation and environmental costs is related to the Group's subsidiaries in Zambia and DRC which are involved in smelting operations. The provision represents the accrued cost required to provide adequate restoration and rehabilitation measured by qualified professionals in Zambia and DRC, as discounted at rates ranging from 6.13% to 12.04% per annum (2024:9.36% to 12.04%), upon the completion of their operations. These amounts will be settled when rehabilitation is undertaken, generally at the end of a project life, which ranges from 10 to 15 years.

The directors opined that adequate provision has been made at the end of each reporting period.

27 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(a) Current taxation in the consolidated statement of financial position represents:

	2025 RMB'000	2024 RMB'000
Income tax payable at 1 January	**33,125**	8,146
Provision for the year (Note 8(a))	**71,187**	33,951
Income tax paid	**(26,797)**	(8,972)
Net balance of income tax payable at end of the year	**77,515**	33,125
Represented by:		
Income tax recoverable (included in tax recoverable) *(Note 18)*	**(4,710)**	(1,723)
Income tax payable	**82,225**	34,848

27 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

(b) Deferred tax assets recognised

Movement of each component of deferred tax assets

The components of deferred tax assets recognised in the consolidated statement of financial position and the movements during the year are as follows:

Deferred tax arising from:	Depreciation of property, plant and equipment RMB'000	Impairment of property, plant and equipment RMB'000	Credit loss allowance on financial assets RMB'000	Fair value of financial liabilities RMB'000	Tax losses RMB'000	Leases and decommissioning obligations RMB'000	Unrealised gains and losses RMB'000	Total RMB'000
Balance at 1 January 2024	(7,526)	–	6,630	16	2,044	1,139	12,156	14,459
(Charged)/credited to the consolidated statement of profit or loss *(Note 8(a))*	(1,578)	1,346	(4,074)	(21)	(1,302)	523	(1,267)	(6,373)
Exchange adjustments	(129)	2	54	–	7	–	77	11
Balance at 31 December 2024 and 1 January 2025	(9,233)	1,348	2,610	(5)	749	1,662	10,966	8,097
(Charged)/credited to the consolidated statement of profit or loss *(Note 8(a))*	**(1,039)**	**(133)**	**6,183**	**67**	**–**	**1,740**	**(4,334)**	**2,484**
Exchange adjustments	**220**	**(28)**	**(153)**	**–**	**–**	**(64)**	**65**	**40**
Balance at 31 December 2025	**(10,052)**	**1,187**	**8,640**	**62**	**749**	**3,338**	**6,697**	**10,621**

27 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

(c) Reconciliation to the consolidated statement of financial position

	2025 RMB'000	2024 RMB'000
Net deferred tax assets	**13,868**	11,041
Net deferred tax liabilities	**(3,247)**	(2,944)
	10,621	8,097

(d) Deferred tax assets not recognised

In accordance with the accounting policy set out in Note 2(t), the Group has not recognised deferred tax assets in respect of cumulative unused tax losses and deductible temporary differences arising from certain subsidiaries of the Group of RMB9,290,000 and RMB3,645,000 as at 31 December 2025 and 2024, respectively, as it is not probable that future taxable profits against which the losses can be utilised will be available in the relevant tax jurisdiction and entity.

The year of expiry of unused tax losses not recognised is as follows:

	2025 RMB'000	2024 RMB'000
Year of expiry:		
2027	**1,438**	1,438
2028	**218**	218
2029	**1,325**	1,325
2030	**5,545**	–
	8,526	2,981

(e) Deferred tax liabilities not recognised

Pursuant to the relevant income tax law, a 10% withholding tax is levied on dividends declared from subsidiaries in the PRC and DRC to Jinxun (Singapore), and from subsidiaries in Singapore and in Zambia to the Company. In addition, a 5% withholding tax is levied on dividends declared from a subsidiary in Peru to the Company and Jinxun (Singapore). As at 31 December 2025 and 2024, temporary difference unrecognised for deferred tax liabilities relating to undistributed profits of subsidiaries amounted to RMB450,708,000 and RMB255,076,000 respectively. Deferred tax liabilities of RMB45,071,000 and RMB22,158,000, have not been recognised in this respect as it is probable that such profits will not be distributed in the foreseeable future.

