Xinjiang Xinxin Mining Industry Co., Ltd.*

新疆新鑫礦業股份有限公司

(a joint stock limited company incorporated in the People's Republic of China with limited liability)

Stock Code: 3833

2026

Interim Report

* For identification purpose only

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CORPORATE INFORMATION

EXECUTIVE DIRECTOR

Li Jiangping

NON-EXECUTIVE DIRECTORS

Chen Yin *(Chairman)*
Zhou Chuanyou *(Vice Chairman)*
Wang Lijian
Hu Chengye

INDEPENDENT NON-EXECUTIVE DIRECTORS

Hu Benyuan
Huang Yong
Lee Tao Wai

EMPLOYEES' REPRESENTATIVE DIRECTOR

Zhang Li

AUDIT COMMITTEE

Hu Benyuan *(Chairman)*
Hu Chengye
Lee Tao Wai

REMUNERATION AND REVIEW COMMITTEE

Hu Benyuan *(Chairman)*
Chen Yin
Zhou Chuanyou
Huang Yong
Lee Tao Wai

NOMINATION COMMITTEE

Hu Benyuan *(Chairman)*
Lee Tao Wai
Zhang Li *(Appointed on 22 May 2026)*
Chen Yin *(Resigned on 22 May 2026)*

STRATEGY AND SUSTAINABLE DEVELOPMENT (ESG) COMMITTEE

Chen Yin *(Chairman)*
Li Jiangping
Zhou Chuanyou
Wang Lijian
Huang Yong

COMPANY SECRETARIES

Li Zhenzhen *(Appointed on 26 August 2026)*
Lam Siu Wing
Wu Ning *(Resigned on 26 August 2026)*

AUTHORISED REPRESENTATIVES

Li Jiangping
Lam Siu Wing
Lee Tao Wai *(Alternate)*

REGISTERED OFFICE IN HONG KONG

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STATUTORY ADDRESS AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

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Urumqi, Xinjiang

LEGAL ADVISERS

Beijing Yingke (Urumqi) Law Firm *(PRC law)*
Jingtian & Gongcheng LLP *(Hong Kong law)*

AUDITORS

International and PRC auditors
BDO China Shu Lun Pan Certified Public Accountants LLP

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PUBLIC RELATIONS

Shenzhen Wanquan Zhice Enterprise Management Consulting Service Co., Ltd.

COMPANY WEBSITE

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STOCK CODE

3833

COMPANY RESULTS

The board of directors (the "Board") of Xinjiang Xinxin Mining Industry Co., Ltd. (the "Company") hereby announces the unaudited consolidated operating results of the Company and its subsidiaries (the "Company and its Subsidiaries" or the "Group") prepared in accordance with the China Accounting Standards for Business Enterprises ("CAS") for the six months ended 30 June 2026 (the "Period"), together with the unaudited consolidated operating results for the six months ended 30 June 2025 ("First Half of 2025" or the "Same Period Last Year") for comparison. Such operating results have been reviewed and confirmed by the Company's audit committee (the "Audit Committee").

During the Period, the Group recorded consolidated revenue amounting to RMB1,265.7 million, representing an increase of 13.2% as compared to RMB1,117.9 million in the Same Period Last Year; and net profit attributable to shareholders of the Company amounted to RMB249.4 million, representing an increase of 248.1% as compared to RMB71.6 million in the Same Period Last Year. The substantial increase in net profit of the Group for the Period as compared to that of the Same Period Last Year was mainly attributable to (1) the average selling price of nickel cathode (tax exclusive) increased from RMB110,688 per tonne in the Same Period Last Year to approximately RMB123,862 per tonne in the Period, representing an increase of approximately 11.9%; (2) the average selling price of copper cathode (tax exclusive) increased from RMB69,243 per tonne in the Same Period Last Year to approximately RMB90,822 per tonne in the Period, representing an increase of approximately 31.2%; (3) the average selling price of copper concentrate (tax exclusive) was approximately RMB26,898 per ton, representing an increase of approximately 49.0% compared with RMB18,052 per ton in the same period of last year; (4) the average selling prices of the Company's other products rose. Specifically, the average selling price of sulphuric acid (tax exclusive) was approximately RMB878 per tonne, representing an increase of approximately 183.2% compared with RMB310 per tonne in the Same Period Last Year; and (5) compared with the Same Period Last Year, there was a small increase in sales of electrolytic cobalt, but no sales of precious metal materials; consequently, profits from the relevant products decreased.

Basic earnings per share attributable to shareholders of the Company amounted to approximately RMB0.11 during the Period, representing an increase of approximately RMB0.08 per share as compared to approximately RMB0.03 per share for the Same Period Last Year.

The Board does not recommend any payment of interim dividend for 2026.

As at 30 June 2026, the resources and reserves estimates for the four nickel-copper mines in Kalatongke, Huangshandong, Huangshan and Xiangshan, which are wholly-owned by the Company, are set out in the following tables:

	Ore contents	Grade		Metal contents	
		Cu	Ni	Cu	Ni
	Tonnes	*%*	*%*	*Tonnes*	*Tonnes*
Resources as at 30 June 2026					
Kalatongke nickel-copper mine	26,665,611	0.96	0.54	254,862	144,955
Three nickel-copper mines in Huangshandong, Huangshan and Xiangshan	60,856,687	0.29	0.46	177,276	281,547
Total	87,522,298			432,138	426,502
Reserves as at 30 June 2026					
Kalatongke nickel-copper mine	16,280,809	1.05	0.64	171,631	103,750
Three nickel-copper mines in Huangshandong, Huangshan and Xiangshan	23,520,870	0.31	0.50	74,851	119,671
Total	39,801,679			246,482	223,421

Note: The resources and reserves estimates for the deposits of Kalatongke nickel-copper mine were based on the 2007 estimates in the independent technical review report as shown in the Company's Prospectus dated 27 September 2007, of which the reserves exclude nickel-copper mines in No. 3 mineral deposit upgraded above the control grade. The resources and reserves estimates for the deposits at three nickel-copper mines in Huangshandong, Huangshan and Xiangshan mines were based on the 2008 estimates of resources and reserves as approved for record by the Department of Land and Resources of the PRC, of which the reserves exclude the available low-grade nickel-copper mines. The increases in mining consumption and exploration during the Period were confirmed by internal experts.

RESOURCES AND RESERVES

As at 30 June 2026, the resources estimates for the two vanadium mines in Xianghe Street and Mujia River are set out in the following table:

	Ore contents	Grade V_2O_5	Contents V_2O_5
	Tonnes	*%*	*Tonnes*
Resources as at 30 June 2026			
Xianghe Street vanadium mine	10,159,400	0.95	96,300
Mujia River vanadium mine	16,410,100	0.89	146,015
Total	26,569,500		242,315

Note: The resources estimates for the deposits at two vanadium mines in Xianghe Street and Mujia River were based on the 2012 estimates of resources as approved for record by the Land and Resources Bureau of Shaanxi Province, and according to the Mineral Resources Exploration License Notification issued by the Department of Natural Resources of Shaanxi Province (Shaanxi Ziran Zikuang Kanzi [2021] 045). As of the date of this report, the validity period of the Xianghe Street vanadium mine exploration rights certificate has expired; and an application for the extension of the validity period of the Xianghe Street vanadium mine exploration rights certificate was still under application.

As at 30 June 2026, the resources and reserves estimates for the Karchar Fluorspar Mine are set out in the following table:

	Ore contents	Grade CaF2	Contents CaF2
	Tonnes	*%*	*Tonnes*
Resources as at 30 June 2026			
Karchar Fluorspar Mine	61,855,163.4	32.96	20,385,140.6
Total	61,855,163.4	32.96	20,385,140.6

	Ore contents	Grade CaF2	Contents CaF2
	Tonnes	*%*	*Tonnes*
Reserves as at 30 June 2026			
Karchar Fluorspar Mine	24,706,163.4	28.62	7,070,140.57
Total	24,706,163.4	28.62	7,070,140.57

Note: The resources and reserves for the Karchar Fluorspar Mine were estimated based on the 2024 estimates published in the Independent Technical Report included in the Company's circular dated 24 March 2025 and confirmed by internal experts.

MARKET REVIEW

During the Period, the average three-month future price of nickel cathode quoted on the London Metal Exchange was US$17,934 per tonne, representing an increase of approximately 15.2% as compared to US$15,574 per tonne for the Same Period Last Year; the average three-month future price of copper cathode was US$13,149 per tonne, representing an increase of approximately 39.2% as compared to US$9,446 per tonne for the Same Period Last Year.

During the Period, the average settlement price (tax inclusive) of nickel cathode quoted on the Shanghai Futures Exchange was RMB139,000 per tonne, representing an increase of approximately 11.6% as compared to RMB124,596 per tonne for the Same Period Last Year; the average spot price (tax inclusive) of nickel cathode in Shanghai Yangtze River Nonferrous Metals Spot Market was RMB141,669 per tonne, representing an increase of approximately 12.4% as compared to RMB126,015 per tonne for the Same Period Last Year. The average settlement price (tax inclusive) of copper cathode quoted on the Shanghai Futures Exchange was RMB101,254 per tonne, representing an increase of approximately 30.6% as compared to RMB77,514 per tonne for the Same Period Last Year; the average spot price (tax inclusive) of copper cathode in Shanghai Yangtze River Nonferrous Metals Spot Market was RMB102,209 per tonne, representing an increase of approximately 31.5% as compared to RMB77,718 per tonne for the Same Period Last Year.

During the Period, the domestic price trends of nickel cathode and copper cathode were basically in line with the international market.

BUSINESS REVIEW

During the Period, the Group recorded revenue amounting to approximately RMB1,265.7 million, representing an increase of approximately 13.2% as compared to RMB1,117.9 million in the Same Period Last Year; net profit amounted to approximately RMB245.4 million, representing an increase of approximately 261.1% as compared to RMB68.0 million in the Same Period Last Year, of which net profit attributable to shareholders of the Company amounted to approximately RMB249.4 million, representing an increase of approximately 248.1% as compared to RMB71.6 million in the Same Period Last Year.

During the Period, the Group produced approximately 5,590 tonnes of nickel cathode, representing a decrease of approximately 7.3% as compared to 6,030 tonnes for the Same Period Last Year, and produced 4,708 tonnes of copper cathode, representing an increase of approximately 23.4% as compared to 3,815 tonnes for the Same Period Last Year.

During the Period, the Group sold approximately 5,446 tonnes of nickel cathode, representing a decrease of approximately 4.0% as compared to 5,672 tonnes for the Same Period Last Year, and sold 4,298 tonnes of copper cathode, representing a decrease of approximately 5.7% as compared to 4,559 tonnes for the Same Period Last Year.

During the Period, the average selling price of nickel cathode of the Group (tax exclusive) was approximately RMB123,862 per tonne, representing an increase of approximately 11.9% as compared to RMB110,688 per tonne for the Same Period Last Year, while the average selling price of copper cathode (tax exclusive) was approximately RMB90,822 per tonne, representing an increase of approximately 31.2% as compared to approximately RMB69,243 per tonne for the Same Period Last Year.

PROSPECTS AND COUNTERMEASURES

In the second half of 2026, the Group will increase its production effort, aiming to complete the 2026 annual production capacity plan within 2026, with a planned production of 13,000 tonnes of nickel cathode and 9,762 tonnes of copper cathode. Up to now, Xinjiang Huaou Mining Co., Ltd.* (新疆華甌礦業有限公司, "Huaou Mining") has substantially completed its infrastructure development and is actively advancing the application for the safety production licence. Following the subsequent acquisition of a work safety licence, Huaou Mining plans to produce approximately 122,804 tonnes of fluorite concentrate. The Board would like to emphasise that due to the uncertainties in metal prices, the domestic raw materials market and the production environment, the above plan is made solely on the basis of the current market situation and the existing conditions of the Group. The Board may adjust the relevant production plan according to the changes of the situation.

In the second half of 2026, the Group will enhance the analysis and research on the price trends of nickel cathode, copper cathode, fluorite concentrate and other products in both international and domestic markets, and adopt more flexible and proactive marketing strategies based on its actual circumstances and financial strength, thereby promoting sales with higher prices. In the meantime, the Group will remain committed to upgrading the major production process, so as to adapt to the optimisation of domestic economic structure, changes in development patterns and the requirements of the State and local government regarding the improvement of standards of work safety and environmental protection. On the basis of such initiatives, the Group will further develop its internal potential for more output and income and strictly control non-operating expenses, so as to further reduce production costs and expenditures and continuously enhance economic benefits, management level and overall operation efficiency of the Group.

MINERAL EXPLORATION, MINE DEVELOPMENT AND ORE MINING ACTIVITIES

Mineral exploration

During the Period, Xinjiang Kalatongke Mining Industry Company Limited* (新疆喀拉通克礦業有限責任公司, "Kalatongke Mining"), a wholly-owned subsidiary of the Company, mainly completed approximately 4,579.8 meters of surface drilling and approximately 6,410.5 meters of drilling in pit. Xinjiang Yakesi Resources Co. Ltd.* (新疆亞克斯資源開發股份有限公司, "Xinjiang Yakesi") mainly completed approximately 3,461.5 meters of surface drilling and approximately 1,876 meters of drilling in pit, approximately 7.86 kilometers of 1:1000 geological profile measurement; approximately 1.46 square kilometers of 1:5000 low-altitude aeromagnetic measurement; approximately 1.46 square kilometers of 1:5000 measurement grid layout; 339 points of 3D micro-motion measurement and 498 points of magnetic logs in wells. Huaou Mining completed approximately 5,751.5 meters of drilling in pit. During the Period, the aggregate expenditure on the mineral exploration of the Group was approximately RMB2.5 million.

Mine development

During the Period, Kalatongke Mining mainly completed mining development projects, including construction of approximately 314 meters of horizontal haulageway, approximately 120 meters of filling connecting road and construction of approximately 260 meters of ramp at 590 mid-segment to 830 mid-segment of No. 1 ore body, construction of approximately 742 meters of horizontal haulageway, approximately 160 meters of filling connecting road and construction of approximately 684 meters of ramp at 260 mid-segment to 590 mid-segment of No. 2 ore body. Xinjiang Yakesi mainly completed mining development projects including a total of approximately 3,125 meters of tunnel development at 150 mid-segment to 390 mid-segment of Huangshan No. 30 ore body, such as construction of approximately 1,827.1 meters of horizontal haulageway, and construction of approximately 1,297.9 meters of routes for drilling routing. During the Period, the aggregate expenditure on the mine development of the Group was approximately RMB32.9 million.

Ore mining

During the Period, Kalatongke Mining produced approximately 636,941 tonnes of ores. Xinjiang Yakesi produced approximately 849,044 tonnes of ores. During the Period, the aggregate expenditure on the ore mining of the Group was approximately RMB105.0 million.

FINANCIAL REVIEW AND ANALYSIS

Revenue and gross profit

The following table illustrates the details of sales by products of the Group for the Period and the Same Period Last Year:

Product Name	**For the 6 months ended 30 June 2026**			For the 6 months ended 30 June 2025		
	Sales Volume	**Amount**	**Percentage to Revenue from principal businesses**	Sales Volume	Amount	Percentage to Revenue from principal businesses
	Tonnes	***RMB'000***	***%***	*Tonnes*	*RMB'000*	*%*
Nickel cathode	**5,446**	**674,494**	**53.7**	5,672	627,861	57.1
Copper cathode	**4,298**	**390,322**	**31.1**	4,559	315,691	28.7
Copper concentrate	**3,657**	**98,367**	**7.8**	3,764	67,951	6.2
Other products	**–**	**93,343**	**7.4**	–	88,955	8.0
Of which: sulfuric acid	**78,971**	**69,339**	**5.5**	86,753	26,931	2.4
electrolytic cobalt	**46**	**16,914**	**1.3**	–	–	–
precious metal materials	**–**	**–**	**–**	559	55,913	5.1
Total revenue from principal activities	**–**	**1,256,526**	**100**	–	1,100,458	100
Profit or loss from changes in fair value	**–**	**26,999**	**–**	–	(3,247)	–
Cost of sales	**–**	**(806,579)**	**64.2**	–	(866,677)	78.8
Gross profit/gross profit margin**	**–**	**476,947**	**37.2**	–	230,534	21.0

** Gross profit margin = (total revenue from principal activities ± profit or loss from changes in fair value – cost of principal activities)/(total revenue from principal activities ± profit or loss from changes in fair value)

During the Period, the revenue of nickel cathode of the Group (tax exclusive, including gain or loss on fair value changes of approximately RMB27.0 million) increased by approximately 12.3% to RMB701.5 million as compared to that of the Same Period Last Year, the average selling price of nickel cathode was RMB128,820 per tonne (excluding tax and including gain or loss on fair value changes), representing an increase of approximately 17.0% as compared to that of the Same Period Last Year, and the sales volume of nickel cathode amounted to approximately 5,446 tonnes, representing a decrease of approximately 4.0% as compared to that of the Same Period Last Year. The increase in revenue from nickel cathode was mainly due to the higher average selling price of nickel cathode during the Period as compared to that of the Same Period Last Year.

During the Period, the revenue of copper cathode of the Group increased by approximately 23.6% to RMB390.3 million as compared to that of the Same Period Last Year, and the average selling price of copper cathode was RMB90,822 per tonne (excluding tax), representing an increase of approximately 31.2% as compared to that of the Same Period Last Year. Sales volume of copper cathode was 4,298 tonnes, representing a decrease of approximately 5.7% over that of the Same Period Last Year. The increase in revenue from copper cathode was mainly attributable to the significant increase in average selling price of copper cathode as compared to that of the Same Period Last Year.

During the Period, the revenue of copper concentrates of the Group increased by approximately 44.8% to RMB98.4 million as compared to that of the Same Period Last Year, and the average selling price (tax exclusive) of copper concentrates was approximately RMB26,898 per tonne, representing an increase of approximately 49.0% as compared to that of the Same Period Last Year. The sales volume of copper concentrate was approximately 3,657 tons, representing a decrease of approximately 2.8% over that of the Same Period Last Year. The increase in copper concentrate revenue was mainly attributable to the significant increase in average sales price of copper concentrate during the Period as compared to that of the Same Period Last Year.

During the Period, the revenue from the other products of the Group increased by approximately 4.9% to RMB93.3 million as compared to that of the Same Period Last Year. During the first half of 2026, the revenue from the sales of products containing sulphuric acid was approximately RMB69.3 million, the revenue from electrolytic cobalt was approximately RMB16.9 million and the revenue from other tailings was approximately RMB7.1 million.

During the Period, the unit cost of sales of the Group's nickel cathode was approximately RMB86,762 per tonne, representing an increase of approximately 2.2% as compared to that of the Same Period Last Year, while the unit cost of sales of the Group's copper cathode was approximately RMB58,001 per tonne, representing a decrease of approximately 10.7% as compared to that of the Same Period Last Year.

During the Period, the Group recorded a gross profit of approximately RMB476.9 million from its principal operations, representing an increase of approximately RMB246.4 million as compared to that of the Same Period Last Year. During the Period, the gross profit margin of the main business was approximately 37.2%, representing an increase of approximately 16.2 percentage points as compared to that of the Same Period Last Year.

Selling Expenses

During the Period, selling expenses of the Group increased by approximately 7.1% to RMB8.3 million as compared to that of the Same Period Last Year, which was mainly attributable to the increase in the handling and warehousing custody fees resulting from an increase in sales volume of other products of the Group as compared to that of the Same Period Last Year during the Period.

General and Administrative Expenses

During the Period, the administrative expense of the Group was approximately RMB100.0 million, representing an increase of approximately 17.9% as compared to that of the Same Period Last Year, which was mainly attributable to the increase in staff remuneration, repair costs and soil and water conservation compensation fees.