28 CAPITAL, RESERVES AND DIVIDENDS

(a) Movements in components of equity

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statements of changes in equity. Details of the changes in the Company's individual components of equity between the beginning and the end of the year are set out below:

	Share capital RMB'000 (Note 28(b))	Capital reserve RMB'000 (Note 28(d))	Statutory reserve RMB'000 (Note 28(e))	Retained profits RMB'000	Total equity RMB'000
At and 1 January 2024	110,297	42,078	17,769	75,623	245,767
Changes in equity for 2024:					
Profit and total comprehensive income for the year	–	–	–	66,001	66,001
Appropriation to reserves	–	–	6,600	(6,600)	–
Employees share-based payments (Note 29)	–	470	–	–	470
Dividends declared (Note 28(c))	–	–	–	(60,663)	(60,663)
At 31 December 2024 and 1 January 2025	110,297	42,548	24,369	74,361	251,575
Changes in equity for 2025:					
Profit and total comprehensive income for the year	–	–	–	55,777	55,777
Appropriation to reserves	–	–	5,578	(5,578)	–
Employees share-based payments (Note 29)	–	715	–	–	715
Dividends declared (Note 28(c))	–	–	–	(30,883)	(30,883)
At 31 December 2025	110,297	43,263	29,947	93,677	277,184

28 CAPITAL, RESERVES AND DIVIDENDS (CONTINUED)

(b) Share capital

	Number of shares '000	Amount RMB'000
Ordinary shares, issued and fully paid		
At 1 January 2024, 31 December 2024 and 2025	110,297	110,297

(c) Dividends

In May 2024, cash dividends in respect of the year ended 31 December 2023 of RMB0.05 per share, in an aggregate RMB5,515,000 was approved by the shareholders of the Company.

In August 2024, cash dividends in respect of the six-months ended 30 June 2024 of RMB0.5 per share, in an aggregate RMB55,148,000 was approved by the shareholders of the Company.

In September 2025, cash dividends in respect of the six-months ended 30 June 2025 of RMB0.28 per share, in an aggregate RMB30,883,000 was approved by the shareholders of the Company.

(d) Capital reserve

The capital reserve comprises: (i) the difference between the carrying value of the net assets acquired and the consideration paid for the acquisition of a business under common control; (ii) the differences between the net proceeds of issuance of ordinary shares and the share capital of the Company; and (iii) share-based payments expenses.

(e) Statutory reserve

In accordance with the relevant the PRC laws and regulations, the Company and the Company's subsidiaries incorporated in the PRC are required to transfer 10% of their net profits each year to the statutory reserve until the reserve reaches 50% of the registered capital. The statuary reserve can be utilised in setting off accumulated losses or increase capital and is non-distributable other than in liquidation.

(f) Special reserves

Pursuant to the relevant PRC laws and regulations, the Group is required to transfer production and maintenance funds at fixed rates based on relevant bases to a specific reserve account. The production and maintenance funds could be utilised when expenses or capital expenditures on production maintenance and safety measures are incurred. The amount of production and maintenance funds utilised would be transferred from the specific reserve account to retained earnings.

28 CAPITAL, RESERVES AND DIVIDENDS (CONTINUED)

(g) Exchange reserve

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of the companies comprising the Group into the Group's presentation currency. The reserve is dealt with in accordance with the accounting policies set out in Note 2(w).

(h) Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions. The capital management policy remained the same as that in previous year.

The Group monitors its capital structure on the basis of an adjusted net debt-to-capital ratio. For this purpose, the Group defines adjusted net debt as total debt (which includes non-current and current bank and other borrowings), less restricted bank balances, a time deposit and bank balances and cash. Adjusted capital comprises share capital and reserves attributable to owners of the Company.

28 CAPITAL, RESERVES AND DIVIDENDS (CONTINUED)

(h) Capital management (continued)

The Group's adjusted net debt-to-capital ratio at 31 December 2025 and 2024 was as follows:

	2025 RMB'000	2024 RMB'000
Bank and other borrowings	436,818	268,627
Total debt	436,818	268,627
Less: restricted bank balances, a time deposit and bank balances and cash	(295,170)	(128,901)
Adjusted net debt	141,648	139,726
Total equity and adjusted capital	964,805	674,708
Adjusted net debt-to-capital ratio	15%	21%

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

29 SHARE-BASED PAYMENTS

Ji'an County Heli Investment Management Center (Limited Partnership) ("吉安縣合勵投資管理中心(有限合夥)") ("Heli Investment") was established as an investment platform with the purpose of implementing employee share-based incentives. The general partner of Heli Investment is Mr. Yuan Rong who held 10% shares of Heli Investment, and the remaining shares of Heli Investment was primarily held by Ms. Yuan Mei.

In January 2023, certain share interests of Heli Investment (equivalent to 1,230,000 shares of the Company) were transferred from Ms. Yuan Mei to certain employees at a price of RMB3.10 per share to encourage and retain eligible persons to make contributions in the long-term growth of the Group, which was accounted for as equity settled share-based payment. The fair value of the shares transferred was RMB6.80 per share which was estimated with reference to the price of the capital increase of an independent investor in December 2022. The difference with the transfer price is to be recognised in staff costs over the vesting period from January 2023 to June 2029.

In March and July 2025, certain share interests of Heli Investment (equivalent to 446,000 shares of the Company) were transferred from Ms. Yuan Mei to certain employees at a price of RMB8.20 per share to encourage and retain eligible persons to make contributions in the long-term growth of the Group, which was accounted for as equity settled share-based payment. The fair value of the shares transferred was RMB12.00 per share which was estimated with reference to the low price of IPO proposed issuance price. The difference with the transfer price is to be recognised in staff costs over the vesting period from March 2025 to March 2030 and July 2025 to July 2030.

30 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

Exposure to credit, liquidity, commodity and currency risks arises in the normal course of the Group's business. The Group is not exposed to significant interest rate risk.

The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

(a) Credit risk

Credit risk refers to the risk that the Group's counterparties default on their contractual obligations resulting in financial losses to the Group. The Group's credit risk exposures are primarily attributable to trade receivables at amortised cost and trade receivables at FVTPL, other receivables, time deposit and bank balances. In order to minimise the credit risk, the Group's management continuously monitors the level of exposure to ensure that follow up action is taken to recover overdue debts.

Except for trade receivables at FVTPL, the Group performed impairment assessment for financial assets and other items under ECL model individually. Individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. After individual credit evaluations, the directors consider that the rest of the Group's credit risk is insignificant.

(i) Trade receivables at FVTPL

As at 31 December 2025 and 2024, the Group's trade receivables at FVTPL were debtors with an aggregate amount of RMB37,353,000 and RMB36,517,000.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer rather than the industry in which the customers operate. At 31 December 2025 and 2024, 34% and 74% of the total trade receivables at FVTPL, respectively, was due from the Group's largest debtor from sales of copper products, and 88% and 98% of the total trade receivables at FVTPL, respectively, was due from the five largest debtors from sales of copper products. In order to manage the credit risk, the Group continuously monitor the level of exposure by ongoing review of credit records of customers to take follow-up actions on the balances of trade receivables. These customers are large and reputable in the market and they have been trading with the Group with good settlement history.

30 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(a) Credit risk (continued)

(ii) Trade receivables at amortised cost

As at 31 December 2025 and 2024, included in the Group's trade receivables at amortised cost balance were debtors with an aggregate amount of RMB2,471,000 and RMB278,000 and were assessed for impairment at an amount equal to lifetime ECLs. As at 31 December 2025 and 2024, impairment allowance of RMB124,000 and RMB14,000 were made on these debtors.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer rather than the industry in which the customers operate. At 31 December 2025 and 2024, 72% and 100% of the total trade receivables at amortised cost, respectively, was due from the Group's largest debtor from sales of goods other than copper products, and 100% and 100% of the total trade receivables at amortised cost, respectively, was due from the five largest debtors from sales of goods other than copper products. In order to manage the credit risk, the Group continuously monitor the level of exposure by ongoing review of credit records of customers to take follow-up actions on the balances of trade receivables. These customers are large and reputable in the market and they have been trading with the Group with good settlement history.

For trade receivables at amortised cost, the Group has applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime.

(iii) Bank balances and the time deposit

Credit risk on bank balances and the time deposit is limited because the counterparty banks and financial institutions are with good reputation. Thus, the directors considered that the probability of default is negligible for the bank balances and the time deposit of the Group and no expected credit loss was recognised as at 31 December 2025 and 2024.