Finance expenses – net

Net finance expenses of the Group for the Period increased to approximately RMB28.4 million from approximately RMB20.5 million for the Same Period Last Year, which was mainly due to the increase in finance costs resulting from the rise in the Company's bank borrowings during the Period.

Investment Income

The Group's investment income for the Period amounted to approximately RMB9.3 million, representing a decrease of approximately RMB4.9 million as compared to the Same Period Last Year, mainly attributable to the largely unchanged balance of nickel fine powder purchased from Hexin Mining as compared to that of the beginning of the Period, resulting in less unrealised profit calculated internally on a consolidated basis during the Period.

Financial position

As at 30 June 2026, owners' equity was approximately RMB6,322.9 million, and the total assets increased by approximately 1.06% to RMB10,534.0 million as compared to that as of 31 December 2025.

During the Period, the Group's net cash inflows generated from operating activities was approximately RMB47.1 million. As compared to the net cash inflow of RMB194.2 million in the Same Period Last Year, there was a decrease in the inflow of RMB147.1 million, primarily due to the increase in cash paid by the Group for purchase of goods and payment for services as compared to that of the Same Period Last Year. The net cash outflow used in investment activities were approximately RMB62.7 million, which were mainly attributable to the Group's expenditure of RMB137.4 million as a result of the acquisition and construction of fixed assets and investments in long-term assets during the Period. The net cash inflow generated from financing activities amounted to approximately RMB71.2 million, which were mainly attributable to an increase in cash inflows from bank and related party borrowings received by the Group during the Period.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2026, the Group had total cash and cash equivalents amounting to approximately RMB475.1 million (31 December 2025: RMB419.6 million), and the total borrowings of the Group amounted to approximately RMB2,208.2 million (31 December 2025: RMB2,110.6 million). As such, the net debts of the Group (total borrowings minus cash and cash equivalents) amounted to approximately RMB1,733.1 million (31 December 2025: RMB1,691.0 million) and the gearing ratio (net debts divided by total capital***) was approximately 21.51% (31 December 2025: 21.49%).

	As at 30 June 2026	As at 31 December 2025
Current Ratio *(Times)*	**1.0**	1.0
Gearing Ratio *(net debts/total capital***)*	**21.51%**	21.49%

*** Total capital: net debts + owners' equity

As at 30 June 2026, the aggregate amount of borrowings of the Group was approximately RMB2,208.2 million, of which, the borrowings by the Company was approximately RMB827.0 million, the borrowings by Xinjiang Yakesi was approximately RMB295.0 million, the borrowings by Kalatongke Mining was approximately RMB295.0 million, and the borrowings by Huaou Mining was approximately RMB791.2 million.

COMMODITY PRICE RISK

The prices of the Group's products are impacted by prices of the international and domestic markets and changes in global supply and demand for such products. It is also affected by the global and the PRC economic cycle as well as the fluctuations in the global currency markets. Both the international and domestic market prices of products of the Group as well as the volatility of supply and demand are beyond the control of the Company. Therefore, the volatility of commodity prices may materially affect the revenue and the consolidated income of the Group.

RISK OF FLUCTUATIONS IN EXCHANGE RATE

The transactions of the Group are all denominated in Renminbi. Fluctuations in currency exchange rates may affect the international and domestic commodity prices relevant to products of the Group, which may impact the Group's operating results. Renminbi is not a freely convertible currency and the conversion of Renminbi to a basket of currencies may involve fluctuations. In light of further actions and measures that may be adopted for free transactions of Renminbi by the PRC government, fluctuations in exchange rates may adversely affect the Group's translation or conversion of net assets, earnings and any dividends declared by the Group into Hong Kong dollars.

ENVIRONMENTAL RISK

The Chinese economy has shifted from a fast-growing phase to a high-quality development phase where emphasis is placed on the optimisation of economic structure and transformation of development patterns. The government's environmental protection supervision will increase the volatility of the output by the enterprises to some extent. The Group will endeavour to upgrade our major production processes to cater for the optimisation of domestic economic structure, changes in development patterns and the requirements of the State and the regional government for production safety and improvement of environmental protection standards.

INTEREST RATE RISK

The Group's interest rate risk mainly arises from bank loans. Bank deposits and loans at floating rate expose the Group to cash flow interest rate risk, while fixed rate interest-bearing financial liabilities of the Group are subject to the risk of the fair value of interest. The Group adjusts the relative proportion of contracts at fixed rate and contracts at floating rate based on market situation. As at 30 June 2026, the Group's interest-bearing debts were mainly RMB-denominated borrowings, of which the total amount of floating-rate borrowings was approximately RMB1,613.2 million (31 December 2025: RMB1,673.6 million). The Group has no interest rate swap arrangement.

PURCHASE, DISPOSAL OR REDEMPTION OF THE LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any listed securities of the Company during the Period (including sales of treasury shares).

As at 30 June 2026, the Company did not hold any treasury shares (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules")).

CHARGE ON ASSETS

As at 30 June 2026, there were no charges or pledges of assets in the Group.

CONTINGENT LIABILITIES

Save as disclosed in Notes XI.5(4) and XIII to the unaudited consolidated interim financial statements of the Group, the Group had no other significant contingent liabilities as at 30 June 2026.

SIGNIFICANT INVESTMENTS, ACQUISITIONS AND DISPOSAL

During the Period, there were no significant investments, acquisitions, or disposals of the Group (including material acquisitions and disposals of subsidiaries, associates and joint ventures).

SIGNIFICANT EVENTS AFTER BALANCE SHEET DATE

Kalatongke Mining received the Notice on Tax Matters on 29 July 2026 and has launched a self-examination on tax-related matters of previous years. The Company made supplementary payment of corresponding taxes and late surcharges in respect of the additional deduction benefits enjoyed for the period from 1 January 2023 to 31 December 2025, with a total amount of RMB29,948,187.43. In accordance with Accounting Standard for Business Enterprises No. 28 – Changes in Accounting Policies and Accounting Estimates and Corrections of Errors, the above matter will be recognised in the financial statements for July 2026.

Save for the above-mentioned, as at the date of this report, the Group had no other significant events after the balance sheet date.

HISTORICAL CAPITAL EXPENDITURE

Capital expenditure was primarily used to expand the production capacities of the Group and to improve the mining, ore processing, smelting and refining technology and enhance environmental protection of the Group. The following table sets out the particulars of the Group's capital expenditure as well as the ratio of the capital expenditure of each operation over total capital expenditure based on various categories of operations for the Period:

	Six months ended 30 June 2026	
	RMB'000	***Percentage to Total***
Mining, ore processing and smelting and complementary operations in Kalatongke Mining	92,915	33.8%
Refining and complementary operations in Fukang Refinery	30,456	11.1%
Mining and ore processing operations in Xinjiang Yakesi	22,560	8.2%
Mining and processing construction project and supporting operations of Huaou Mining	128,967	46.9%
Total	274,898	100%

FUTURE PLANS OF THE GROUP FOR MATERIAL INVESTMENTS OR ACQUISITION OF CAPITAL ASSETS FOR THE SECOND HALF OF 2026

Kalatongke Mining will continue to advance the mining and mineral processing technical renovation and expansion project, raising the mining and mineral processing capacity from 1.04 million tonnes per annum to 1.50 million tonnes per annum, as well as automation, technological optimisation and transformation and productivity improvement projects and other projects, and plans to invest approximately RMB127.1 million. Kalatongke Mining's mining and mineral processing technical renovation and expansion project is still under construction, and the capacity-enhancement work has not yet been completed.

Fukang Refinery will further enhance the supporting facilities to increase the refining and processing capacity of electrolytic nickel and cathode copper, as well as automation, process optimisation and transformation and productivity improvement projects and other projects, and plans to invest approximately RMB75.2 million.

Xinjiang Yakesi will further improve production capacity and automation level renovation project and other projects, and plans to invest approximately RMB55.5 million. Xinjiang Yakesi has obtained the work safety permit following the technical renovation and expansion. Its mining capacity has been increased from 1.32 million tonnes per annum to 1.98 million tonnes per annum. Work to ramp up capacity utilisation is currently underway and mining capacity upon completion of the technical renovation and expansion has not yet reached designed output. The mineral processing technical renovation and expansion project is still under construction.

The 1.20 million tonnes per annum mining and processing construction project of Huaou Mining is planned to invest approximately RMB211.0 million.

The capital expenditure of the Group for the acquisition of fixed assets is planned to be approximately RMB38.6 million.

The sources of fund for the plans mentioned above will be contributed by internal working capital of the Group and borrowings from banks and related parties.

Save for the plans as disclosed above, the Group had no other plans for material investments or acquisition of capital assets as at 30 June 2026 and the date of this report.

COMMITMENTS

Commitments of the Group as at 30 June 2026 are disclosed in Note XIII to the unaudited consolidated interim financial statements.

DIRECTORS' INTEREST

DIRECTORS' INTEREST IN CONTRACT

As at 30 June 2026, none of the directors of the Company had any material interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company, its holding company, its subsidiaries or any of its fellow subsidiaries was a party during the Period.

INTERESTS AND SHORT POSITIONS OF DIRECTORS AND CHIEF EXECUTIVES IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2026, the interests and/or short positions, if any, of the directors and chief executives of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO (Cap. 571 of the Laws of Hong Kong) ("SFO")) as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies ("Model Code") were as follows:

LONG POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY HELD BY DIRECTORS AND CHIEF EXECUTIVES AS AT 30 JUNE 2026

	Number of Shares held					
Director	**Personal interest**	**Corporate interests**	**Total interests**	**Classes of share**	**Percentage of aggregate interests to relevant class of share**	**Percentage of aggregate interests to the total share**
Zhou Chuanyou		480,924,000	345,924,000	Domestic share *(Note 1)*	27.47%	15.65%
			81,790,000	H share *(Note 2)*	8.60%	3.70%

Note 1: The domestic shares are held by Shanghai Yilian Kuangneng Co. Ltd. ("Shanghai Yilian") and Zhongjin Investment (Group) Ltd. ("Zhongjin Investment"). The entire shareholding or equity interest of Shanghai Yilian and Zhongjin Investment are beneficially owned by Zhou Chuanyou. As at the date of this report, the above domestic share interests in the Company held by Zhou Chuanyou through Shanghai Yilian and Zhongjin Investment are pledged.

Note 2: The H shares are held by Zhongjin Investment.

Save as disclosed above, none of the directors or chief executives of the Company or their respective associates had, as at 30 June 2026, any interests and/or short positions in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) 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.

STOCK APPRECIATION RIGHTS INCENTIVE PLAN

Grant and Adjustment

According to the "2021 H Share Appreciation Rights Incentive Plan of Xinjiang Xinxin Mining Co., Ltd. (the "Incentive Plan") passed by resolution at the general meeting of the Company on 29 October 2021, the Company implemented Share Appreciation Rights Incentive Plan for 150 middle and senior management personnel (including some Directors and supervisors of the Company) and other identified core backbone personnel (the "Participants"), granting a total of 63,500,000 share appreciation rights to the Participants in recognition of the contributions of its senior management and key personnel. The Incentive Plan entitles persons who are granted such rights to receive cash payments when the Company's share price rises above the exercise price granted in the share appreciation rights in a certain pre-determined period, subject to certain terms and conditions of the Incentive Plan. The exercise price of the share appreciation rights was HKD1.58 per share. If the Company and the Participants meet the predetermined performance conditions, the Participants would exercise the right in three installments within the next 36 months after serving the Company for 24 months from the date of registration completion (29 October 2021), with exercise ratios of 33%, 33%, and 34% for each installment. The validity period of share appreciation rights was 5 years from 29 October 2021. Unless the context otherwise requires, the terms used in this report shall have the same meanings as those defined in the Company's announcement dated 26 March 2021 and the Company's circular dated 26 April 2021.

The Incentive Plan is an arrangement providing for incentive for the management of the Company such that it attaches importance to the performance of the shares of the Company and its long-term development without the characteristics of shares. It is intended to align the senior management's interests to those of the Company and its shareholders. It is intended that the operation of the Share Appreciation Rights Incentive Scheme will not involve any issue of new H shares of the Company, and the exercise of any share appreciation rights will not create a dilution effect on the Company's shareholding structure.

The share appreciation rights are not transferable, nor are there any voting rights attached to the share appreciation rights. The Incentive Plan is not a scheme involving the grant of new shares or options over new shares of the Company nor is it funded by existing shares of the Company, and therefore will not fall within the ambit of, and will not be subject to, Chapter 17 of the Listing Rules.

According to the relevant provisions of the Incentive Plan and the authorization of the general meeting, the Board of the Company considered and approved the adjustment of the list of Participants, effective equity interests, and exercise price of the Incentive Plan on 31 May 2024: (1) 32 Grantees have ceased to be eligible Grantees under the Plan due to job reassignments, resignations, etc. The number of Grantees under the Incentive Plan has been adjusted from 150 to 118, and the number of effective equity interests has been adjusted from 63,500,000 to 43,985,000; (2) According to the relevant provisions of the Incentive Plan, in the event of capitalization issue, bonus issue, share subdivision, share consolidation, dividend distribution, rights issue or additional issue of new shares by the Company prior to any exercise, the exercise price of the share appreciation rights shall be adjusted. The Company paid a final dividend of RMB0.15 per share for the year 2022 (based on the average exchange rate of approximately HK$0.17, inclusive of tax, between RMB and HK$ as announced by the People's Bank of China for the five business days preceding the date of approval of the annual profit distribution plan at the general meeting of the Company), and a final dividend of RMB0.05 per share for the year 2023 (based on the average exchange rate of approximately HK$0.05, inclusive of tax, between RMB and HK$ as announced by the People's Bank of China for the five business days preceding the date of approval of the annual profit distribution plan at the general meeting of the Company). The adjusted exercise price = the exercise price prior to the adjustment – the amount of dividend per share, i.e. the adjusted exercise price is HK$1.36 per share.

According to the authorization of the general meeting, the Board of the Company considered and approved another adjustment of the list of Participants, effective equity interests, and exercise price of the Incentive Plan on 2 August 2025: (1) 22 Grantees have ceased to be eligible Grantees under the Plan due to job reassignments, resignations, retirement, etc. during the period from 31 May 2024 to 30 June 2025. As of 30 June 2025, the number of Grantees under the Incentive Plan has been adjusted from 118 to 96, and the number of effective equity interests has been adjusted from 43,985,000 to 34,685,000; (2) According to the relevant provisions of the Incentive Plan, in the event of capitalization issue, bonus issue, share subdivision, share consolidation, dividend distribution, rights issue or additional issue of new shares by the Company prior to any exercise, the exercise price of the share appreciation rights shall be adjusted. The Company paid a final dividend of RMB0.05 per share for the year 2024 (based on the average exchange rate of approximately HK$0.05, inclusive of tax, between RMB and HK$ as announced by the People's Bank of China for the five business days preceding the date of approval of the annual profit distribution plan at the general meeting of the Company). The adjusted exercise price = the exercise price prior to the adjustment – the amount of dividend per share, i.e. the exercise price after another adjustment was HK$1.31 per share. The exercise price of the share appreciation rights issued at the end of the Period was HK$1.31 per share.

According to the authorization of the general meeting, the Board of the Company considered and approved another adjustment of the list of Participants, effective equity interests and exercise price of the Incentive Plan on 5 September 2025: 3 Grantees have ceased to be eligible Grantees under the Plan due to job reassignments, resignations, retirement, etc. during the period from 1 July 2025 to 5 September 2025. As of 5 September 2025, the number of Grantees under the Incentive Plan has been adjusted from 96 to 93, and the number of effective equity interests has been adjusted from 34,685,000 to 33,965,000.

Exercise of Rights

Pursuant to the Incentive Plan, the Share Appreciation Rights awarded to the Participants may be exercised upon the expiry of the respective restriction periods and satisfaction of the vesting conditions. The Participants shall exercise the Share Appreciation Rights in three equal tranches over a period of 36 months. The exercise periods, timing and exercise status of each tranche of Share Appreciation Rights are set out below:

For first tranche exercise period, the exercise period runs from the first trading day following the expiry of 24 months from the date of completion of grant to the last trading day falling within 36 months from the date of completion of grant (from 29 October 2023 to 28 October 2024). As the Company's share price did not reach the exercise price and the exercise period expired, no exercise was made in respect of the first tranche exercise period.

For second tranche exercise period, the exercise period runs from the first trading day following the expiry of 36 months from the date of completion of grant to the last trading day falling within 48 months from the date of completion of grant (from 29 October 2024 to 28 October 2025). Pursuant to the Incentive Plan and the relevant assessment rules, the vesting conditions for the second tranche exercise period have been satisfied:(1) no events have occurred during the second tranche exercise period that would prevent the exercise of the Incentive Plan; (2) except for 1 Grantee whose performance assessment results were incompetent, none of the other Grantees has experienced any circumstances that would disqualify them from exercising under the Incentive Plan; (3) the performance during the second tranche exercise period has met the performance requirements specified in the Incentive Plan; and (4) 100% of the Share Appreciation Rights for the relevant period shall be exercisable as the performance assessment results of 88 Grantees for the 2022 financial year were outstanding or competent; 60% of the Share Appreciation Rights for the relevant period shall be exercisable as the performance assessment results of 4 Grantees for the 2022 financial year were basically competent; and all Share Appreciation Rights for the relevant period shall be cancelled as the performance assessment results of 1 Grantee for the 2022 financial year were incompetent. According to the authorization of the general meeting, the Board considered and approved the implementation of exercise in accordance with the Incentive Plan and its assessment management measures. The Company confirmed 5 September 2025 as the exercisable date, and completed the relevant exercisable procedures for the Participants on such date. The number of rights available for exercise is 11,002,530, and the number of eligible Participants is 92. The exercise price is the closing price of the shares on such date (HK$1.92 per unit). The total amount of incentives paid is RMB6.11 million (tax inclusive). For details of the list of relevant Participants and exercise, please refer to the announcement published by the Company dated 5 September 2025.

For third tranche exercise period, the exercise period runs from the first trading day following the expiry of 48 months from the date of completion of grant to the last trading day falling within 60 months from the date of completion of grant (from 29 October 2025 to 28 October 2026). As the Company's performance conditions were not met, no exercise was made in respect of the third tranche exercise period.

As at the date of this report, there are no outstanding and unexercised Share Appreciation Rights under the Incentive Plan.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed above, during the Period, no rights to acquire benefits by means of the acquisition of shares in or debentures of the Company were granted to any directors of the Company or their respective spouses or minor children, nor were any such rights exercised by them; and none of the Company, its holding company, its subsidiary or any of its fellow subsidiaries was a party to any arrangement to enable the directors of the Company to acquire such rights in any other body corporate.