For all other financial assets including other receivables the Group measures the loss allowance equal to 12-month ECL, unless when there has been a significant increase in credit risk since initial recognition where the Group recognises lifetime ECL. The Group has assessed and concluded that the risk of default rate for the aforementioned other financial assets is close to zero based on the Group's assessment of the financial health of the counterparties, except for deposits, input VAT receivables, receivables from third parties and related party amounting to RMB161,598,000 and RMB88,977,000 as at 31 December 2025 and 2024 which was credit impaired and assessed individually, and the impairment allowance of RMB29,649,000 and RMB9,394,000 was recognised in the financial statements.

30 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(a) Credit risk (continued)

(iv) Movements in the loss allowance, all of which are relating to trade receivables at amortised cost is as follows:

	2025 RMB'000	2024 RMB'000
1 January	**14**	26
Impairment recognised/(reversal)	**110**	(12)
At end of the year	**124**	14

(v) Movements in the loss allowance all of which are relating to other receivables at amortised cost is as follows:

	2025 RMB'000	2024 RMB'000
1 January	**9,394**	30,166
Impairment recognised/(reversal)	**20,640**	(3,082)
Amount written off as uncollectible	**–**	(17,842)
Exchange adjustments	**(385)**	152
At end of the year	**29,649**	9,394

30 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(a) Credit risk (continued)

(v) Movements in the loss allowance all of which are relating to other receivables at amortised cost is as follows: (continued)

The tables below detail the credit risk exposures of the Group's financial assets, which are subject to ECL assessment:

	Notes	12-month or lifetime ECL	31 December 2025	31 December 2024
Financial assets at amortised cost				
Trade receivables at amortised cost	17	Lifetime ECL	**2,347**	264
		Credit impaired	**124**	14
			2,471	278
Other receivables	18	12-month ECL	**24,752**	18,591
		Credit impaired	**1,820**	1,267
			26,572	19,858
Input VAT receivables	18	12-month ECL	**107,197**	60,992
		Credit impaired	**27,829**	8,127
			135,026	69,119
Bank balances	19	12-month ECL	**295,170**	123,901
Time deposit	19	12-month ECL	**–**	5,000
			295,170	128,901
			459,239	218,156

30 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(b) Liquidity risk

The treasury function is centrally managed by the Group, which includes the short-term investment of cash surpluses and the raising of loans to cover expected cash demands.

The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

The following tables show the remaining contractual maturities at the end of reporting period of the Group's financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of the reporting period) and the earliest date the Group can be required to pay:

	Weighted average interest rate %	On demand or less than 6 months RMB'000	Over 6 months but not more than 1 year RMB'000	1 to 2 years RMB'000	2 to 5 years RMB'000	Total undiscounted cash flows RMB'000	Carrying amounts RMB'000
31 December 2025							
Non-derivative financial liabilities							
Trade and other payables		318,050	–	–	–	318,050	318,050
Bank and other borrowings	6.20%	176,265	186,706	27,647	66,747	457,365	436,818
Trade payables designated at FVTPL		408,156	–	–	–	408,156	408,156
		902,471	186,706	27,647	66,747	1,183,571	1,163,024
Lease liabilities	4.75%	78	61	122	245	506	462
31 December 2024							
Non-derivative financial liabilities							
Trade and other payables		171,727	–	–	–	171,727	171,727
Bank and other borrowings	5.85%	162,589	49,912	25,405	40,766	278,672	268,627
Trade payables designated at FVTPL		271,527	–	–	–	271,527	271,527
		605,843	49,912	25,405	40,766	721,926	711,881
Lease liabilities	4.75%	46	45	–	–	91	90

30 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(c) Commodity risk

The Group's commodity price risk is mainly the exposure to fluctuations in the prevailing market price of copper which are the major commodities purchased, produced and sold by the Group. To minimise this risk, the Group enters into copper futures contracts and provisional price arrangement to manage the Group's exposure in relation to forecasted sales of copper products, forecasted purchases of copper ore, inventories and firm commitments to sell the Group's copper products.

Financial assets and liabilities of the Group whose fair value change in line with the fluctuations in the prevailing market price of copper mainly comprise copper futures contracts and provisional price arrangements. If all prices of copper futures had been increased by 10%, with all other variables held constant, the impact on the Group's total equity apart from retained profits and the potential effect on profit after tax is as would be as follows:

	2025 RMB'000	2024 RMB'000
Increase in profit for the year	**15,210**	10,758

There would be an equal and opposite impact on the profit after tax for the year if there had been 10% decrease in all prices of copper futures.

30 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(d) Currency risk

The Group has transactional exchange rate risk exposures mainly arising from sales or purchases by subsidiaries in currencies other than the subsidiaries' functional currencies. The Group has subsidiaries using USD and RMB as their functional currencies. These subsidiaries have transactions in currencies other than their functional currencies. In addition, the Group has exchange rate exposures arising from foreign currency borrowings. The Group adopts an overall management on its foreign exchange business.

The carrying amounts of the Group's USD, RMB, ZMW, Congolese Franc ("CDF"), SGD and SOL denominated monetary assets (including financial assets, intercompany receivables and input VAT receivables) and liabilities (including financial liabilities, intercompany payables and tax payables) which expose the Group to foreign currency risk are as follows:

	2025	2024
	RMB'000	RMB'000
USD denominated monetary assets	**219,919**	239,483
USD denominated monetary liabilities	**(25,726)**	(16,520)
RMB denominated monetary assets	**252**	1,214
RMB denominated monetary liabilities	**(55)**	(57)
SGD denominated monetary assets	**422**	76
ZMW denominated monetary assets	**104,513**	54,514
ZMW denominated monetary liabilities	**(15,855)**	(10,904)
CDF denominated monetary assets	**54**	5,045
CDF denominated monetary liabilities	**(36,444)**	(29,347)
SOL denominated monetary assets	**14,927**	12,415
SOL denominated monetary liabilities	**(1,131)**	(1,736)

The Group currently does not have a foreign exchange hedging policy. However, the management of the Group monitors foreign exchange exposure and will consider hedging significant foreign exchange exposure should the need arise.

30 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(d) Currency risk (continued)

The sensitivity analysis below has been determined based on the exposure to exchange rates of USD, RMB, ZMW, CDF and SOL against functional currency. For a 5%, a 10%, and a 15% weakening of USD, ZMW, CDF and SOL against functional currency and all other variables being held constant, there would have no material impact on the Group's total equity apart from the retained profits and the effect on the Group's profit after tax are as follows:

	2025 RMB'000	2024 RMB'000
(Decrease)/increase in profit for the year		
USD		
Weakening		
-5%	**(7,282)**	(8,361)
-10%	**(14,564)**	(16,722)
-15%	**(21,847)**	(25,083)
RMB		
Weakening		
-5%	**(7)**	(43)
-10%	**(15)**	(87)
-15%	**(22)**	(130)
SGD		
Weakening		
-5%	**(16)**	(3)
-10%	**(32)**	(6)
-15%	**(47)**	(9)
ZMW		
Weakening		
-5%	**(3,325)**	(1,635)
-10%	**(6,649)**	(3,271)
-15%	**(9,974)**	(4,906)
CDF		
Weakening		
-5%	**1,365**	911
-10%	**2,729**	1,823
-15%	**4,094**	2,734
SOL		
Weakening		
-5%	**(517)**	(400)
-10%	**(1,035)**	(801)
-15%	**(1,552)**	(1,201)

30 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(d) Currency risk (continued)

Results of the analysis as presented in the above table represent an aggregation of the instantaneous effects on each of the Group entities' profit after tax and retained profits measured in their respective functional currencies, translated into RMB at the exchange rates ruling at the end of the reporting period for presentation purposes.

The sensitivity analysis assumes that the change in foreign exchange rates had been applied to remeasure those financial instruments held by the Group which expose the Group to foreign currency risk at the end of the reporting period, including inter-company payables and receivables within the Group which are denominated in a currency other than the functional currencies of the lender or the borrower. The analysis excludes differences that would result from the translation of the financial statements of foreign operations into the Group's presentation currency.