SHARE CAPITAL AND DIVIDENDS

SHARE CAPITAL

The Company's share capital as at 30 June 2026 is as follows:

	Number of shares issued	Percentage of capital *%*	Nominal value *RMB'000*
Registered, issued and fully paid			
Domestic shares of RMB0.25 each	1,259,420,000	56.99	314,855
H shares of RMB0.25 each	950,580,000	43.01	237,645
	2,210,000,000	100.00	552,500

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS IN SHARES

So far as was known to any director, as at 30 June 2026, the persons or companies (other than a director or chief executive of the Company) who had interests and/or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or who were directly or indirectly deemed to be interested in 5% or more than the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company were as follows:

Name	Number of shares held	Class of share	Approximate percentage of shareholding on relevant class of shares *%*	Approximate percentage of the total share capital *%*
Xinjiang Non-ferrous Metal Industry (Group) Ltd* (新疆有色金屬工業(集團)有限公司)	885,204,000 (L)	Domestic share	70.29	40.05
Shanghai Yilian *(Note 1)*	282,896,000 (L)	Domestic share	22.46	12.80
Zhongjin Investment *(Note 1)*	63,028,000 (L)	Domestic share	5.00	2.85
	81,790,000 (L)	H share	8.60	3.70
Zijin Mining Group Company Limited* (紫金礦業集團股份有限公司) ("Zijin Mining")	59,444,000 (L)	H Share *(Note 2)*	6.25	2.69
Zijin Mining Group (Xiamen) Investment Co., Ltd* (紫金礦業集團(廈門)投資有限公司) ("Zijin Mining (Xiamen)")	56,580,000 (L)	H Share	5.95	2.56

(L): Long positions

Note 1: The entire shareholding or equity interests of Shanghai Yilian and Zhongjin Investment are beneficially owned by Mr. Zhou Chuanyou. Mr. Zhou Chuanyou, a non-executive director of the Company, is the Chairman of Zhongjin Investment. As of the date of this report, the interests in the aforesaid domestic shares of the Company held by Mr. Zhou Chuanyou through Shanghai Yilian and Zhongjin Investment are under pledged.

Note 2: The H shares are held by Zijin Mining (Xiamen) and Gold Mountains (H. K.) International Mining Company Limited (金山(香港)國際礦業有限公司). The entire shareholding or equity interests of Zijin Mining (Xiamen) and Gold Mountains (H. K.) International Mining Company Limited are beneficially owned by Zijin Mining.

Save as disclosed above, as at 30 June 2026, the directors of the Company were not aware of any other person (other than a director or chief executive of the Company) who had interests and/or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO.

DIVIDENDS

The Board does not recommend any payment of interim dividend for 2026 (No interim dividend was distributed for 2025).

EMPLOYEES AND WELFARE

As at 30 June 2026, the Group had a total of 1,820 employees. Breakdowns by functions and divisions are as follows:

Division	No. of Employees	Percentage to Total
Management and administration	193	10.60%
Engineering technician	253	13.90%
Production staff	1,096	60.22%
Repair and maintenance	196	10.77%
Inspection	70	3.85%
Sales	12	0.66%
Total	1,820	100%

The remuneration package of the Group's employees includes salary, bonuses and allowances. The Group has participated in the social insurance contribution plans organised by local governments in the PRC. In accordance with the relevant national and local labour and social welfare laws and regulations, the Group is required to pay on behalf of its employees a monthly social insurance premium covering pension insurance, medical insurance, unemployment insurance, housing provident funds and enterprise annuity. According to the currently applicable local regulations, the respective percentages of the pension insurance, medical insurance, unemployment insurance, housing provident funds and enterprise annuity which the Group must contribute are 16%, 6.5% to 9.7%, 0.5%, 12% and 8%, respectively, of its employees' total monthly basic salary. The Group also contributes 1.04% to 2.85% of its employees' total monthly basic salary for occupational injury insurance.

The Group adhered to the philosophy that "talent is the most valuable resource", continuously refined its talent management mechanisms, has established regulations for employee training, and built a diversified training system, with a wide range of courses including new employee on-boarding training, professional skills training, certification training, and external study tours, all of which fully supported employees' career development. The Group designed and provided customized training programs tailored to employees at different levels.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company strives to attain and maintain relatively high standards of corporate governance best suited to the needs and interests of the Company and its subsidiaries as it believes that effective corporate governance practices are fundamental to safeguard the interests of shareholders and other stakeholders and enhance the shareholder value.

The Company has fully complied with all code provisions prescribed in the Corporate Governance Code (the "CG Code") as set out in Appendix C1 to the Listing Rules throughout the Period.

BOARD OF DIRECTORS

The Board currently consists of nine directors, including an executive director, four non-executive directors, three independent non-executive directors and an employee representative director. During the Period, the Board convened four meetings (with an attendance rate of 97.2%).

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company had adopted the Model Code as its code of conduct regarding securities transactions by the directors and senior management of the Company. Upon specific enquiries made of all the directors and senior management of the Company, all the directors and senior management of the Company have complied with the required standards as set out in the Model Code during the Period.

AUDIT COMMITTEE

Written terms of reference of the Audit Committee was prepared primarily based on "A Guide for Effective Audit Committees" issued by the Hong Kong Institute of Certified Public Accountants have been adopted by the Board. The Audit Committee provides an important link between the Board and the Group's auditors in matters falling within the scope of the audit of the Group. The Audit Committee reviews the effectiveness of the external audit and of internal controls, evaluates risks and provides comments and advice to the Board. The Audit Committee comprises one non-executive director, namely, Mr. Hu Chengye and two independent non-executive directors, namely, Mr. Hu Benyuan and Mr. Lee Tao Wai, with Mr. Hu Benyuan serving as the Chairman. The Audit Committee has reviewed the unaudited financial results and the interim report of the Group for the Period and considered that they are in compliance with the relevant accounting standards, and that the Company has made appropriate disclosure in this report.

CHANGES IN INFORMATION OF DIRECTORS AND/OR SENIOR MANAGEMENT

With effect from 22 May 2026, (i) Mr. Chen Yin, the chairman of the Board and a non-executive Director, has resigned as a member of the nomination committee (the "Nomination Committee") of the Company; and (ii) Ms. Zhang Li, an employee representative Director, has been appointed as a member of the Nomination Committee.

With effect from 26 June 2026, Mr. Zhang Yang has been appointed as a deputy general manager of the Company.

Mr. Zhang Yang, aged 52. He studied at Xinjiang Keketuohai Technical College (新疆可可托海技校) from August 1991 to July 1994, majoring in mining engineering; and complete correspondence undergraduate program at Northeastern University (東北大學) from September 2013 to January 2016, majoring in mining engineering.

Mr. Zhang worked as a field technician at Team 704 of Xinjiang Non ferrous Geological Exploration Bureau* (新疆有色地勘局704隊) from July 1994 to December 2006. He served as the director of the Production and Technology Department at Tianhu Iron Mine of Xinjiang Daming Mining Group* (新疆大明礦業集團天湖鐵礦) from March 2007 to December 2009. From May 2010 to July 2019 at Xinjiang Yakesi Resources Development Co., Ltd.* (新疆亞克斯資源開發股份有限公司), he successively held the positions of a technician in the Production and Technology Department, head of mine of Huangshandong No. 17 Mining Area, head of mine of Huangshan Copper Nickel Mine and deputy manager of the Production and Technology Department. He served as the manager of the Safety Production Support Department at Xinjiang Xinxin Mining Industry Co., Ltd. from July 2019 to November 2021. From November 2021 to February 2024, he successively served as deputy general manager, a member of the Party Committee and Chief Engineer of Xinjiang Kalatongke Mining Co., Ltd. He served as deputy secretary of the Party Committee and general manager of Xinjiang Kalatongke Mining Co., Ltd. from February 2024 to June 2026. He has served as the deputy general manager of the Company since June 2026.

With effect from 7 August 2026, Mr. Xiong Muhui has been appointed as a deputy general manager of the Company.

Mr. Xiong Muhui, aged 47. He studied at Daye Non ferrous Technical School (大冶有色技工學校) from July 1994 to August 1997, majoring in mining; studied at Anhui Vocational College of Industry and Technology (安徽工業職業技術學院) from August 2006 to July 2009, majoring in mining; and pursued a part-time undergraduate programme majoring in mining engineering at Wuhan University of Science and Technology (武漢科技大學) from July 2012 to July 2014.

Mr. Xiong successively worked as an underground rock driller, an underground water pump operator and an underground dispatcher of the underground mining workshop of Tonglushan Mine under Daye Non-ferrous Metals Co., Ltd.* (大冶有色金屬有限責任公司, "Daye Non ferrous") from August 1997 to August 2006. From July 2009 to May 2016, he successively served as a technician, the deputy supervisor of mining and the supervisor of mining in the Office of Mine Infrastructure Project Headquarters of Daye Non ferrous. From May 2016 to February 2021, he successively held the posts of Level 2 engineer of the Technology Section, Level 2 engineer of the Engineering Management Section, Level 2 engineer of the Safety and Environmental Protection Section (seconded as the deputy supervisor of the Planning Section from January 2018 to February 2019), and the deputy supervisor of the Production Management Section at Tonglushan Mine of Daye Non ferrous. From February 2021 to March 2022, he served as the deputy director of the Excavation Workshop of Xinjiang Huixiang Yongjin Mining Co., Ltd., Mining Branch of Daye Non ferrous. From March 2022 to October 2025, at Tongshankou Mine of Daye Non ferrous, he successively served as the deputy director of Underground Mining Workshop (seconded as the supervisor of Safety Office of Group Safety, Environmental Protection and Supervision Management Department from June 2023 to May 2024), the deputy supervisor of Production and Operation Section and the deputy supervisor of Production and Technology Section. From October 2025 to August 2026, he served as the deputy secretary of the Party Branch and the deputy director of Underground Mining Workshop of Tongshankou Copper Mine. He has served as the deputy general manager of the Company since August 2026.

With effect from 26 August 2026, (i) Mr. Wu Ning has resigned as a joint company secretary of the Company; and (ii) Mr. Li Zhenzhen has been appointed as a joint company secretary of the Company.

Saved as disclosed above, since the publication of the 2025 annual report and up to the date of publication of this report, there was no change of information of each of the Directors, chief executives or senior management of the Company that is required to be disclosed under Rule 13.51B(1) of the Listing Rules.

By Order of the Board
Xinjiang Xinxin Mining Industry Co., Ltd.*
Chen Yin
Chairman

Xinjiang, the PRC, 21 August 2026

* *For identification purposes only*

CONSOLIDATED BALANCE SHEETS (UNAUDITED)

30 June 2026

(Amounts are in RMB unless otherwise stated)

Item	*Notes*	30 June 2026	31 December 2025
Current Assets:			
Cash at bank	V.1	**585,557,299.65**	636,243,988.96
Financial assets held for trading	V.2	**–**	38,188,722.52
Notes receivable	V.3	**33,994,437.70**	25,885,569.82
Accounts receivable	V.4	**164,846,764.34**	296,199,346.43
Financing receivable	V.5	**144,102,079.57**	78,593,440.13
Advances to suppliers	V.6	**46,809,893.78**	21,655,210.50
Other receivables	V.7	**21,357,576.25**	9,214,209.02
Inventories	V.8	**1,143,622,655.14**	1,075,686,599.98
Other current assets	V.9	**132,074,905.24**	117,676,955.65
Total current assets		**2,272,365,611.67**	2,299,344,043.01
Non-current assets:			
Long-term equity investments	V.10	**196,715,909.66**	196,337,198.42
Investment properties	V.11	**213,235,356.61**	215,810,759.61
Fixed assets	V.12	**3,602,046,452.35**	3,616,082,646.20
Construction in progress	V.13	**1,665,378,416.65**	1,508,941,958.17
Right-of-use assets	V.14	**11,294,889.47**	13,329,580.18
Intangible assets	V.15	**2,336,316,492.66**	2,362,572,153.32
Development costs	VI	**19,397,036.88**	19,391,892.88
Goodwill	V.16	**108,081,096.95**	108,081,096.95
Long-term prepaid expenses	V.18	**2,361,410.85**	1,060,266.79
Deferred tax assets	V.19	**99,698,348.87**	62,420,457.39
Other non-current assets	V.20	**6,764,394.88**	19,861,376.72
Total non-current assets		**8,261,289,805.83**	8,123,889,386.63
Total assets		**10,533,655,417.50**	10,423,233,429.64

CONSOLIDATED BALANCE SHEETS (UNAUDITED)

30 June 2026

(Amounts are in RMB unless otherwise stated)

Item	*Notes*	30 June 2026	31 December 2025
Current liabilities:			
Short-term borrowings	V.22	**400,217,472.25**	437,196,702.94
Notes payable	V.23	**275,484,176.23**	336,003,302.00
Accounts payable	V.24	**423,485,136.25**	488,090,780.65
Advances from customers	V.25	**39,997.41**	307,667.40
Contract liabilities	V.26	**32,012,653.53**	14,585,292.80
Employee benefits payable	V.27	**94,719,307.83**	140,407,871.27
Taxes payable	V.28	**71,015,532.42**	67,187,420.08
Other payables	V.29	**729,619,309.39**	570,419,615.72
Non-current liabilities due within one year	V.30	**169,308,939.15**	129,770,848.34
Other current liabilities	V.31	**33,039,943.58**	29,239,825.82
Total current liabilities		**2,228,942,468.04**	2,213,209,327.02
Non-current liabilities:			
Long-term borrowings	V.32	**1,291,157,756.36**	1,296,113,211.97
Lease liabilities	V.33	**1,022,838.44**	1,774,467.65
Long-term payables	V.34	**212,000,368.86**	250,085,535.35
Long-term employee benefits payable	V.35	**1,310,511.57**	2,215,517.75
Provisions	V.36	**158,075,196.11**	154,848,532.22
Deferred income	V.37	**47,243,574.52**	47,596,004.22
Deferred tax liabilities	V.19	**270,967,180.32**	277,929,976.46
Total non-current liabilities		**1,981,777,426.18**	2,030,563,245.62
Total liabilities		**4,210,719,894.22**	4,243,772,572.64
Equity:			
Share capital	V.38	**552,500,000.00**	552,500,000.00
Capital reserves	V.39	**4,043,082,236.85**	4,042,513,094.67
Special reserves	V.40	**8,179,588.22**	176,721.30
Surplus reserves	V.41	**276,250,000.00**	276,250,000.00
Retained earnings	V.42	**709,899,163.77**	570,976,637.99
Total shareholders' equity attributable to the company		**5,589,910,988.84**	5,442,416,453.96
Non–controlling interests		**733,024,534.44**	737,044,403.04
Total shareholders' equity		**6,322,935,523.28**	6,179,460,857.00
Total liabilities and shareholders' equity		**10,533,655,417.50**	10,423,233,429.64

The accompanying notes to the financial statements are an integral part of the financial statements.

Legal representative:	*Principal in charge of accounting:*	*Head of Accounting Department:*
Li Jiangping	**He Hongfeng**	**Jin Shufang**

PARENT COMPANY BALANCE SHEETS (UNAUDITED)

30 June 2026

(Unless otherwise specified, amounts are in RMB)

Assets	*Notes*	**30 June 2026**	31 December 2025
Current Assets:			
Cash at bank		**487,617,428.43**	515,409,367.06
Financial assets held for trading		**–**	38,188,722.52
Notes receivable		**–**	154,618.99
Accounts receivable	XVII.1	**164,308,457.52**	295,153,364.30
Financing receivables		**96,247,094.78**	75,520,330.69
Advances to suppliers		**347,613,044.67**	346,094,740.05
Other receivables	XVII.2	**60,496,527.13**	58,485,367.48
Inventories		**1,040,783,935.83**	823,212,353.63
Non-current assets due within one year		**20,000,000.00**	20,000,000.00
Other current assets		**16,346,306.34**	18,787,368.46
Total current assets		**2,233,412,794.70**	2,191,006,233.18
Non-current assets:			
Long-term receivables		**379,000,000.00**	389,000,000.00
Long-term equity investments	XVII.3	**3,403,099,738.22**	3,400,541,963.46
Investment properties		**4,002,453.64**	3,985,229.10
Fixed assets		**428,654,621.85**	449,532,261.44
Construction in progress		**245,916,826.19**	216,731,463.36
Right-of-use assets		**2,037,771.78**	2,717,029.04
Intangible assets		**35,144,309.27**	35,708,468.90
Development costs		**5,947,212.30**	5,942,068.30
Long-term prepaid expenses		**2,361,410.85**	1,060,266.79
Deferred tax assets		**48,025,846.44**	48,149,366.55
Other non-current assets		**120,918.00**	–
Total non-current assets		**4,554,311,108.54**	4,553,368,116.94
Total assets		**6,787,723,903.24**	6,744,374,350.12

PARENT COMPANY BALANCE SHEETS (UNAUDITED)

30 June 2026
(Unless otherwise specified, amounts are in RMB)

Assets	*Notes*	**30 June 2026**	31 December 2025
Current liabilities:			
Short-term borrowings		–	17,031,936.80
Notes payable		**291,265,000.00**	341,200,000.00
Accounts payable		**33,651,494.60**	45,677,999.43
Contract liabilities		**7,146,599.15**	414,881.76
Employee benefits payable		**47,383,562.60**	63,144,983.08
Taxes payable		**22,121,543.19**	9,685,788.69
Other payables		**170,904,350.72**	58,159,563.12
Non-current liabilities due within one year		**104,581,663.34**	65,092,414.33
Other current liabilities		**929,057.98**	24,027,853.19
Total current liabilities		**677,983,271.58**	624,435,420.40
Non-current liabilities:			
Long-term borrowings		**725,000,000.00**	776,000,000.00
Lease liabilities		**708,026.25**	1,404,647.03
Long-term payables		**21,000.00**	21,000.00
Long-term employee benefits payable		**601,285.27**	1,015,412.68
Deferred income		**29,464,736.59**	29,780,444.31
Deferred tax liabilities		–	5,728,308.38
Total non-current liabilities		**755,795,048.11**	813,949,812.40
Total liabilities		**1,433,778,319.69**	1,438,385,232.80
Equity:			
Share capital		**552,500,000.00**	552,500,000.00
Capital reserves		**4,042,821,099.67**	4,042,251,957.49
Special reserves		**2,160,843.51**	176,721.30
Surplus reserves		**276,250,000.00**	276,250,000.00
Retained earnings		**480,213,640.37**	434,810,438.53
Total Equity		**5,353,945,583.55**	5,305,989,117.32
Total liabilities and shareholders' equity		**6,787,723,903.24**	6,744,374,350.12

The accompanying notes to the financial statements are an integral part of the financial statements.