(e) Fair value measurement

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in IFRS 13, Fair value measurement. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.
- Level 3 valuations: Fair value measured using significant unobservable inputs

30 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(e) Fair value measurement (continued)

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the level to which the fair value is observable:

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
31 December 2025				
Financial liabilities-non-ferrous metal future contracts *(Note (i))*	**251**	**–**	**–**	**251**
Trade receivables at FVTPL *(Note (ii))*	**–**	**37,353**	**–**	**37,353**
Trade payables designated at FVTPL *(Note (ii))*	**–**	**408,156**	**–**	**408,156**
31 December 2024				
Trade receivables at FVTPL *(Note (ii))*	–	36,517	–	36,517
Trade payables designated at FVTPL *(Note (ii))*	–	271,527	–	271,527

Notes:

(i) Calculated based on the initial transaction prices and quoted prices in an active market.

(ii) Calculated based on the quoted prices in an active market and the estimated grades of copper, gold and silver in Group's copper products.

There were no transfers between Level 1 and 2 in the year.

Except as detailed above, the directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost recognised approximate their fair values as at 31 December 2025 and 2024.

31 COMMITMENTS

Capital commitments outstanding at 31 December 2025 not provided for in the financial information were as follows:

	2025 RMB'000	2024 RMB'000
Capital expenditure in respect of the acquisition of property, plant and equipment contracted for but not provided	**80,450**	68,914

32 MATERIAL RELATED PARTY TRANSACTIONS

(a) Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the Company's directors and supervisors as disclosed in Note 9 and certain of the highest paid employees as disclosed in Note 10, is as follows:

	2025 RMB'000	2024 RMB'000
Salaries and other emoluments	**2,202**	2,008
Discretionary bonuses	**1,500**	302
Employees share-based compensation scheme:	**106**	121
Retirement scheme contributions	**121**	128
	3,929	2,559

Total remuneration is included in "staff costs" (See Note 7(b)).

32 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Names and relationships of the related parties that had material transactions with the Group:

Names of related parties	Relationship
Glencore International AG	A shareholder of the Company who hold 5% and above equity interest of the Company since 9 January 2026
Mr. Yuan Rong	Ultimate controlling party
Ms. Liu Li	The spouse of Mr. Yuan Rong
Ms. Yuan Mei	Key management personnel of the Group and sister of Mr. Yuan Rong

(c) Transactions with related parties

	2025 RMB'000	2024 RMB'000
Purchase of cobalt Hydroxide from Glencore International AG	20,769	–
Sales of copper cathodes to Glencore International AG	112,137	–

Notes:

(i) Included in the sales amount of copper cathodes are gains of RMB6,494,000 arising from a provisional pricing arrangement.

32 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

(d) Balances with related parties

The Group's balances with related parties as at the end of each reporting period are as follows:

	2025 RMB'000	2024 RMB'000
Trade in nature:		
Trade receivables at amortised cost from Glencore International AG	8,406	–
Non-trade in nature:		
Guarantees provided by Mr. Yuan Rong, and/or Ms. Liu Li and/or Ms. Yuan Mei for the Group's bank and other borrowings (Note 23)	–	110,777

33 IMMEDIATE AND ULTIMATE CONTROLLING PARTY

At 31 December 2025, the directors consider the immediate and ultimate controlling party of the Group to be Mr. Yuan Rong.

34 COMPANY-LEVEL STATEMENT OF FINANCIAL POSITION

	Note	2025 RMB'000	2024 RMB'000
Non-current assets			
Property, plant and equipment		3,322	1,001
Investments in subsidiaries	15	183,986	176,814
Deferred tax assets		176	16
Prepayments, deposits and other receivables	18	57,012	–
		244,496	177,831
Current assets			
Inventories		66,744	8,089
Trade receivables at amortised cost	17	169,235	103,181
Trade receivables FVTPL	17	43	882
Prepayments, deposits and other receivables	18	55,200	38,640
Time deposit		–	5,000
Cash and cash equivalents		86,787	25,220
		378,009	181,012
Current liabilities			
Trade payables at amortised cost		28,885	7,318
Trade payables designated at FVTPL		93	1,093
Accrued expenses and other payables	21	190,181	51,588
Contract liabilities		4,425	169
Income tax payable		3,325	2,528
Bank and other borrowings	23	118,161	44,572
Financial liabilities at FVTPL		251	–
		345,321	107,268
Net current assets		32,688	73,744
Total assets less current liabilities		277,184	251,575

34 COMPANY-LEVEL STATEMENT OF FINANCIAL POSITION (CONTINUED)

	Note	2025 RMB'000	2024 RMB'000
NET ASSETS		**277,184**	251,575
CAPITAL AND RESERVES			
Share capital	28	**110,297**	110,297
Reserves	28(a)	**166,887**	141,278
TOTAL EQUITY		**277,184**	251,575

Approved and authorised for issue by the board of directors on 31 March 2026.