Legal representative:	*Principal in charge of accounting:*	*Head of Accounting Department:*
Li Jiangping	**He Hongfeng**	**Jin Shufang**

CONSOLIDATED INCOME STATEMENTS (UNAUDITED)

For the six months ended 30 June 2026
(Unless otherwise specified, amounts are in RMB)

Item	Notes	For the six months ended 30 June 2026	For the six months ended 30 June 2025
I. Total revenue	V.43	**1,265,736,041.75**	1,117,897,502.64
Including: Revenue	V.43	**1,265,736,041.75**	1,117,897,502.64
II. Total cost of sales		**1,008,417,702.60**	1,052,091,981.21
Including: Cost of sales	V.43	**811,204,034.31**	883,484,612.61
Taxes and surcharges	V.44	**29,927,733.83**	30,278,188.62
Selling expenses	V.45	**8,336,810.35**	7,786,678.94
General and administrative expenses	V.46	**99,956,136.57**	84,777,880.17
Research and development expenses	V.47	**30,565,883.33**	25,292,276.95
Finance expenses	V.48	**28,427,104.21**	20,472,343.92
Including: Interest expenses	V.48	**17,961,928.99**	12,865,255.40
Interest income	V.48	**1,488,694.72**	2,191,199.03
Add: Other income	V.49	**5,723,209.55**	7,899,324.17
Investment income (losses marked with “-”).	V.50	**9,309,569.06**	14,232,129.78
Including: Income from investments in a joint venture		**8,159,514.95**	-5,010,731.60
Gains(losses marked with “-”) on changes in fair value	V.51	**26,999,212.13**	-3,247,446.41
Credit impairment (losses marked with “-”)gains	V.52	**-17,755.61**	769,635.13
(Losses marked with”-”) gain on disposal of assets	V.53	**–**	-1,447,002.40
III. Operating profit		**299,332,574.28**	84,012,161.70
Add: Non-operating income	V.54	**591,335.61**	2,084,474.41
Less: Non-operating expenses	V.55	**2,708,366.22**	2,308,665.95
IV. Total profit		**297,215,543.67**	83,787,970.16
Less: Income tax expenses	V.56	**51,812,886.49**	15,821,324.70

CONSOLIDATED INCOME STATEMENTS (UNAUDITED)

For the six months ended 30 June 2026
(Unless otherwise specified, amounts are in RMB)

Item	*Notes*	**For the six months ended 30 June 2026**	For the six months ended 30 June 2025
V. Net profit		**245,402,657.18**	67,966,645.46
(1) Classified by continuity of operations		**245,402,657.18**	67,966,645.46
1. Net profit from continuing operations (losses)		**245,402,657.18**	67,966,645.46
2. Net profit from discontinued operations (losses)		**–**	–
(2) Classified by owner's equity		**245,402,657.18**	67,966,645.46
1. Net profit attributable to equity owners of the parent company (losses)		**249,422,525.78**	71,646,188.34
2. Gains or losses attributable to non-controlling interests (losses)		**-4,019,868.60**	-3,679,542.88
VI. Total comprehensive income			
Net after-tax of other comprehensive income attributable to owners of the parent company		**–**	–
(1) Other comprehensive income that cannot be reclassified into profit or loss		**–**	–
(2) Other comprehensive income to be reclassified into profit or loss		**–**	–
Net after tax of other comprehensive income attributable to minority shareholders		**–**	–
VII. Total comprehensive income		**245,402,657.18**	67,966,645.46
Total comprehensive Income attributable to owners of the parent company		**249,422,525.78**	71,646,188.34
Total comprehensive Income attributable to minority shareholders		**-4,019,868.60**	-3,679,542.88
VIII. Earnings per share：			
(1) Basic earnings per share *(RMB/share)*	V.57	**0.113**	0.032
(2) Diluted earnings per share *(RMB/share)*	V.57	**0.113**	0.032

The accompanying notes to the financial statements are an integral part of the financial statements.

Legal representative:	*Principal in charge of accounting:*	*Head of Accounting Department:*
Li Jiangping	**He Hongfeng**	**Jin Shufang**

PARENT COMPANY'S INCOME STATEMENTS (UNAUDITED)

For the six months ended 30 June 2026
(Unless otherwise specified, amounts are in RMB)

Item	*Notes*	**For the six months ended 30 June 2026**	For the six months ended 30 June 2025
I. Total revenue	VXII.4	**1,087,176,404.25**	1,001,634,822.89
Including: Cost of sales	VXII.4	**885,736,298.91**	906,712,391.87
Taxes and surcharges		**4,846,478.17**	6,065,421.90
Selling expenses		**7,594,881.39**	7,508,201.78
General and administrative expenses		**21,960,278.52**	23,485,698.63
Research and development expenses		**6,995,588.15**	6,298,304.23
Finance expenses		**10,204,492.35**	-517,525.12
Including: Interest expenses		**10,770,141.39**	940,976.68
Interest income		**3,360,776.55**	1,478,588.84
Add: Other income		**1,868,986.72**	4,080,184.28
Investment income (loss marked with "-")	VXII.5	**8,159,514.95**	-9,883,331.36
Including: Income from investments in a joint venture		**8,159,514.95**	-5,010,731.60
Gains on changes in fair value		**26,999,212.13**	-3,247,446.41
Credit impairment gains		**68,356.59**	121,043.19
Gain on disposal of assets		**–**	1,137,069.37
II. Operating profit		**186,934,457.15**	44,289,848.67
Add: Non-operating income		**180,108.44**	393,668.08
Less: Non-operating expenses		**815,904.61**	613,567.17
III. Total profit		**186,298,660.98**	44,069,949.58
Less: Income tax expenses		**30,395,459.14**	6,588,565.96

PARENT COMPANY'S INCOME STATEMENTS (UNAUDITED)

For the six months ended 30 June 2026
(Unless otherwise specified, amounts are in RMB)

Item	*Notes*	**For the six months ended 30 June 2026**	For the six months ended 30 June 2025
IV. Net profit		**155,903,201.84**	37,481,383.62
1. Classified by continuity of operations		**155,903,201.84**	37,481,383.62
2. Classified by owner's equity		**–**	–
V. Net after-tax amount of other comprehensive income			
1. Other comprehensive income that cannot be reclassified into profit or loss		**–**	–
2. Other comprehensive income to be reclassified into profit or loss		**–**	–
VI. Total comprehensive income		**155,903,201.84**	37,481,383.62
VIII. Earnings per share:			
(1) Basic earnings per share *(RMB/share)*		**–**	–
(2) Diluted earnings per share *(RMB/share)*		**–**	–

The accompanying notes to the financial statements are an integral part of the financial statements.

Legal representative:	*Principal in charge of accounting:*	*Head of Accounting Department:*
Li Jiangping	**He Hongfeng**	**Jin Shufang**

CONSOLIDATED CASH FLOW STATEMENTS (UNAUDITED)

For the six months ended 30 June 2026
(Unless otherwise specified, amounts are in RMB)

Item	Notes	For the six months ended 30 June 2026	For the six months ended 30 June 2025
I. Cash flows from operating activities			
Cash received from sales of goods or rendering of services		**1,361,009,241.21**	1,010,292,089.25
Received tax refunds		**1,623,345.49**	506,265.05
Other cash received relating to operating activities	V.58	**111,856,069.25**	11,380,542.96
Sub-total of cash inflows from operating activities		**1,474,488,655.95**	1,022,178,897.26
Cash payments for goods purchased and services received		**880,582,377.43**	411,879,245.67
Cash payments to and on behalf of employees		**237,606,865.71**	184,377,690.23
Payments of taxes and surcharges		**221,728,098.10**	116,728,819.15
Other cash payments relating to operating activities	V.58	**87,474,851.48**	114,944,115.00
Sub-total of cash outflows from operating activities		**1,427,392,192.72**	827,929,870.05
Net cash flows generated from operating activities		**47,096,463.23**	194,249,027.21
II. Cash flows from investing activities			
Cash received from returns on investments		**9,500,000.00**	–
Cash received from the disposal of fixed assets, intangible assets, and other long-term assets		**–**	171,350.60
Cash received relating to other investing activities	V.58	**65,187,934.65**	–
Sub-total of cash inflows from investing activities		**74,687,934.65**	171,350.60
Cash paid for the acquisition and construction of fixed assets, intangible assets and other long-term assets		**137,412,667.31**	321,660,201.32
Pay other cash related to investment activities	V.58	**–**	2,578,366.22
Sub-total cash outflows from investment activities		**137,412,667.31**	324,238,567.54
Net cash flows from investing activities		**-62,724,732.66**	-324,067,216.94

CONSOLIDATED CASH FLOW STATEMENTS (UNAUDITED)

For the six months ended 30 June 2026
(Unless otherwise specified, amounts are in RMB)

Item	*Notes*	**For the six months ended 30 June 2026**	For the six months ended 30 June 2025
III. Cash flows from financing activities			
Obtain the cash received from the loan		**256,044,544.39**	1,451,296,776.23
Sub-total of cash inflows		**256,044,544.39**	1,451,296,776.23
Cash paid for repayment of borrowings		**158,450,536.26**	249,700,000.00
Cash paid for distribution of dividends, profits or interest payments		**25,649,808.49**	8,469,391.50
Cash paid relating to other financing activities	V.58	**771,383.76**	1,098,678,489.40
Sub-total of cash outflows from financing activities		**184,871,728.51**	1,356,847,880.90
Net cash flows from financing activities		**71,172,815.88**	94,448,895.33
IV. Effect of exchange rate changes on cash and cash equivalents			
V. Net increase /decrease (marked with "-") in cash		**55,544,546.45**	-35,369,294.40
Add: Opening balance of cash and cash equivalents		**419,593,781.85**	582,405,823.83
VI. Closing balance of cash and cash equivalents		**475,138,328.30**	547,036,529.43

The accompanying notes to the financial statements are an integral part of the financial statements.

Legal representative:	*Principal in charge of accounting:*	*Head of Accounting Department:*
Li Jiangping	**He Hongfeng**	**Jin Shufang**

PARENT COMPANY CASH FLOW STATEMENTS (UNAUDITED)

For the six months ended 30 June 2026
(Unless otherwise specified, amounts are in RMB)

Item	*Notes*	**For the six months ended 30 June 2026**	For the six months ended 30 June 2025
I. Cash flows from operating activities			
Cash received from selling goods and providing services		**942,184,898.46**	1,279,846,552.29
Receiving other cash related to operating activities		**110,835,411.29**	8,748,506.92
Sub-total of cash inflows from operating activities		**1,053,020,309.75**	1,288,595,059.21
Cash payments for goods purchased and services received		**855,242,587.85**	777,697,870.73
Cash payments to and on behalf of employees		**83,582,384.50**	69,441,603.80
Payments of taxes and surcharges		**39,487,361.93**	31,261,342.50
Other cash payments relating to operating activities		**35,327,700.32**	30,574,012.54
Sub-total of cash outflows from operating activities		**1,013,640,034.60**	908,974,829.57
Net cash flows from operating activities		**39,380,275.15**	379,620,229.64
II. Cash flows from investing activities			
Cash received from investment returns		**9,500,000.00**	5,327,400.24
Net cash recovered from disposal of fixed assets, intangible assets, and other long-term assets		**–**	2,552,193.19
Receiving other cash related to investment activities		**77,395,984.65**	249,200,000.00
Sub-total of cash outflows from investing activities		**86,895,984.65**	257,079,593.43
Cash paid for the purchase and construction of fixed assets, intangible assets, and other long-term assets		**368,578.80**	47,697,822.76
Cash paid for investment		**3,329,117.63**	–
Cash paid by subsidiaries and other business units is acquired		**–**	1,098,084,000.00
Pay other cash related to investment activities		**–**	402,578,366.22
Sub-total cash inflow from investment activities		**3,697,696.43**	1,548,360,188.98
Net cash flows from investing activities (used in (marked “-”))		**83,198,288.22**	-1,291,280,595.55

PARENT COMPANY CASH FLOW STATEMENTS (UNAUDITED)

For the six months ended 30 June 2026
(Unless otherwise specified, amounts are in RMB)

Item	*Notes*	**For the six months ended 30 June 2026**	For the six months ended 30 June 2025
III. Cash flows from financing activities			
Cash received from borrowings		–	1,100,000,000.00
Sub-total of cash inflows from operating activities		–	1,100,000,000.00
Cash paid for repayment of borrowings		**28,531,936.80**	149,200,000.00
Cash paid for distribution of dividends, profits or interest payments		**10,809,791.39**	7,551,608.05
Cash paid relating to other financing activities		**707,523.81**	528,185.29
Sub-total of cash outflows from financing activities		**40,049,252.00**	157,279,793.34
Net cash flows generated from financing activities		**-40,049,252.00**	942,720,206.66
IV. Effect of exchange rate changes on cash and cash equivalents			
V. Net increase in cash and cash equivalents		**82,529,311.37**	31,059,840.75
Add: Opening balance of cash and cash equivalents		**327,909,367.06**	401,652,919.56
VI. Closing balance of cash and cash equivalents		**410,438,678.43**	432,712,760.31

The accompanying notes to the financial statements are an integral part of the financial statements.

Legal representative:	*Principal in charge of accounting:*	*Head of Accounting Department:*
Li Jiangping	**He Hongfeng**	**Jin Shufang**

CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY (UNAUDITED)

For the six months ended 30 June 2026
(Unless otherwise specified, amounts are in RMB)

	30 June 2026							
	Equity Attributable to Owners of the Parent Company							
Item	Share capital	Capital Surplus	Special Reserve	Surplus Reserve	Retained earnings	Sub-total	Minority Interests	Total Equity
I. 31 December 2025	552,500,000.00	4,042,513,094.67	176,721.30	276,250,000.00	570,976,637.99	5,442,416,453.96	737,044,403.04	6,179,460,857.00
II. 1 January 2026	552,500,000.00	4,042,513,094.67	176,721.30	276,250,000.00	570,976,637.99	5,442,416,453.96	737,044,403.04	6,179,460,857.00
III. Movements for the period ended 30 June 2026 (negative for decreases)	-	569,142.18	8,002,866.92	-	138,922,525.78	147,494,534.88	-4,019,868.60	143,474,666.28
(1) Total comprehensive income	-	-	-	-	249,422,525.78	249,422,525.78	-4,019,868.60	245,402,657.18
(2) Capital contributions by and distributions to owners	-	-	-	-	-	-	-	-
(3) Profit distribution	-	-	-	-	-110,500,000.00	-110,500,000.00	-	-110,500,000.00
1. Appropriation of surplus reserve	-	-	-	-	-	-	-	-
2. Distribution to owners (or shareholders)	-	-	-	-	-110,500,000.00	-110,500,000.00	-	-110,500,000.00
(4) Internal carryover of owners' equity	-	-	-	-	-	-	-	-
1. Capital reserve converted to capital (or share capital)	-	-	-	-	-	-	-	-
2. Surplus reserve converted to capital (or share capital)	-	-	-	-	-	-	-	-
3. Surplus reserve to offset losses	-	-	-	-	-	-	-	-
(5) Special Reserves	-	-	8,002,866.92	-	-	8,002,866.92	-	8,002,866.92
1. Withdrawal in the current period	-	-	40,747,273.10	-	-	40,747,273.10	-	40,747,273.10
2. Used in current period	-	-	32,744,406.18	-	-	32,744,406.18	-	32,744,406.18
(6) Others	-	569,142.18	-	-	-	569,142.18	-	569,142.18
IV. At 30 June 2026 (unaudited)	552,500,000.00	4,043,082,236.85	8,179,588.22	276,250,000.00	709,899,163.77	5,589,910,988.84	733,024,534.44	6,322,935,523.28

CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY (UNAUDITED)

For the six months ended 30 June 2026
(Unless otherwise specified, amounts are in RMB)

	30 June 2025							
	Equity Attributable to Owners of the Parent Company							
Item	Share capital	Capital Surplus	Special Reserve	Surplus Reserve	Retained earnings	Sub-total	Minority Interests	Total Equity
I. 31 December 2024	552,500,000.00	4,258,569,997.76	1,300,130.31	276,250,000.00	492,290,337.75	5,580,910,465.82	4,347,056.33	5,585,257,522.15
Add: Business combination under common control	–	885,581,100.00	–	–	-3,375,125.83	882,205,974.17	753,363,267.13	1,635,569,241.30
II. 1 January 2025(restated)	552,500,000.00	5,144,151,097.76	1,300,130.31	276,250,000.00	488,915,211.92	6,463,116,439.99	757,710,323.46	7,220,826,763.45
III. Movements for the period ended 30 June 2025 (decrease indicated by a "-")	–	-1,097,762,726.99	8,222,795.40	–	70,145,433.31	-1,019,394,498.28	-3,679,542.88	-1,023,074,041.16
(1) Total comprehensive income	–	–	–	–	71,666,743.90	71,666,743.90	-3,679,542.88	67,987,201.02
(2) Owners' capital contributions and reductions	–	–	–	–	–	–	–	–
(3) Profit distribution	–	–	–	–	–	–	–	–
1. Appropriation of surplus reserve	–	–	–	–	–	–	–	–
2. Distribution to owners (or shareholders).	–	–	–	–	–	–	–	–
(4) Internal carryover of owners' equity	–	–	–	–	–	–	–	–
(5) Special Reserves	–	–	8,222,795.40	–	–	8,222,795.40	–	8,222,795.40
1. Withdrawal in the current period	–	–	32,699,967.95	–	–	32,699,967.95	–	32,699,967.95
2. Used in current period	–	–	24,477,172.55	–	–	24,477,172.55	–	24,477,172.55
(6) Others	–	321,273.01	–	–	–	321,273.01	–	321,273.01
(7) Business combination under common control	–	-1,098,084,000.00	–	–	-1,521,310.59	-1,099,605,310.59	–	-1,099,605,310.59
IV. At 30 June 2025 (unaudited)	552,500,000.00	4,046,388,370.77	9,522,925.71	276,250,000.00	559,060,645.23	5,443,721,941.71	754,030,780.58	6,197,752,722.29

The accompanying notes to the financial statements are an integral part of the financial statements.

Legal representative:	*Principal in charge of accounting:*	*Head of Accounting Department:*
Li Jiangping	**He Hongfeng**	**Jin Shufang**

COMPANY STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (UNAUDITED)

For the six months ended 30 June 2026
(Unless otherwise specified, amounts are in RMB)

	30 June 2026					
Item	**Share capital**	**Capital surplus**	**Special reserves**	**surplus reserves**	**Retained earnings**	**Total shareholder' s equity**
I. 31 December 2025	**552,500,000.00**	**4,042,251,957.49**	**176,721.30**	**276,250,000.00**	**434,810,438.53**	**5,305,989,117.32**
II. 1 January 2026	**552,500,000.00**	**4,042,251,957.49**	**176,721.30**	**276,250,000.00**	**434,810,438.53**	**5,305,989,117.32**
III. Movements for the period ended 30 June 2026 (decrease indicated by a "-")	**–**	**569,142.18**	**1,984,122.21**	**–**	**45,403,201.84**	**47,956,466.23**
(1) Total comprehensive income	**–**	**–**	**–**	**–**	**155,903,201.84**	**155,903,201.84**
(2) Owners' capital contributions and reductions	**–**	**–**	**–**	**–**	**–**	**–**
(3) Profit distribution	**–**	**–**	**–**	**–**	**-110,500,000.00**	**-110,500,000.00**
1. Appropriation of surplus reserve	**–**	**–**	**–**	**–**	**–**	**–**
2. Distribution to owners (or shareholders).	**–**	**–**	**–**	**–**	**-110,500,000.00**	**-110,500,000.00**
(4) Internal carryover of owners' equity	**–**	**–**	**–**	**–**	**–**	**–**
(5) Special Reserves	**–**	**–**	**1,984,122.21**	**–**	**–**	**1,984,122.21**
1. Withdrawal in the current period	**–**	**–**	**4,464,260.58**	**–**	**–**	**4,464,260.58**
2. Used in current period	**–**	**–**	**2,480,138.37**	**–**	**–**	**2,480,138.37**
(6) Others	**–**	**569,142.18**	**–**	**–**	**–**	**569,142.18**
IV. At 30 June 2026 (unaudited)	**552,500,000.00**	**4,042,821,099.67**	**2,160,843.51**	**276,250,000.00**	**480,213,640.37**	**5,353,945,583.55**

COMPANY STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (UNAUDITED)

For the six months ended 30 June 2026
(Unless otherwise specified, amounts are in RMB)

	30 June 2025					
Item	Share capital	Capital surplus	Special reserves	surplus reserves	Retained earnings	Total shareholder' s equity
I. 31 December 2024	552,500,000.00	4,254,754,857.49	1,300,130.31	276,250,000.00	345,807,792.74	5,430,612,780.54
II. 1 January 2025	552,500,000.00	4,254,754,857.49	1,300,130.31	276,250,000.00	345,807,792.74	5,430,612,780.54
III. Movements for the period ended 30 June 2025 (decrease indicated by a "-")	–	-212,181,626.99	1,659,490.79	–	37,481,383.62	-173,040,752.58
(1) Total comprehensive income	–	–	–	–	37,481,383.62	37,481,383.62
(2) Owners' capital contributions and reductions	–	–	–	–	-212,502,900.00	
1. Others	–	–	–	–	-212,502,900.00	
(3) Profit distribution	–	–	–	–	–	–
(4) Internal carryover of owners' equity	–	–	–	–	–	–
(5) Special Reserves	–	–	1,659,490.79	–	–	1,659,490.79
1. Withdrawal in the current period	–	–	4,161,599.58	–	–	4,161,599.58
2. Used in current period	–	–	2,502,108.79	–	–	2,502,108.79
(6) Others	–	321,273.01	–	–	–	321,273.01
(7) Business combination under common control	–	-212,502,900.00	–	–	–	-212,502,099.00
IV. At 30 June 2025 (unaudited)	552,500,000.00	4,042,573,230.50	2,959,621.10	276,250,000.00	383,289,176.36	5,257,572,027.96

The accompanying notes to the financial statements are an integral part of the financial statements.

Legal representative:	*Principal in charge of accounting:*	*Head of Accounting Department:*
Li Jiangping	**He Hongfeng**	**Jin Shufang**

I. GENERAL INFORMATION

Xinjiang Xinxin Mining Industry Co. Ltd. (hereinafter referred to as the "Company" and, when including subsidiaries, referred to as the "Group") was incorporated on 1 September 2005 in Urumqi, Xinjiang Uygur Autonomous Region of the People's Republic of China (hereinafter referred to as the "PRC") together by Xinjiang Non-ferrous Metal Industry (Group) Ltd. (hereinafter referred to as the "Nonferrous Group"), Shanghai Yilian Kuangneng Co. Ltd. (hereinafter referred to as the "Shanghai Yilian"), Zhongjin Investment (Group) Ltd. (hereinafter referred to as the "Zhongjin Investment"), Xiamen Zijin Technology Co., Ltd. (now changed the name to Zijin Mining Group (Xiamen) Investment Co., Ltd. hereinafter referred to as the "Xiamen Zijin"), Xinjiang Xinying New Material Co., Ltd. (hereinafter referred to as the "Xinjiang Xinying") and Shaanxi Honghao Industry Co. Ltd. (hereinafter referred to as the "Shaanxi Honghao"). Non-ferrous Group is the holding company of the Company. The Company was established with a total equity of RMB300,000,000.00 which was valued at RMB1 per share.

On 19 May 2006, the Company issued 80,000,000 new shares at a value of RMB1 each, the registered capital increased from RMB300,000,000.00 to RMB380,000,000.00. Non-ferrous Group injected its land use rights of Kalatongke Mine and Fukang Refinery as increased capital. Shanghai Yilian, Zhongjin Investment, Xiamen Zijin, Xinjiang Xinying, and Shaanxi Honghao paid the increased capital in cash.

Pursuant to a resolution of the shareholders of the Company dated 11 May 2007 and the approval from China Securities Regulatory Commission dated 29 August 2007, each share of RMB1 was subdivided into four shares of RMB0.25 each with effect from 27 September 2007. The total number of shares immediately after the share split was 1,520,000,000.

In October 2007, the Company completed the issue of 690,000,000 H shares of RMB0.25 each at HKD6.5 (equivalent to approximately RMB6.3) per share as a result of the Initial Public Offering and listing of the Company's H shares on the Main Board of The Stock Exchange of Hong Kong Limited. In addition, pursuant to the relevant approval from the State-owned Assets Supervision and Administration Commission of the State Council (the "SASAC"), upon the completion of the H share listing, 69,000,000 domestic shares held by Non-ferrous Group were converted into an equivalent number of H shares which par value was RMB0.25 and transferred to the National Council for Social Security Fund of the PRC. Total capital increased to RMB552,500,000.00 after this issue.

On 9 March 2016, Shaanxi Honghao transferred all 6,272,000 domestic shares that it held in the Company to Shaanxi Guangyou Trading Co., Ltd. (hereinafter referred to as the "Shaanxi Guangyou") through negotiated assignment.

From 2008 to the reporting period, there was no change in the share capital, which was RMB552,500,000.00. The Group is principally engaged in the mining, ore processing, smelting, refining of nickel, copper, and vanadium, and sales of nickel, copper, and other non-ferrous metal products.

These financial statements were filed with the approval of the Board of Directors of the Company on 21 August 2026.

II. BASIS FOR THE PREPARATION OF FINANCIAL STATEMENTS.

1. Basis for preparation

The Group's financial statements have been prepared on the basis of transactions and events that actually occurred, in accordance with the Accounting Standards for Business Enterprises, its Application Guidelines, Interpretations and other relevant regulations issued by the Ministry of Finance (hereinafter collectively referred to as the "Accounting Standards for Business Enterprises"), the Compilation Rules for Information Disclosure by Companies Offering Securities to the Public No. 15 – the General Provisions of Financial Reports issued by the China Securities and Regulatory Commission disclosure related requirements for the preparation.

The disclosure of certain related matters in the financial statements has been made in accordance with the requirements of the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

2. Going concern

The financial statements have been prepared on a going concern basis. Based on the assessment by the Group's management, the Group has a recent history of profitable operations and adequate financial resources to support its operations for the 12 months following the end of the reporting period. The Group's going concern ability is sound, and there are no material uncertainties that may cast significant doubt on the Group's ability to continue as a going concern.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

Specific accounting policies and accounting estimates formulated by the Group in accordance with the actual production and operation characteristics include the method of providing for expected credit losses on receivables, the valuation method of inventories, depreciation of property, plant and equipment, amortization of intangible assets and right-of-use assets, judgmental criteria for the capitalization of development expenditures, impairment of long-term assets, and recognition and measurement of income.

1. Statement of compliance with the Accounting Standards for Business Enterprises

The financial statements comply with the requirements of the Accounting Standards for Business Enterprises and truly, completely reflect the consolidated and Company's financial position as of 30 June 2026 and the consolidated and Company's results of operations and cash flows for the period ended 30 June 2026, and other related information.

2. Accounting year

The accounting year of the Group is from 1 January to 31 December of the calendar year.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

3. Operating Cycle

The operating cycle of the Group is 12 months.

4. Recording currency

The recording currency of the Group is Renminbi (RMB). The financial statements are presented in RMB.

5. Accounting methods for business combinations under common control and under non-common Control

Business combinations involving entities under common control: The consideration paid and net assets obtained by the combining party in a business combination are measured at the book value. If the combined party is acquired from a third party by the ultimate controlling party in a prior year, the consideration paid, and net assets obtained by the combining party are measured based on the book values of the combined party's assets and liabilities (including the goodwill arising from the acquisition of the combined party by the ultimate controlling party) presented in the consolidated financial statements of the ultimate controlling party. The difference between the book value of the net assets obtained from the combination and the carrying amount of the consideration paid for the combination is treated as an adjustment to capital surplus (share premium). If the capital surplus (share premium) is not sufficient to absorb the difference, the remaining balance is adjusted against retained earnings. Costs directly attributable to the combination are included in profit or loss in the period in which they are incurred. Transaction costs associated with the issue of equity or debt securities for the business combination are included in the initially recognized amounts of the equity or debt securities.

Business combinations under non-common control: The cost of a business combination is the fair value of assets transferred, liabilities incurred or assumed, and equity securities issued by the acquirer to obtain control of the acquiree on the acquisition date. The excess of the combination cost over the acquirer's interest in the fair value of the identifiable net assets of the acquiree obtained in the combination is recognized as goodwill. The deficit of the combination cost relative to the acquirer's interest in the fair value of the identifiable net assets of the acquiree is included in profit or loss for the current period. Identifiable assets, liabilities and contingent liabilities of the acquiree that meet the recognition criteria obtained in the combination are measured at their fair values on the acquisition date.

Directly relevant costs incurred for business combinations are recognized in profit or loss when incurred. Transaction costs incurred for the issuance of equity securities or debt securities for business combinations are included in the initial recognition amount of the equity securities or debt securities.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

6. Criteria for determining control and preparation methods of consolidated financial statements

(1) Criteria for determining control

The consolidation scope of the consolidated financial statements is determined on the basis of control and includes the Company and all its subsidiaries. Control is defined as the Company having power over an investee, being exposed to or entitled to variable returns from its involvement with the investee and having the ability to use its power over the investee to affect the amount of the investor's returns.

(2) Consolidation procedures

The Company regards the entire enterprise group as a single accounting entity and prepares consolidated financial statements using uniform accounting policies to present the overall financial position, operating results and cash flows of the Group. The effects of intragroup transactions between the Company and its subsidiaries and between subsidiaries are eliminated in full. Where an intragroup transaction indicates impairment losses on the relevant assets, such losses are recognized in full. If the accounting policies and accounting periods adopted by a subsidiary are inconsistent with those of the Company, necessary adjustments are made in accordance with the Company's accounting policies and periods during the preparation of consolidated financial statements.

The portion of equity, net profit or loss and total comprehensive income of a subsidiary attributable to non-controlling shareholders is presented separately under equity in the consolidated balance sheet, under net profit and under total comprehensive income in the consolidated income statement, respectively. The balance arising from the losses incurred by a subsidiary during the period attributable to non-controlling shareholders in excess of the non-controlling shareholders' share of the subsidiary's equity at the beginning of the period is offset against non-controlling interests.

1) Acquisition of subsidiaries or businesses

Where a subsidiary or business is acquired through a business combination under common control during the reporting period, its operating results and cash flows from the beginning of the current period to the end of the reporting period are included in the consolidated financial statements. The opening balances and relevant items of comparative consolidated financial statements are adjusted as if the combined reporting entity had been in existence since the date the ultimate controlling party obtained control.

Where a subsidiary or business is acquired through a business combination not under common control during the reporting period, its identifiable assets, liabilities and contingent liabilities measured at fair value on the acquisition date are included in the consolidated financial statements from the acquisition date.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

6. Criteria for determining control and preparation methods of consolidated financial statements (Continued)

(2) Consolidation procedures (Continued)

2) Disposal of subsidiaries

① General accounting treatment

Upon loss of control over an investee due to partial disposal of equity investments or other reasons, the remaining equity investment is remeasured at its fair value on the date of loss of control. The difference between (i) the sum of the consideration received for the disposed investment and the fair value of the remaining investment, and (ii) the carrying amount of the acquirer's share of the net assets of the original subsidiary continuously calculated from the acquisition or combination date plus goodwill, is recognized as investment income in the period of loss of control. Other comprehensive income that may be reclassified to profit or loss and other changes in equity accounted for under the equity method relating to the original subsidiary are reclassified to investment income in the period when control is lost.

3) Acquisition of non-controlling Interests

The difference between the cost of additional long-term equity investments acquired through purchasing non-controlling interests and the acquirer's share of the subsidiary's net assets continuously calculated from the acquisition or combination date according to the increased ownership percentage is adjusted against share premium within capital reserves in the consolidated balance sheet. If share premium is insufficient to absorb such difference, retained earnings are adjusted.

7. Classification of joint arrangements and accounting treatment of joint operations

Joint arrangements are classified into joint operations and joint ventures.

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

7. Classification of joint arrangements and accounting treatment of joint operations (Continued)

The Group recognizes the following items relating to its interest in a joint operation：

(1) Its assets held separately and its share of assets held jointly;

(2) Its liabilities incurred separately and its share of liabilities incurred jointly;

(3) Revenue from the sale of its share of the output arising from the joint operation;

(4) Its share of the revenue from the sale of output by the joint operation;

(5) Expenses incurred separately and its share of expenses incurred jointly by the joint operation.

The Group accounts for its investment in joint ventures using the equity method. See Note V. 10 "Long-term equity investments" for details.

8. Criteria for determining cash and cash equivalents

Cash represents cash on hand and demand deposits that are readily available for payment. Cash equivalents represent short-term, highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

9. Foreign currency transactions and translation of foreign currency financial statement

(1) Foreign currency transactions

Foreign currency transactions are translated into RMB using the exchange rates prevailing at the dates of the transactions.

At the balance sheet date, foreign currency monetary items are translated at the spot exchange rate on the balance sheet date. The resulting exchange differences are recognized in profit or loss for the current period, except for exchange differences arising from foreign currency borrowings specifically for the acquisition or construction of qualifying assets, which are capitalized in accordance with the principles for borrowing costs.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

9. Foreign currency transactions and translation of foreign currency financial statement (Continued)

(2) Translation of foreign currency financial statements

Assets and liabilities in the balance sheet are translated at the spot exchange rate on the balance sheet date. Items of shareholders' equity, other than "retained earnings", are translated at the spot exchange rates on the dates of the transactions. Items of income and expenses in the income statement are translated at the spot exchange rates on the transaction dates(or at exchange rates determined by a systematic and rational method that approximate the spot exchange rates on the transaction dates).

10. Financial instruments

The Group recognizes a financial asset, financial liability or equity instrument when it becomes a party to the contractual provisions of the financial instrument.

(1) Classification of financial instruments

According to the business model of financial assets management and the contractual terms of the cash flows of financial assets, the Group classifies its financial assets in the following categories: (1) financial assets carried at amortized cost; (2) financial assets at fair value through other comprehensive income; (3) financial assets at fair value through profit or loss.

The Group classifies a financial asset as measured at amortized cost if it meets both of the following conditions and is not designated as at fair value through profit or loss:

— The business model aims at collecting contractual cash flows;

— Contractual cash flows are only payments of principal and interest based on the outstanding principal amount.

The Group classifies financial assets (debt instruments) that simultaneously meet the following conditions and have not been designated as financial assets measured at fair value through profit or loss, as financial assets measured at fair value through other comprehensive income：

— The business model aims both at collecting contractual cash flows and at selling the financial asset;

— The contractual cash flows are only payments of principal and interest based on the outstanding principal amount.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

10. Financial instruments (Continued)

(1) Classification of financial instruments (Continued)

For non-trading equity instrument investments, the Group may irrevocably designate them at initial recognition as financial assets measured at fair value with changes in fair value recognized in other comprehensive income (equity instruments). Such designation is made on an individual investment basis and the relevant investment meets the definition of an equity instrument from the perspective of the issuer.

Except for the financial assets measured at amortized cost and those measured at fair value with changes recognized in other comprehensive income as mentioned above, the Group classifies all the remaining financial assets as financial assets measured at fair value with changes recognized in profit or loss for the current period. Financial liabilities are classified at initial recognition as either financial liabilities measured at fair value with changes in fair value recognized in profit or loss or financial liabilities measured at amortized cost.

(2) Recognition criteria and measurement methods of financial instruments

1) *Financial assets measured at amortized cost*

Financial assets measured at amortized cost include notes receivable, accounts receivable, other receivables, long-term receivables, etc. They are initially measured at fair value, with directly attributable transaction costs included in the initial recognition amount. Accounts receivable without significant financing components, and accounts receivable for which The Group elects not to reflect financing components of no more than one year, are initially measured at the contractual transaction price.

Interest calculated using the effective interest method during the holding period is recognized in profit or loss for the current period.

Upon derecognition or disposal, the difference between the consideration received and the carrying amount of the financial asset is recognized in profit or loss for the current period.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

10. Financial instruments (Continued)

(2) Recognition criteria and measurement methods of financial instruments (Continued)

2) Financial assets measured at fair value through other comprehensive income (debt instruments)

Financial assets measured at fair value and whose changes are included in other comprehensive income (debt instruments) include receivables financing, other debt investments, etc. They are initially measured at fair value, and related transaction costs are included in the initial recognition amount. This financial asset is subsequently measured at fair value, and changes in fair value, except for interest calculated using the actual interest rate method, impairment losses or gains, and exchange gains or losses, are all included in other comprehensive income.

When they are derecognized, the accumulated gains or losses previously included in other comprehensive income are transferred from other comprehensive income to the current profit and loss.

3) Financial assets measured at fair value through other comprehensive income (equity instruments)

Financial assets measured at fair value through other comprehensive income (equity instruments) include other equity instrument investments, etc. They are initially measured at fair value, with directly attributable transaction costs included in the initial recognition amount. Such financial assets are subsequently measured at fair value, with changes in fair value recognized in other comprehensive income. Dividends received are recognized in profit or loss for the current period.

Upon derecognition, the accumulated gains or losses previously included in other comprehensive income are transferred from other comprehensive income to retained earnings.

4) Financial assets measured at fair value through profit or loss

Financial assets measured at fair value through profit or loss include held-for-trading financial assets, derivative financial assets, other non-current financial assets, etc. They are initially measured at fair value, with related transaction costs recognized in profit or loss. These financial assets are subsequently measured at fair value, with changes in fair value recognized in profit or loss.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

10. Financial instruments (Continued)

(2) Recognition criteria and measurement methods of financial instruments (Continued)

5) Financial liabilities measured at fair value through profit or loss

Financial liabilities measured at fair value through profit or loss include trading financial liabilities, derivative financial liabilities, etc. They are initially measured at fair value, with related transaction costs recognized in profit or loss for the current period. Such financial liabilities are subsequently measured at fair value, with changes in fair value recognized in profit or loss for the current period.

Upon derecognition, the difference between their carrying amount and the consideration paid is recognized in profit or loss for the current period.

6) Financial liabilities measured at amortized cost

Financial liabilities measured at amortized cost include short-term borrowings, notes payable, accounts payable, other payables, long-term borrowings and long-term payables. They are initially measured at fair value, with directly attributable transaction costs included in the initial recognition amount.

Interest calculated using the effective interest method during the holding period is recognized in profit or loss for the current period.

Upon derecognition, the difference between the consideration paid and the carrying amount of the financial liability is recognized in profit or loss for the current period.

(3) Derecognition of financial assets and recognition criteria and measurement methods for transfers of financial assets

A financial asset is derecognized when any of the below criteria are met：

- the contractual rights to receive the cash flows from the financial asset expire;
- the financial asset has been transferred and the Group transfers all the risks and rewards of ownership of the financial asset substantially to the transferee;
- the financial asset has been transferred and the Group has not retained control of the financial asset, although the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

10. Financial instruments (Continued)

(3) Derecognition of financial assets and recognition criteria and measurement methods for transfers of financial assets (Continued)

Where the Group renegotiates or modifies the contract with the counterparty and such modification constitutes a substantial change, the original financial asset is derecognized, and a new financial asset is recognized in accordance with the modified terms.

In the case of a transfer of financial assets, if the Group retains substantially all the risks and rewards of ownership of the financial assets, the financial assets are not derecognized.

When determining whether the transfer of financial assets meets the above-mentioned conditions for the termination of recognition of financial assets, the principle of "substance over form" is adopted.

The Group classifies transfers of financial assets into transfers of entire financial assets and transfers of part of financial assets. Where a transfer of an entire financial asset qualifies for derecognition, the difference between the following two amounts is recognized in profit or loss for the current period:

1) The carrying amount of the transferred financial asset;

2) The sum of the consideration received from the transfer and the cumulative amount of fair value changes originally recognized directly in equity (applicable where the transferred financial asset is a financial asset measured at fair value through other comprehensive income (debt instrument)).

If a partial transfer of a financial asset meets the derecognition conditions, the carrying amount of the entire transferred financial asset is allocated between the derecognized portion and the non-derecognized portion based on their respective relative fair values. The difference between the following two amounts is recognized in profit or loss for the current period:

1) The carrying amount of the derecognized portion;

2) The sum of the consideration for the derecognized portion and the amount attributable to the derecognized portion of the cumulative fair value changes originally recognized directly in equity (applicable where the transferred financial asset is a financial asset measured at fair value through other comprehensive income (debt instruments)).

If a transfer of a financial asset does not meet the derecognition conditions, the financial asset continues to be recognized, and the consideration received is recognized as a financial liability.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

10. Financial instruments (Continued)

(4) Derecognition of financial liabilities

Financial liability is derecognized in whole or in part when the present obligation thereunder is extinguished in whole or in part. Where The Group enters into an agreement with a creditor to replace an existing financial liability with a new financial liability under substantially different contractual terms, the existing financial liability is derecognized, and a new financial liability is recognized simultaneously.

Where the contractual terms of an existing financial liability are substantially modified in whole or in part, the existing financial liability is derecognized in whole or in part, and a new financial liability under the modified terms is recognized simultaneously.