Yuan Rong
Executive director

Yang Yong Chang
Executive director

35 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2025

Up to the date of issue of these financial statements, the IASB has issued a number of new or amended standards, which are not yet effective for the year ended 31 December 2025 and which have not been adopted in these financial statements. These developments include the following which may be relevant to the Group.

	Effective for accounting period beginning on or after
Amendments to IFRS 9 and IFRS 7 *-Amendments to the classification and measurement of financial instruments*	1 January 2026
Amendments to IFRS 9 and IFRS 7, *Contracts Referencing Nature-dependent Electricity*	1 January 2026
Annual improvements to IFRS Accounting Standards-Volume 11	1 January 2026
IFRS 18, *Presentation and disclosure in financial statements*	1 January 2027
IFRS 19, *Subsidiaries without public accountability: disclosures*	1 January 2027
Amendments to ISA 21, Translation to a hyperinflationary presentation currency	1 January 2027
Amendments to IFRS 10 and IAS 28, *Sale or contribution of assets between an investor and its associate or joint venture*	To be determined

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements.

35 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

IFRS 18, *Presentation and disclosure in financial statements*

IFRS 18 will replace IAS 1 Presentation of financial statements and aims to improve the transparency and comparability of information about an entity's financial statements. IFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027 and is to be applied retrospectively.

Among other changes, under IFRS 18, entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to provide specific disclosures about management-defined performance measures in a single note in the financial statements.

The Group does not plan to early adopt IFRS 18 and is still in the process of assessing the impact of the adoption.

36 SUBSEQUENT EVENTS

On 9 January 2026, Company's H shares were listed on the Main Board of the Stock Exchange. 42,280,400 new H shares of RMB1.0 each were issued at a price of HK$30.00 (taking into account the full exercise of the over-allotment option). The proceeds of HKD47,068,000 (equivalent to approximately RMB42,280,000), representing the par value, were credited to the Company's share capital. The remaining proceeds of HKD1,221,344,000 (equivalent to approximately RMB1,097,143,000) net of share issuance expenses of RMB44,969,000 were credited to the capital reserve.

Subsequent to the end of the reporting period, a final dividend in respect of the year ended 31 December 2025 of RMB0.33 (2024: RMBNil) per share, in an aggregate amount of RMB50,350,000 (2024: RMBNil) has been proposed by the directors and is subject to the approval of the shareholders of the Company in the forthcoming annual general meeting.

Four-Year Financial Summary

	2025 RMB'000	2024 RMB'000	2023 RMB'000	2022 RMB'000
Revenue	**2,271,071**	1,769,833	675,701	637,303
Gross profit	**518,850**	367,667	130,143	170,493
Profit before taxation	**397,526**	242,762	26,023	93,886
Net profit	**328,823**	202,438	29,146	83,504
Profit attributable to owners of the Company	**328,823**	202,438	29,146	83,504

	2025 RMB'000	2024 RMB'000	2023 RMB'000	2022 RMB'000
Non-current assets	**931,753**	694,451	592,401	398,272
Current assets	**1,261,125**	679,365	290,417	238,724
Total assets	**2,192,878**	1,373,816	882,818	636,996
Current liabilities	**1,242,658**	763,688	466,381	263,066
Net current assets/(liabilities)	**18,467**	(84,323)	(175,964)	(24,342)
Non-current liabilities	**127,063**	75,146	27,164	13,456
Equity attributable to owners of the Company	**823,157**	534,982	389,273	360,474

Note: The summary of the consolidated results of the Group for each of the three years ended 31 December 2022, 2023 and 2024 and of the assets, liabilities and equity as at 31 December 2022, 2023 and 2024 have been extracted from the Prospectus.

雲南金潯資源股份有限公司

Yunnan Jinxun Resources Co., Ltd.