On full or partial derecognition of a financial liability, the difference between the carrying amount of the derecognized financial liability and the consideration paid (including any non-cash asset transferred or new financial liabilities assumed) is recognized in profit or loss for the current period.

If The Group repurchases part of a financial liability, the carrying amount of the financial liability in its entirety is allocated between the portion to be derecognized and the portion to be continuously recognized based on their respective relative fair values on the repurchase date. The difference between the carrying amount allocated to the derecognized portion and the consideration paid (including any non-cash assets transferred or new financial liabilities assumed) is recognized in profit or loss for the current period.

(5) Fair value determination of financial assets and financial liabilities

For financial instruments with an active market, the fair value is determined based on the quoted prices in the active market. For financial instruments without an active market, fair value is determined using valuation techniques. In valuation, The Group uses valuation techniques that are appropriate in the current circumstances and supported by sufficient available data and other information, selects inputs consistent with the characteristics of the asset or liability that would be considered by market participants in a transaction for the relevant asset or liability, and uses observable inputs whenever possible. Unobservable inputs are used only when relevant observable inputs are not available or obtainable without undue cost and effort.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

10. Financial instruments (Continued)

(6) Impairment testing and accounting treatment of financial instruments

For financial assets measured at amortized cost, debt instruments investments measured at fair value with changes recorded in other comprehensive income, contract assets, receivables from leases, and financial guarantee contracts, etc., the Group recognizes loss provisions based on expected credit losses.

The Group considers reasonable and well-founded information such as information about past events, current conditions, and forecasts of future economic conditions that can be obtained without incurring unnecessary additional costs and efforts on the balance sheet date, and calculates the probability-weighted amount of the present value of the difference between the contractual cash flows receivable and the expected cash flows that can be received, based on the risk of default, to confirm expected credit losses.

For notes receivable, accounts receivable and other receivables financing arising from daily operating activities such as sale of goods and rendering of services, the Group measures the loss allowance at expected credit losses over the entire life of the instruments, regardless of whether they contain significant financing components. The Group also elects to measure the loss provisions for lease receivable at expected credit losses over the entire life.

Except for notes receivable, accounts receivable and other receivables mentioned above, at each balance sheet date, the Group measures separately the expected credit losses on financial instruments in different stages. If the credit risk of a financial instrument has not increased significantly since initial recognition, the financial instrument is in stage 1, and the Group measures the loss allowances based on the expected credit losses in the next 12 months; if the credit risk of a financial instrument has increased significantly since initial recognition, but credit impairment has not occurred, the financial instrument is in stage 2, and the Group measures the loss allowances based on the expected credit losses over the entire duration of the instrument; and if a financial instrument has been impaired since initial recognition, the financial instrument is in stage 3, and the Group measures the loss provisions based on the expected credit losses over the entire duration of the instrument.

For financial instruments with low credit risk at the balance sheet date, the Group assumes that there has been no significant increase in credit risk since initial recognition, recognizes them as financial instruments in stage 1, and measures the loss allowances based on the expected credit losses in the next 12 months.

The Group calculates interest income on financial instruments in stages 1 and 2 on the basis of their book balance before the provision for impairment and the effective interest rate. For financial instruments in stage 3, interest income is calculated on the basis of their book balance less amortized cost after provision for impairment and the effective interest rate.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

10. Financial instruments (Continued)

(6) Impairment testing and accounting treatment of financial instruments (Continued)

When information on expected credit losses cannot be assessed at a reasonable cost for a single financial asset, the Group classifies receivables into portfolios based on credit risk characteristics, calculates expected credit losses on a portfolio basis, and determines the portfolios on the following basis:

Related party portfolio	Related Party Customers
Unrelated party portfolio	Unrelated party customers

For the receivables, lease receivables, notes receivable, and financing receivables derived from daily business activities such as sales of goods and rendering of services, which are classified as portfolios, the Group calculates the expected credit loss by referring to the historical credit loss experience, combining the current situation and the forecast of future economic conditions, and based on the exposure at default and lifetime expected credit loss rate throughout its lifetime. The other notes receivable, financing receivables and other receivables, and long- term receivables are divided into portfolios, the Group calculates the expected credit loss by referring to the historical credit loss experience, combining the current situation and the forecast of the future economic conditions, and based on the exposure at default and lifetime expected credit loss rate within the next 12 months or throughout its lifetime.

The Group recognizes the gains or losses in profit or loss of the provision or reversal of the impairment. In the case of a debt instrument held at fair value through other comprehensive income, the Group adjusts other comprehensive income while recording gain or loss in current profit or loss.

11. Inventories

(1) Classification and cost of inventories

Inventories are classified into raw materials, work in progress, semi-finished goods, finished goods, etc.

Inventories are measured initially at cost, the cost of inventories includes purchase costs, processing costs and other costs incurred in bringing the inventories to their present location and condition.

(2) Valuation method of issued inventories

Cost is determined by using the weighted average method.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

11. Inventories (Continued)

(3) Inventory system

The Group adopts the perpetual inventory system.

(4) Amortization methods for low-value consumables and packaging

1) Low-value consumables are amortized using the one-time write-off method;

2) Packaging materials are amortized using the one-time write-off method.

(5) Recognition criteria and provision method of provision for inventory depreciation

At the balance sheet date, inventories are measured at the lower of cost and net realizable value. When the cost of inventories exceeds their net realizable value, a provision for inventory depreciation is made. Net realizable value is the estimated selling price of inventories in the ordinary course of business, less the estimated costs of completion, the estimated selling expenses and relevant taxes and expenses.

For inventories held for direct sale, such as finished goods, merchandise and materials held for sale, the net realizable value is determined as the estimated selling price less the estimated selling expenses and relevant taxes and expenses in the ordinary course of production and operation. For materials inventories that require further processing, the net realizable value is determined as the estimated selling price of the finished goods to be produced, less the estimated costs of completion, the estimated selling expenses and relevant taxes and expenses in the ordinary course of production and operation. For inventories held to fulfill sales or service contracts, the net realizable value is calculated based on the contract price. If the quantity of inventories held exceeds the quantity under the sales contract, the net realizable value of the excess portion is calculated based on the general selling price.

After the provision for inventory depreciation has been made, if the factors that caused the inventory value to be written down cease to exist, resulting in the net realizable value of the inventory being higher than its carrying amount, the reversal is made within the amount of the provision previously recognized, and the reversed amount is recognized in profit or loss for the current period.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

12. Long-term equity investment

(1) Criteria for judging joint control and significant influence

Joint control is the contractually agreed sharing of control over an arrangement, where decisions about the relevant activities require the unanimous consent of the parties sharing control. Where the Group, together with other joint venturers, exercises joint control over an investee and has rights to the net assets of the investee, the investee is a joint venture of The Group.

Significant influence is the power to participate in the financial and operating policy decisions of the investee, but without control or joint control over those policies. An investee over which The Group is able to exercise significant influence is an associate of The Group.

(2) Determination of initial investment cost

1) *Long-term equity investments formed by business combinations*

For long-term equity investments in subsidiaries formed by a business combination under common control, the initial investment cost is measured on the combination date as the share of the carrying amount of the acquiree's owners' equity in the consolidated financial statements of the ultimate controlling party. The difference between the initial investment cost of the long-term equity investment and the carrying amount of the consideration paid is adjusted against share premium within capital reserves. If the share premium is insufficient to absorb the difference, the remaining amount is adjusted against retained earnings.

For long-term equity investments in subsidiaries formed by a business combination not under common control, the initial investment cost is measured as the combination cost determined on the acquisition date.

2) *Long-term equity investments obtained through means other than business combinations*

For long-term equity investments acquired by payment of cash, the initial investment cost is measured at the purchase price actually paid.

For long-term equity investments acquired by issuance of equity securities, the initial investment cost is measured at the fair value of the equity securities issued.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

12. Long-term equity investment (Continued)

(3) Subsequent measurement and recognition of related profit and loss

1) *For long-term equity investments accounted for using the cost method*

The Company accounts for long-term equity investments in subsidiaries using the cost method, unless the investments qualify as held for sale. With the exception of cash dividends or profits that have been declared but not yet distributed, which are included in the purchase price or consideration actually paid upon acquisition of the investment, the Company recognizes investment income in the current period equal to its share of cash dividends or profits declared and distributed by the investee.

2) *For long-term equity investments accounted for using the equity method*

The Company accounts for long-term equity investments in associates and joint ventures using the equity method. The excess of the initial investment cost over the Company's share of the fair value of the investee's identifiable net assets at the acquisition date is not adjusted to the initial investment cost ; The deficit of the initial investment cost relative to the Company's share of the fair value of the investee's identifiable net assets at the acquisition date is recognized in profit or loss for the current period, with a corresponding adjustment to the cost of the long-term equity investment.

The Company recognizes its share of the net profit or loss and other comprehensive income of the investee as investment income and other comprehensive income respectively, and adjusts the carrying amount of the long-term equity investment accordingly. The Company's share of profits or cash dividends declared by the investee reduces the carrying amount of the long-term equity investment. For other changes in the owners' equity of the investee other than those arising from net profit or loss, other comprehensive income and profit distribution ("other changes in owners' equity"), the carrying amount of the long-term equity investment is adjusted and recorded in owners' equity.

When recognizing the Company's share of the net profit or loss, other comprehensive income and other changes in owners' equity of the investee, the Company makes adjustments to the net profit or loss and other comprehensive income of the investee based on the fair value of the investee's identifiable net assets at the acquisition date and in accordance with the Company's accounting policies and accounting periods.

Unrealized intra-group profits or losses arising from transactions between the Company and its joint ventures are eliminated to the extent of the Company's ownership interest, and investment income is recognized thereon, except where the assets contributed or sold constitute a business. Unrealized intra-group losses arising from transactions with the investee that are asset impairment losses are recognized in full.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

13. Investment properties

Investment property is property held for the purpose of earning rental income or for capital appreciation, or both, including: land use rights leased out, land use rights held and intended for transfer after appreciation, buildings leased out (including buildings constructed or developed for leasing upon completion, and buildings under construction or development intended for leasing in the future).

Subsequent expenditures related to investment property are capitalized to the cost of the investment property when it is probable that the related economic benefits will flow to the Company and their cost can be measured reliably. Otherwise, such expenditures are recognized in profit or loss when incurred.

The Group measures its existing investment property using the cost model.

For investment property measured under the cost model: Buildings held for leasing adopt the same depreciation policy as The Group's property, plant and equipment. And use rights held for leasing adopt the same amortization policy as The Group's intangible assets.

The estimated useful lives, net residual values rates, and annual depreciation (amortization) rates of investment properties are shown below:

Type	Period of depreciation *(years)*	Estimated residual value rate *(%)*	Annual depreciation rate *(%)*
Land use rights	50	0.00	2.00
Buildings	50	5.00	1.90

14. Fixed assets

(1) Recognition and initial measurement of fixed assets

Fixed assets are tangible assets held for the production of commodities, the provision of services, rental, or administrative purposes, and have a useful life exceeding one accounting period. Fixed assets are recognized only when both of the following conditions are met:

1) it is probable that the economic benefits associated with the fixed asset will flow to the enterprise;

2) the cost of the fixed asset can be measured reliably.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

14. Fixed assets (Continued)

(1) Recognition and initial measurement of fixed assets (Continued)

Fixed assets are initially measured at cost (considering the effect of estimated decommissioning costs).

Subsequent expenditures related to fixed assets are capitalized into the cost of fixed assets when it is probable that the associated economic benefits will flow to the Company and their cost can be measured reliably. The carrying amount of the replaced part is derecognized. All other subsequent expenditures are recognized in profit or loss when incurred.

(2) Depreciation method

Depreciation of fixed assets is provided for using the straight-line method by category, except for shafts and underground tunnels. The depreciation rate is determined based on the category of fixed assets, estimated useful life and estimated residual value rate. For fixed assets for which impairment provision has been recognized, the depreciation amount in future periods is determined based on the carrying amount after deducting the impairment provision and the remaining useful life. Where the components of a fixed asset have different useful lives or provide economic benefits to the Company in different manners, different depreciation rates or depreciation methods are adopted and depreciation is provided for separately.

The depreciation method, estimated service life, net residual value, and annual depreciation rate of fixed assets outside the construction of the tunnel are listed as follows:

Type	Depreciation method	Period of Depreciation *(years)*	Estimated salvage value rate *(%)*	Annual depreciation rate *(%)*
Buildings	straight-line method	5-50	3 or 5	1.90-19.00
Machinery	straight-line method	5-30	3 or 5	3.23-19.40
Transportation equipment	straight-line method	4-15	3 or 5	6.47-24.25
Electronics and office equipment	straight-line method	3-20	3 or 5	4.75-31.67

Mining structures comprise the main and auxiliary mine shafts and underground tunnels. Depreciation of mining structures is provided using the output method.

The estimated useful life, the estimated net residual value of a fixed asset and the depreciation method applied to the asset are reviewed and adjusted as appropriate at least at each year-end.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

14. Fixed assets (Continued)

(3) Disposal of fixed assets

A fixed asset is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The amount of proceeds from disposal on sale, transfer, retirement, or damage of a fixed asset net of its book value and related taxes and expenses is recognized in profit or loss for the current period.

15. Construction in progress

Construction in progress is measured at actual cost. Actual cost comprises construction costs, installation costs, borrowing costs that are eligible for capitalization, and other costs necessary to bring the fixed assets ready for their intended use. Construction in progress is transferred to fixed assets when the assets are ready for their intended use, and depreciation begins the following month. The criteria and timing for the reclassification of construction in progress to fixed assets of the Group are as follows:

Item	Criteria for carrying forward fixed assets
Buildings	From the date of reaching the intended usable state
Machinery	Complete installation and commissioning, meet design requirements and complete trial production

16. Borrowing costs

(1) Recognition principle for capitalization of borrowing costs

Borrowing costs incurred by the Group that are directly attributable to the acquisition, construction or production of qualifying assets are capitalized and included in the cost of the relevant assets. All other borrowing costs are recognized as expenses in the period in which they are incurred.

A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale, including fixed assets, investment property and inventories.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

16. Borrowing costs (Continued)

(2) Capitalization period of borrowing costs

The capitalization period is the period from the date on which capitalization of borrowing costs commences to the date on which capitalization ceases, excluding periods during which capitalization is suspended.

Capitalization of borrowing costs commences when all the following conditions are satisfied:

1) Expenditures for the asset have been incurred, including expenditures in the form of cash payments, transfers of non-cash assets, or incurrences of interest-bearing liabilities for the acquisition, construction or production of qualifying assets;

2) Borrowing costs have been incurred;

3) Activities necessary to prepare the asset for its intended use or sale have commenced.

Capitalization of borrowing costs ceases when the qualifying asset under construction or production is ready for its intended use or sale.

(3) Suspension period of capitalization

If the construction or production of a qualifying asset is abnormally interrupted and the interruption period lasts for more than three consecutive months, capitalization of borrowing costs is suspended. If such interruption is a necessary procedure to prepare the qualifying asset for its intended use or sale, capitalization of borrowing costs continues. Borrowing costs incurred during the suspension period are recognized in profit or loss for the current period until the construction or production activities resume.

(4) Capitalization rate and calculation of capitalized amount of borrowing costs

For specific borrowings for the acquisition, construction or production of qualifying assets, the capitalized amount of borrowing costs is determined as the actual borrowing costs incurred during the period, less interest income from depositing unused borrowings in banks or investment income from temporary investments.

For general borrowings used for the acquisition, construction or production of qualifying assets, the capitalized amount of borrowing costs is calculated by multiplying the weighted average of asset expenditures in excess of specific borrowings by the capitalization rate applicable to the general borrowings. The capitalization rate is determined based on the weighted average actual interest rate of general borrowings.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

16. Borrowing costs (Continued)

(4) Capitalization rate and calculation of capitalized amount of borrowing costs (Continued)

During the capitalization period, foreign exchange differences arising from the principal and interest of foreign currency specific borrowings are capitalized and included in the cost of qualifying assets. Foreign exchange differences arising from other foreign currency borrowings (other than foreign currency specific borrowings) are recognized in profit or loss for the current period.

17. Intangible assets

(1) Measurement of intangible assets

1) *Intangible assets acquired by the Company are initially measured at cost.*

The cost of purchased intangible assets includes the purchase price, relevant taxes and duties, and other expenditures directly attributable to bringing the asset to its intended use.

2) *Subsequent measurement*

Upon acquisition of intangible assets, their useful lives are assessed.

Intangible assets with finite useful lives are amortized over the period during which economic benefits are expected to flow to the Company. Intangible assets for which the useful life cannot be estimated reliably are regarded as having indefinite useful lives and are not amortized.

(2) Estimation of useful lives of intangible assets with finite useful lives

1) *Mining rights*

Mining rights are stated at the actual cost. While mining rights acquired by the business combination are recognized at the fair value at the acquisition date, then subsequently are recorded at cost less accumulated amortization and impairment losses. Once the mineral object has been formally mined, the mining rights are amortized on the output method.

2) *Exploration rights*

Exploration rights acquired by business combinations under non-common control are recognized at the fair value at the acquisition date. Upon transformation to mining rights, accounting policies relating to mining rights are used to account for them.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

17. Intangible assets (Continued)

(2) Estimation of useful lives of intangible assets with finite useful lives (Continued)

3) *Land use rights*

Land use rights invested by the shareholders are recognized at the value agreed by all the shareholders unless the agreed value is not fair. Purchased land use rights are stated at actual cost, while land use rights acquired by the business combination are recognized at fair value at the acquisition date, then subsequently are recorded at cost less accumulated amortization and impairment losses. Land use rights are amortized on a straight-line basis over the period of the land use rights varying from 10 to 70 years.

4) *Periodical review useful life and amortization methods*

For an intangible asset with a finite useful life, a review of its useful life and amortization method is performed at each year-end, with adjustments made as appropriate.

(3) Research and development

The expenditure on an internal research and development project is classified into expenditure on the research phase and expenditure on the development phase based on its nature and whether there is material uncertainty that the research and development activities can form an intangible asset at the end of the project.

Expenditure on the research phase is recognized in profit or loss in the period in which it is incurred. Expenditure on the development phase is capitalized only if all the following conditions are satisfied:

1) it is technically feasible to complete the intangible asset so that it will be available for use or sale;

2) management intends to complete the intangible asset, and use or sell it;

3) it can be demonstrated how the intangible asset will generate economic benefits;

4) there are adequate technical, financial, and other resources to complete the development and the ability to use or sell the intangible asset; and the expenditure attributable to the intangible asset during its development phase can be reliably measured.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

17. Intangible assets (Continued)

(3) Research and development (Continued)

Development expenditures that do not meet the above criteria are recognized in profit or loss as incurred. Development expenditures charged to profit or loss in prior periods are not re-recognized as assets in subsequent periods. Expenditures in the development stage that have been capitalized are presented as development expenditures on the balance sheet and are transferred to intangible assets from the date the project reaches its scheduled use.

18. Exploration assets and filing cost

The Group's exploration assets include topographical and geological exploration, exploration drilling, sampling, trenching, and relevant commercial and technical feasibility studies, and the expenditure arising from expanding existing orebody exploration and improving the orebody productivity.

At the initial stage of the exploration project, exploration and evaluation expenditures are recognized in profit or loss when they occur. When the project has technical feasibility and commercial feasibility, the exploration and evaluation expenditures (including the cost of purchasing the mineral exploration right) are capitalized into exploration and evaluation assets by individual projects.

Exploration and evaluation assets are recorded in construction in progress, transferred to fixed assets or intangible assets at the date that the assets are ready for their intended use, and are depreciated or amortized over the term of the rights. When the project is aborted, the relevant unrecoverable cost will be written off and recognized in profit or loss when it occurred. Infill costs incurred after the extraction of the deposit are included in production costs.

19. Impairment of long-term assets

Long-term assets including long-term equity investments, investment property measured under the cost model, fixed assets, construction in progress, right-of-use assets, and intangible assets with finite useful lives are tested for impairment at the reporting date if there is any indication of impairment. If the recoverable amount of an asset is estimated to be lower than its carrying amount, an impairment loss is recognized for the difference, and an impairment provision is made accordingly. The recoverable amount is the higher of the fair value of the asset less costs of disposal; and the present value of the estimated future cash flows expected to arise from the asset. An impairment loss is recognized for an individual asset. If the recoverable amount of an individual asset cannot be estimated reliably, the recoverable amount of the cash-generating unit to which the asset belongs is determined. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows independently.

Goodwill arising from business combinations, intangible assets with indefinite useful lives, and intangible assets not yet available for use are tested for impairment at least annually at the end of each reporting year, regardless of whether there is any indication of impairment.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

19. Impairment of long-term assets (Continued)

For the purpose of goodwill impairment testing, the carrying amount of goodwill arising from a business combination is allocated to the related cash-generating units from the acquisition date on a reasonable basis. If the goodwill cannot be allocated to individual cash-generating units, it is allocated to the related groups of cash-generating units. The related cash-generating units or groups of cash-generating units are those that are expected to benefit from the synergies of the business combination.

In testing the cash-generating units or groups of cash-generating units containing goodwill for impairment, if there is any indication of impairment, the Company first tests the cash-generating units or groups of cash-generating units without goodwill by comparing their recoverable amount with their carrying amount to recognize any related impairment loss. Then, the cash-generating units or groups of cash-generating units including goodwill are tested for impairment by comparing their carrying amount with their recoverable amount. If the recoverable amount is lower than the carrying amount, the impairment loss is first allocated to reduce the carrying amount of goodwill allocated to the cash-generating unit or group of cash-generating units. Any remaining impairment loss is allocated proportionately to the other assets in the cash-generating unit or group of cash-generating units based on their relative carrying amounts.

Once an impairment loss is recognized for the above assets, it shall not be reversed in subsequent accounting periods.

20. Long-term prepaid expenses

Long-term prepaid expenses include the expenditure for improvements to fixed assets held under operating leases, and other expenditures that have been incurred but should be recognized as expenses over more than one year in the current and subsequent periods. Long-term prepaid expenses are amortized on a straight-line basis over the expected beneficial period and are presented at actual expenditure net of accumulated amortization.

21. Contract liabilities

The Group presents contract assets or contract liabilities in the balance sheet based on the relationship between performance obligations satisfied and customer payments. A contract liability is recognized for the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or is due consideration) from the customer. Contract assets and contract liabilities relating to the same contract are presented on a net basis.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

22. Employee benefits

(1) Accounting treatment for short-term employee benefits

The Group recognizes short-term employee benefits actually incurred as liabilities during the accounting periods in which employees render services, and records them in profit or loss for the current period or the cost of relevant assets.

Social insurance premiums and housing fund contributions paid by The Group for employees, as well as union funds and employee education funds appropriated in accordance with regulations, are recognized as employee benefits based on the stipulated bases and ratios during the periods in which employees render services.

Employee benefits paid by The Group are recognized in profit or loss for the current period or the cost of relevant assets based on the actual amount incurred. Non-monetary benefits are measured at fair value.

(2) Accounting Treatment for post-employment benefits

Post-employment benefits are classified as defined contribution plans and defined benefit plans. A defined contribution plan is a post-employment benefits plan in which the Group is not obliged to make further payments after paying a certain amount to individual funds. Defined benefit plans are other post-employment benefits plans except for defined contribution plans. During the reporting period, the Group's post-employment benefits mainly include basic pension insurance, unemployment insurance, and enterprise annuity for employees, which are all defined contribution plans.

Basic pension benefits

Employees of the Group participate in the defined contribution pension plan set up and administered by local labor and social security departments. Based on the salaries of the employees, basic pensions are provided monthly according to stipulated proportions, which are paid to local labor and social security institutions. After the employees are retired, the local labor and social security departments have the responsibility to pay basic pension benefits to them. Basic pension benefits are recognized as payables in the accounting period in which an employee has rendered service, as costs of assets or expenses to whichever the employee service is attributable.

(3) Accounting Treatment for Termination Benefits

The Group recognizes a liability for employee benefits in respect of termination benefits provided to employees, and recognizes the amount in profit or loss for the current period, at the earlier of the following dates, when the Group can no longer unilaterally withdraw the termination benefits offered under an employment termination plan or redundancy proposal. When the Group recognizes the costs or expenses relating to a restructuring that involves the payment of termination benefits.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

23. Special payables

Special payables are the special or specific purpose funds that the Group obtained from governments as the owner of the enterprise, which should be included in the special payables when the funds are received. After the completion of the specific project, the expenditure that forms assets is recognized as deferred income according to actual costs. Other expenditures that do not form assets, which need to be handed in or written off, should be written down from the special payables after approval.

24. Dividend distribution

A cash dividend is recognized as a liability for the period in which the dividend is approved by the annual general meeting.

25. Provision

A provision is recognized when all the following conditions are met:

(1) The obligation is a present obligation of the Group;

(2) It is probable that an outflow of economic benefits will be required to settle the obligation;

(3) The amount of the obligation can be reliably measured.

Certain present obligations are required as a result of events that have already occurred and are recognized as provisions when it is probable that an outflow of economic benefits will result from the performance of the operation and the amount can be measured reliably. Provisions for closure of tailings and environmental restoration are recognized when the Group has a present obligation, an outflow of economic benefits will probably be required to settle the obligation, and the amount of the obligation can be measured reliably. Asset retirement obligations that meet the criteria of provisions are recognized as provisions and the amount recognized is the present value of the estimated future expenditure determined in accordance with local conditions and requirements, while a corresponding addition to the related fixed assets of an amount equivalent to the provision is also created. This is subsequently depleted as part of the costs of the fixed assets. Interest expenses from the assets retirement obligations for each period are recognized with the effective interest method during the useful lives of the related fixed assets. If the conditions for the recognition of the provisions are not met, the expenditures for the decommissioning, removal, and site cleaning will be expensed in the income statement when occurred.

A provision is initially measured at the best estimate of the expenditure required to settle the related present obligation. Factors surrounding a contingency, such as the risks, uncertainties, and the time value of money, are considered in reaching the best estimate of a provision. Where the effect of the time value of money is material, the best estimate is determined by discounting the related future cash outflows. The increase in the discounted amount of the provision arising from the passage of time is recognized as interest expense.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

25. Provision (Continued)

The book value of provisions is reviewed at each balance sheet date and adjusted to reflect the current best estimate.

The provisions expected to be settled within one year since the balance sheet date are classified as current liabilities.

26. Share based payment

The Group's share-based payment transactions are those in which the Group grants equity instruments or incurs liabilities based on equity instruments, in exchange for services received from employees or other parties. The Group classifies share-based payment transactions into: equity-settled share-based payment; and cash-settled share-based payment.

(1) Cash-settled share-based payment

Share-based payments settled in cash are measured at the fair value of the liabilities incurred by the Group, which are calculated based on the Group's shares or other equity instruments. For share-based payment transactions that vest immediately upon grant, the Group recognises the relevant costs or expenses at the fair value of the incurred liabilities on the grant date, with a corresponding increase in liabilities. For share-based payment transactions that vest only upon the completion of service during the vesting period or the satisfaction of specified performance conditions after grant, the Group recognizes the services received for the current period as relevant costs or expenses on each balance sheet date during the vesting period, based on the best estimate of the number of awards expected to vest and the fair value of the liabilities incurred by the Group, with a corresponding recognition of liabilities. The fair value of the relevant liabilities is remeasured on each balance sheet date prior to settlement and on the settlement date, and any changes therein are recognised in profit or loss for the current period.

27. Revenue

(1) Accounting policies for revenue recognition and measurement

The Group recognizes revenue based on the transaction price allocated to the performance obligation when The Group satisfies a performance obligation in the contract, namely, when the customer obtains control over relevant goods or services. Obtaining control over relevant goods or services means being able to lead the use of such goods or services and gain almost all of the economic benefits from them.

Where a contract contains two or more performance obligations, The Group allocates the transaction price to each performance obligation at the inception of the contract, based on the relative standalone selling prices of the promised goods or services underlying each performance obligation. Revenue is measured at the transaction price allocated to each respective performance obligation.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

27. Revenue (Continued)

(1) Accounting policies for revenue recognition and measurement (Continued)

The transaction price is the amount of consideration to which The Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties and amounts expected to be refunded to a customer. The Group determines the transaction price based on contract terms and its customary business practices. In determining the transaction price, The Group considers the effects of variable consideration, significant financing components in the contract, non-cash consideration, and consideration payable to a customer. The transaction price including variable consideration is measured at an amount that does not exceed the cumulative amount of revenue for which it is highly probable that no significant reversal will occur when the uncertainty associated with the variable consideration is subsequently resolved. For contracts with a significant financing component, the transaction price is determined as the amount of cash that the customer would have paid if the customer had obtained control of the goods or services at that time. The difference between this transaction price and the promised consideration is amortized over the contract period using the effective interest method.

It is a performance obligation satisfied during a period of time and The Group recognizes revenue during a period of time according to the progress of performance if one of the following conditions is met:

- The customer obtains and consumes economic benefits at the same time of The Group 's performance.

- The customer is able to control goods or services in progress during The Group 's performance.

- Goods or services generated during the Company's performance have irreplaceable utilization, and The Group is entitled to collect amounts of cumulative performance part which have been done up to now.

For the performance obligations fulfilled within a certain period, the Group recognizes revenue during that period in accordance with the progress of performance, except where the progress of performance cannot be reasonably determined. The Group considers the nature of the goods or services and determines the progress of performance by using the output or input method. When the progress of performance cannot be reasonably determined and the costs incurred are expected to be compensated, the Group recognizes revenue based on the amount of costs incurred until the progress of performance can be reasonably determined.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

27. Revenue (Continued)

(1) Accounting policies for revenue recognition and measurement (Continued)

For performance obligations fulfilled at a point in time, the Group recognizes revenue at a point time when the customer acquires control of the relevant goods or services. When determining whether a customer has obtained control of the goods or services, the Group considers the following signs:

- The Group has the right to receive payment for the goods or services at present, that is, the customer is obligated to make payment for the goods or services at present.

- The Group has transferred the legal ownership of the commodity to the customer, that is, the customer already has the legal ownership of the commodity.

- The Group has physically transferred the commodity to the customer, that is, the customer has physically occupied the commodity.

- The Group has transferred the principal risks and rewards of ownership of the commodity to the customer, that is, the customer has obtained the principal risks and rewards of ownership of the commodity.

- The customer has accepted the goods or services, etc.

The Group determines whether it is a principal or an agent in a transaction based on whether it controls the promised goods or services before they are transferred to the customer. If The Group controls the goods or services before transfer to the customer, The Group acts as a principal and recognizes revenue at the gross amount of consideration received or receivable. Otherwise, The Group acts as an agent and recognizes revenue at the amount of commission or fee it is entitled to receive.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

27. Revenue (Continued)

(2) Disclosure of specific revenue recognition and measurement methods by type of business

1) Sales of good

Sales are recognized when the products have been shipped to the specific location in accordance with the sales contract and the customers have inspected the products and signed acceptance notices. There is no significant financing component as the sales are made with a credit term varied by customers' credit risk characteristics, which is consistent with market practices. Advance received from customers is presented as contract liabilities in the balance sheet.

2) Provision of Services

The Group recognises revenue at the amount of consideration to which it expects to be entitled when the customer obtains control of the services.

28. Safety production costs

Pursuant to Regulation No. [2022]136, "Management Measures of Accrual and Use of Safety Fund of Business Enterprises", issued by the Ministry of Finance and the State Administration of Work Safety, the Group is required to accrue safety production costs. Safety production cost is earmarked for improving the safety of production.

Pursuant to Regulation No. [2010]8, "Accounting Standards for Business Enterprises Interpretation No. 3", issued by the Ministry of Finance on 21 June 2010, enterprises in high-risk industries should accrue safety production costs under China's law and regulation, and safety production cost should be accrued to production costs or current profit or loss, and credited to special reserves. When the Group uses the extracted production safety fees, if it is an expense, it should be directly offset against the special reserves. The safety production costs of the Group that is formed into fixed assets through a collection of construction in progress are recognized as fixed assets when the safety projects are completed and to the expected conditions for use; at the same time, the special reserves are written down through the costs of formed fixed assets, and the same amount is confirmed to accumulated depreciation. For these fixed assets, there will be no further depreciation in the following accounting periods.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

29. Government grant

Government grants refer to the monetary or non-monetary assets obtained by the Group from the government, including tax returns, financial subsidies, etc.

Government grants are recognized when the grants can be received, and the Group can comply with all attached conditions. If a government grant is a monetary asset, it will be measured at the amount received or receivable. If a government grant is a non-monetary asset, it will be measured at its fair value. If it is unable to obtain its fair value reliably, it will be measured at its nominal amount.

Government grants related to assets refer to government grants that are obtained by the Group for the purposes of purchase, construction, or acquisition of long-term assets. Government grants related to income refer to government grants other than those related to assets.

Government grants related to assets are either deducted against the carrying amount of the assets or recorded as deferred income and recognized in profit or loss on a systematic reasonable over the useful lives of the assets. Government grants related to income that compensate the future costs, expenses, or losses are recorded as deferred income and recognized in profit or loss, or deducted against related costs, expenses, or losses in reporting the related expenses; government grants related to income that compensate the incurred costs, expenses or losses are recognized in profit or loss, or deducted against related costs, expenses or losses directly in the current period. The Group applies the presentation method consistently to similar government grants in the financial statements.

Government grants that are related to ordinary activities are included in operating profit, otherwise, they are recorded in non-operating income or expenses.

30. Deferred tax assets and deferred tax liabilities

Income tax comprises current income tax and deferred income tax. Current and deferred tax are recognized in profit or loss, except for income tax arising from business combinations and transactions or events recognized directly in equity (including other comprehensive income), which are recognized accordingly.

Deferred tax assets and deferred tax liabilities are recognized based on temporary differences, being the differences between the carrying amounts of assets and liabilities and their tax bases.

A deferred tax asset is recognized for deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilized. Deferred tax assets are also recognized for unused tax losses and tax credits available for carry-forward to future periods, to the extent that it is probable that future taxable profit will be available against which such unused tax losses and tax credits can be offset.

Deferred tax liabilities are recognized for all taxable temporary differences, except in certain exceptional circumstances.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

30. Deferred tax assets and deferred tax liabilities (Continued)

Exceptional circumstances where deferred tax assets or deferred tax liabilities are not recognized include:

- initial recognition of goodwill;

- transactions or events that are not business combinations, and do not affect accounting profit or taxable profit (or deductible tax losses) at the time of occurrence, and the initial recognition of assets and liabilities does not result in equal taxable and deductible temporary differences.

Deferred tax liabilities are recognized for temporary differences arising from investments in subsidiaries, associates, and joint ventures, except where the Group can control the timing of the reversal of the temporary difference, and it is probable that the temporary difference will not reverse in the foreseeable future. When it is probable that the temporary differences arising from investments in subsidiaries, joint ventures, and associates will be reversed in the foreseeable future and that the taxable profit will be available in the future against which the temporary differences can be utilized, the corresponding deferred tax assets are recognized.

At the reporting date, deferred tax assets and deferred tax liabilities are measured at the tax rates that are expected to apply in the period in which the asset is realized or the liability is settled, based on tax laws and regulations enacted or substantively enacted at the reporting date.

At the reporting date, The Group reviews the carrying amount of deferred tax assets. If it is probable that sufficient taxable profit will not be available in future periods to allow the benefit of the deferred tax assets to be utilized, the carrying amount of the deferred tax assets is reduced. When it is probable that sufficient taxable profit will be available, the amount previously written down is reversed.

Current tax assets and current tax liabilities are presented net when The Group has a legally enforceable right to set off the recognized amounts and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

At the reporting date, deferred tax assets and deferred tax liabilities are offset and presented on a net basis if both of the following conditions are satisfied:

- The taxable entity has a legally enforceable right to set off current tax assets against current tax liabilities;

- Deferred tax assets and deferred tax liabilities are related to income taxes levied by the same taxation authority on the same taxable entity, or relate to different taxable entities that intend, in future periods in which significant amounts of deferred tax assets or liabilities are expected to be settled or recovered, to settle current tax assets and liabilities on a net basis or to realize the assets and settle the liabilities simultaneously.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

31. Lease

Leases, refer to a contract in which the lessor transfers the right to use the assets to the lessee for consideration in a certain period.

(1) The Group as the lessee

The Group recognizes the right to use assets at the beginning of the lease term and recognizes the lease liabilities by the present value of unpaid lease payments.

Lease payments include fixed payments and payments to be made in the case of a reasonable determination of the exercise of the purchase option or termination of the lease option. The variable rent determined according to a certain proportion of sales volume is not included in the rental payment amount but is included in the current profit and loss when it occurs. The Group's lease liabilities payable within one year (including one year) from the balance sheet date are listed as non-current liabilities due within one year.

Right-of-use assets of the Group comprise leased buildings and land use rights. Right-of-use assets are measured initially at cost which comprises the amount of the initial measurement of lease liabilities, any lease payments made at or before the commencement date, and any initial direct costs, less any lease incentives received. If the Group is able to obtain ownership of the leased asset at the end of the lease term with reasonable certainty, depreciation is provided over the remaining useful life of the leased asset; if it cannot be reasonably certain that the ownership of leased assets can be obtained at the end of the lease term, depreciation is provided over the shorter of the lease term and the remaining useful life. When the recoverable amount is less than the book value of the right-of-use asset, the Group writes down the book value to its recoverable amount.

For short-term leases with a lease term not exceeding 12 months and leases of low-value assets with a low brand-new value of a single asset, the Group chooses not to recognize right-of-use assets and lease liabilities and to recognize the related rental expenses in profit or loss or costs of the related assets on a straight-line basis over each period of the lease term.

(2) The Group as a lessor

A lease that in substance transfers substantially all the risks and rewards incidental to ownership of an asset is a finance lease. Others are classified as operating leases.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

31. Lease (Continued)

(2) The Group as a lessor (Continued)

1) Accounting treatment for operating leases

Where the Group leases out self-owned buildings, machinery and equipment, and motor vehicles under operating leases, the rental income therefrom is recognized on a straight-line basis over the lease term. Variable rental that is linked to a certain percentage of sales is recognized in rental income as incurred.

When the lease is changed, the Group regards it as a new lease from the effective date of the change and regards the advance receipts or lease receivables related to the lease before the change as the receipts for the new lease.

32. Debt restructuring

(1) The Group as a creditor

The Group derecognizes a claim when its contractual right to receive the cash flows of the claim expires. In a debt restructuring where the debtor settles the debt by transferring assets or by converting debt into equity instruments, The Group recognizes the related assets when they meet the definition and recognition criteria for assets.

For debt restructurings conducted by settling liabilities through the transfer of assets, the Group measures non-financial assets received at cost upon initial recognition. For debt restructurings conducted by converting debt into equity instruments that result in the creditor converting claims into equity investments in an associate or joint venture, the Group measures the initial cost of such investments at the fair value of the waived claims plus other costs directly attributable to the assets, such as taxes. The difference between the fair value and the carrying amount of the waived claims is recognised in profit or loss for the current period.

For debt restructurings involving the modification of other terms, The Group recognizes and measures the restructured claims in accordance with the accounting policy set out in Note III (X) Financial instruments.

For debt restructurings involving settlement by multiple assets or a combination of methods, The Group first recognizes and measures financial assets received and restructured claims in accordance with the accounting policy set out in Note III (X) Financial instruments. The net amount, being the fair value of the claim surrendered less the recognized amounts of financial assets received and restructured claims, is then allocated to each non-financial asset received based on their relative fair values. The cost of each asset is determined accordingly based on the aforementioned methods. The difference between the fair value and the carrying amount of the claim surrendered is recognized in profit or loss for the current period.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

32. Debt restructuring (Continued)

(2) The Group as a debtor

The Group derecognizes a liability when its present obligation for the debt is discharged.

In a debt restructuring by settling the debt through transfer of assets, The Group derecognizes the related assets and the debt being settled when they meet the derecognition criteria. The difference between the carrying amount of the debt settled and the carrying amount of the assets transferred is recognized in profit or loss for the current period.

For debt restructurings involving the conversion of debt into equity instruments, The Group derecognizes the debt being settled when it meets the derecognition criteria. Upon initial recognition, equity instruments are measured at their fair value. If the fair value of the equity instruments cannot be reliably measured, they are measured at the fair value of the debt being settled. The difference between the carrying amount of the debt settled and the recognized amount of the equity instruments is recognized in profit or loss for the current period.

For debt restructurings involving the modification of other terms, The Group recognizes and measures the restructured debt in accordance with the accounting policy set out in Note III (X) Financial Instruments.

For debt restructurings involving settlement by multiple assets or a combination of methods, The Group recognizes and measures equity instruments and restructured debt in accordance with the aforementioned methods. The difference between the carrying amount of the debt settled and the sum of the carrying amounts of assets transferred, the recognized amount of equity instruments and restructured debt, is recognized in profit or loss for the current period.

33. Fair value measurement

The Group measures investments in equity instruments at fair value at each balance sheet date. Fair value is the price that a market participant would receive for selling an asset or paying for transferring a liability in an orderly transaction occurring on the measurement date.

Assets and liabilities that are measured or disclosed at fair value in the financial statements are identified within the fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole: Level 1 inputs are unadjusted quoted prices in active markets for identical assets or liabilities that are available at the measurement date; Level 2 inputs are inputs other than level 1 inputs that are directly or indirectly observable for the related assets or liabilities; and level 3 inputs are unobservable inputs for the underlying assets or liabilities.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

33. Fair value measurement (Continued)

The fair value of financial instruments traded in an active market is determined at the quoted market price, and for financial instruments that are not traded in an active market, the Group determines the fair value using valuation techniques and the valuation models used are mainly discounted cash flow models. The inputs to the valuation technique consist mainly of the risk-free rate, credit premium, and liquidity premium for debt and the valuation multiplier and liquidity discount for equity.

The fair value of Level 3 is determined based on the Group's valuation models, such as discounted cash flow models. The Group also considers the initial transaction price, recent transactions in identical or similar financial instruments, or full third-party transactions in comparable financial instruments. As at 31 December 2025, Level 3 financial assets measured at fair value are valued using significant unobservable inputs such as discount rates, but the fair value is not materially sensitive to reasonable changes in these significant unobservable inputs.

The Group uses the net asset value at the balance sheet date to determine the fair value of unlisted equity investments.

At each balance sheet date, the Group reassesses the assets and liabilities recognized in the financial statements that are continuously measured at fair value to determine whether a transition between the fair value measurement hierarchy has occurred.

34. Segment information

The Group determines operating segments based on its internal organizational structure, management requirements, and internal reporting system, and determines reporting segments and discloses segment information based on operating segments.

An operating segment is a component of the Group that also meets the following conditions: (1) the component is capable of generating income and incurring expenses in the ordinary course of its activities; (2) the Group's management is able to periodically evaluate the operating results of the component in order to decide on the allocation of resources to it and evaluate its performance; (3) the Group has access to accounting information on the financial position, operating results and cash flows of the component. Two or more operating segments may be combined into one operating segment if they have similar economic characteristics and meet certain conditions.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

35. Important accounting estimates and judgments

(1) Critical judgments in applying accounting policies

1) Classification of financial assets

The significant judgments involved in determining the classification of the Group's financial assets include, among others, analyses of business models and contractual cash flow characteristics.

The Group determines the business model for managing financial assets at the portfolio level, taking into account factors such as the manner in which the performance of the financial assets is evaluated and reported to key management personnel, the risks affecting the performance of the financial assets and the manner in which they are managed, and the manner in which the management of the underlying business is remunerated.

The following key judgments exist when the Group assesses whether the contractual cash flows of a financial asset are consistent with the underlying lending arrangement: whether it is probable that the principal amount will change in time distribution or amount over the life of the asset, for example, as a result of early repayment; and whether the interest rate includes only the time value of money, credit risk, other fundamental borrowing risks, and considerations for costs and profits. For example, whether the amount of the early repayment reflects only the outstanding principal and interest based on the unpaid principal, as well as reasonable compensation paid for early termination of the contract.

2) Judgment that credit risk has increased significantly

In distinguishing different stages in which the financial instruments are held, the Group's judgments of significant increases in credit risk and credit impairments are set out below:

The Group's main criteria for determining a significant increase in credit risk are the overdue days exceeding 180 days, or significant changes in one or more of the following indicators: the operating environment in which the debtor operates, internal or external credit ratings, actual or expected results of operations, or significant decreases in the value of the guarantee or the credit rating of the guarantor.

The Group's main criteria for determining that credit impairment has occurred are that the overdue days are more than 360 days (i.e., a default has occurred) or that one or more of the following conditions have been met: the debtor is experiencing significant financial difficulty, other debt restructuring, or it is probable that the debtor will be insolvent, among other things.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

36. Determination method and basis for selection of materiality

The Group follows the principle of materiality in the preparation and disclosure of its financial statements. The disclosures in the notes to the financial statements that involve materiality judgments and the methodology for determining and selecting the materiality criteria are as follows:

Disclosures involving materiality criteria judgments	Methodology for determining materiality criteria and basis for selection
Significant Important accounts receivable with single provision for bad debt reserves	The single provision amount accounts for more than 10% of the total bad debt provision for various receivables and the amount of more than RMB1 million.
Significant bad debt provision recovery or reversal	The single recovery or reversal amount accounts for more than 10% of the total bad debt reserves of various receivables and the amount of more than RMB1 million.
Significant accounts receivable write-off	The single write-off amount accounts for more than 10% of the total amount of various receivables and the amount of more than RMB1 million.
Accounts payable/other payables aging over 1 year	Single accounts payable/other payables aging over 1 year accounted for more than 10% of total accounts payable/other payables and the amount of more than RMB1 million.
Significant construction projects in progress	Single construction-in-progress project budget of more than RMB40 million.
Significant estimated liabilities	Expected liabilities of a single type account for more than 1% of the total estimated liabilities and the amount exceeds RMB20 million.
Significant joint ventures or associates	The book value of long-term equity investments in a single-invested entity accounts for more than 2% of the Group’s net assets and the amount is more than RMB100 million.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

37. Key accounting estimates and judgments

The following significant accounting estimates and key assumptions involve material risks that may result in significant adjustments to the carrying amounts of assets and liabilities in the next fiscal year:

(1) Accounting estimates for impairment provisions of non-current assets other than goodwill

When testing for impairment of fixed assets, construction in progress, land use rights, mining rights and exploration rights where there are impairment indicators, the Group recognizes an impairment loss equal to the excess of the carrying amount over the recoverable amount. The recoverable amount is the higher of the fair value less costs of disposal and the present value of estimated future cash flows from the asset. The calculation requires the use of accounting estimates (Note V.12, 13 and 15). If the management revises the growth rate used in the calculation of future cash flows of the asset groups and the revised growth rate is lower than the current rate, the Group will need to recognize additional impairment provisions for fixed assets.

If the management revises the gross profit margin used in the calculation of future cash flows of the asset groups and the revised gross profit margin is lower than the current margin, the Group will need to recognize additional impairment provisions for fixed assets.

If the management revises the discount rate applied to discount future cash flows and the revised discount rate is higher than the current rate, the Group will need to recognize additional impairment provisions for fixed assets.

If the actual growth rate and gross profit margin are higher than the management's estimates, or the actual discount rate is lower than the management's estimate, the previously recognized impairment losses on fixed assets shall not be reversed.

(2) Accounting estimates for impairment provisions of goodwill

The Group tests goodwill for impairment annually. The recoverable amount of the asset group or combination of asset groups containing goodwill is the higher of the fair value less costs of disposal and the present value of estimated future cash flows, the calculation of which requires the use of accounting estimates (Note V 16).

For the year ended 2025, the Group determined the recoverable amount of goodwill arising from the acquisition of Xinjiang Yakesi Resources Development Co., Ltd. (hereinafter referred to as Xinjiang Yakesi)and Hami Jubao Resources Development Co., Ltd. (hereinafter referred to as Hami Jubao), together with goodwill arising from business combinations under common control, based on the present value of estimated future cash flows. As parameters such as future production volume, prices and costs are subject to uncertainty due to technological progress, policies and changes in economic conditions, the growth rate, gross profit margin and discount rate used in determining estimated future cash flows are also subject to uncertainty.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

37. Key accounting estimates and judgments (Continued)

(2) Accounting estimates for impairment provisions of goodwill (Continued)

If the management revises the growth rate used in the calculation of future cash flows of the asset group or combination of asset groups and the revised growth rate is lower than the current rate, the Group will need to recognize additional impairment provisions for goodwill.

If the management revises the gross profit margin used in the calculation of future cash flows of the asset group or combination of asset groups and the revised gross profit margin is lower than the current margin, the Group will need to recognize additional impairment provisions for goodwill.

If the actual growth rate and gross profit margin are higher than the management's estimates, or the actual discount rate is lower than the management's estimate, the previously recognized impairment losses on goodwill shall not be reversed.

(3) Income taxes

The Group pays corporate income tax in multiple jurisdictions. In ordinary operating activities, uncertainty exists in the ultimate tax treatment of certain transactions and events. Significant judgment is required when the Group is accounting for income tax expenses in each region. If the final determination of these tax matters results in a difference from the amounts initially recorded, the difference will affect the amount of income tax expense and deferred income tax in the period in which such final determination is made.

In accordance with the accounting policies described in Note III.30, the Group prepares profit forecasts on an annual basis and recognizes corresponding deferred tax assets in respect of the deductible losses and deductible temporary differences that can be set off against taxable income in subsequent years in accordance with the provisions of the tax law.

The estimation of deferred tax assets requires the estimation of taxable income and applicable tax rates for each subsequent year, and the realization of deferred tax assets depends on whether it is probable that the Group will generate sufficient taxable income in the future. Future changes in tax rates and the timing of reversal of temporary differences may also affect income tax expense as well as the balance of deferred income taxes. Changes in the above estimates could result in significant adjustments to deferred income taxes.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

37. Key accounting estimates and judgments (Continued)

(3) Income taxes (Continued)

As at 30 June 2026, the Group recognized a total of RMB99,698,348.87 in deferred income tax assets. As mentioned in Note V.19, as at 30 June 2026, the Group has unrecognized deductible losses amounting to RMB86,718,625.48. Deferred income tax assets have also not been recognized by these companies as they are in a loss-making position and it is highly uncertain whether it is probable that sufficient taxable income will be available to offset the losses in future periods or it is more likely than not that the losses will be approved by the Revenue Department. If the future taxable income of these companies is more or less than currently expected, or if the losses are approved by the Revenue Department, the Group will be required to further recognize or reverse the deferred tax assets.

(4) Useful life of fixed assets and intangible assets

The management of the Group determines the estimated useful lives, the related depreciation, and the amortization of fixed assets and intangible assets. The estimate is calculated based on past experiences of the actual useful lives of fixed assets and intangible assets of similar nature and function and may change significantly due to technological innovations and competitors' responses to severe industry cycles. If the useful life is shorter than previously estimated, the management will re-estimate the useful life.

(5) Mineral reserves

Given the subjective judgement involved in the preparation of information on mineral reserves, it is not possible to achieve a high degree of precision in the technical estimation of the Group's mineral reserves, which can only be estimated to approximate figures.

The Group is required to follow a number of authoritative guidelines on technical standards before an estimated mineral reserve can be identified as "proven" and "probable". Estimates of proven and probable reserves are updated regularly, and recent production and technical data from individual mines are taken into account. In addition, estimates of proven and probable mineral reserves are subject to change as prices and costs change from year to year. For accounting purposes, these changes are treated as changes in accounting estimates and are reflected in the relevant depreciation rates on a prospective basis.

Despite the inherent limitations of these reserve estimation techniques, these estimates are used to determine depreciation expense and impairment losses. Depreciation rates are determined on the basis of proven developed economically mineable reserves at the end of the period and current mine ore production. The capitalized cost of mining structures is amortized over the non-ferrous units produced.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

37. Key accounting estimates and judgments (Continued)

(6) Measurement of expected credit losses

The Group calculates expected credit losses by using default exposures and expected credit loss rates, and determines the expected credit loss rate based on the probability of default and the default loss rate. In determining the expected credit loss rate, the Group uses data such as internal historical credit loss experience and adjusts the historical data for current conditions and forward- looking information.

38. Significant changes in accounting policies and accounting estimates

(1) Significant changes in accounting policies

1) *Implementation of Interpretation No. 19 of Accounting Standards for Business Enterprises*

On 19 December 2025, the Ministry of Finance (MOF) issued I*nterpretation No. 19 of Accounting Standards for Business Enterprises* (Cai Kuai [2025] No. 32, hereinafter referred to as "Interpretation No. 19"), which became effective on 1 January 2026.

① Accounting treatment of indemnification assets in business combinations not under common control

Interpretation No. 19 provides that, in a business combination not under common control, the seller and the purchaser may enter into contractual arrangements whereby the seller provides compensation to the purchaser for certain contingent events relating to the acquiree, or for certain uncertain outcomes of specific assets or liabilities, and the purchaser thereby obtains an indemnification asset.

The purchaser shall recognise the indemnification asset concurrently with the recognition of the indemnified item in its consolidated financial statements, measured on the same basis as the indemnified item. The purchaser shall also consider management's estimate of recoverability and deduct amounts expected to be unrecoverable from the initial carrying amount of the indemnification asset. At each subsequent balance sheet date, the purchaser shall subsequently measure the indemnification asset on the same basis as the indemnified item, taking into account contractual limitations on the compensation amount. Where the carrying amount of the indemnified item changes, the carrying amount of the indemnification asset shall be adjusted accordingly, with the resulting amount recognised in investment income. For indemnification assets not subsequently measured at fair value, management's estimate of recoverability shall be considered separately, and amounts expected to be unrecoverable shall be recognised in investment income. When the purchaser recovers, sells or otherwise loses the right to the indemnification asset, the asset shall be derecognised, and any difference between the proceeds and the carrying amount of the indemnification asset shall be recognised in investment income.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

38. Significant changes in accounting policies and accounting estimates (Continued)

(1) Significant changes in accounting policies (Continued)

1) Implementation of Interpretation No. 19 of Accounting Standards for Business Enterprises (Continued)

① Accounting treatment of indemnification assets in business combinations not under common control (Continued)

In its separate financial statements, the purchaser shall recognise the indemnification asset when the conditions for recognising a contingent asset as an asset are met (i.e., it is virtually certain that the economic benefits will flow to the enterprise and the amount can be measured reliably), and simultaneously reduce the initial investment cost of the long-term equity investment. At each subsequent balance sheet date, the purchaser shall, in accordance with the provisions of *Accounting Standard for Business Enterprises No. 13 – Contingencies*, and taking into account contractual limitations on the compensation amount and management's estimate of recoverability of the indemnification asset, recognise amounts expected to be unrecoverable in investment income.

At initial application, the enterprise shall apply retrospective adjustment to indemnification assets existing at the effective date; no retrospective adjustment shall be made for indemnification assets that had already been recovered, sold or otherwise extinguished prior to the effective date.

The application of this provision has not had a material impact on the Group's financial position and operating results.

(2) Significant changes in accounting estimates

The Group had no significant changes in accounting estimates.

IV. TAXATION

1. Main Types of Taxes and Tax Rates

Types of Taxes	Basis for tax calculation	tax rate/levy rate/tax
Value-Added tax(VAT)	Taxable value-added (except for simplified taxation, the taxable amount is calculated based using the taxable sales amount multiplied by the effective tax rate less deductible input tax of the current period)	5%、6%、9%、13%
Resource tax	Sales volume of taxable resource products	4%、8%、
Urban maintenance and Construction tax	Turnover tax payable	7%、5%、1%
Education surcharge	Turnover tax payable	3%
Local education surcharge	Turnover tax payable	2%
Property tax	Taxable residual value, taxable rental income	1.2%、12%
Land use tax	Actual area of land in use	RMB12/㎡, RMB4.2/㎡ RMB1.5/㎡, RMB1.05/㎡
Environmental protection tax	Emissions from different items	RMB1.2/unit pollution equivalent
Corporate income tax	Taxable income	15%、25%

IV. TAXATION (CONTINUED)

1. Main Types of Taxes and Tax Rates (Continued)

Descriptions of taxpayers with different corporate income tax rates:

Name of the taxpayer	Income tax rate
Xinjiang Xinxin Mining Industry Co., Ltd.	15%
Xinjiang Yakesi Resources Development Co., Ltd.	15%
Hami Jubao Resources Development Co., Ltd.	15%
Xinjiang Kalatongke Mining Co., Ltd.	15%
Xinjiang Zhongxin Mining Co., Ltd.	25%
Beijing Xinding Shunze High Technology Co., Ltd.	25%
Shaanxi Xinxin Mining Co., Ltd.	25%
Xinjiang Huaou Mining Co., Ltd.	25%

2. Tax Preferences

(1) Corporate income tax

1) The Company is a high-tech enterprise in Xinjiang Uygur Autonomous Region. On 1 December 2020, it obtained the certificate of high-tech enterprise jointly issued by the Science & Technology Department of Xinjiang Uygur Autonomous Region, the Department of Finance of Xinjiang Uygur Autonomous Region, and the Xinjiang Autonomous Region Tax Service, State Taxation Administration. The certificate number is GR202065000296, and the validity period is three years. On 16 October 2023, we renewed the certificate of high-tech enterprise jointly issued by the above organisations. The certificate number is GR202365000012, and the validity period is three years. Previously, the Company obtained the certifying document of encouraged industry stating that its business is within the catalogue of encouraged industries from the Economic and Information Commission of Xinjiang Uygur Autonomous Region (FY2025: 15%).

2) Xinjiang Yakesi, a subsidiary of the Company, obtained the certifying document that its business is within the catalogue of encouraged industries from the Economic and Information Commission of Xinjiang Uygur Autonomous Region. Xinjiang Yakesi calculated and paid corporate income tax using the preferential rate of 15% for the six months ended 30 June 2026 (2025: 15%).

3) Hami Jubao, a subsidiary of the Company, obtained the certifying document that its business is within the catalogue of encouraged industries from the Economic and Information Commission of Xinjiang Uygur Autonomous Region. Hami Jubao calculated and paid corporate income tax using the preferential rate of 15% for the six months ended 30 June 2026 (2025: 15%).

IV. TAXATION (CONTINUED)

2. Tax Preferences (Continued)

(1) Corporate income tax (Continued)

4) Xinjiang Kalatongke Mining Co., Ltd. (hereafter referred to as Kalatongke Mining), a subsidiary of the Company, obtained the certifying document that its business is within the catalogue of encouraged industries from the Economic and Information Commission of Xinjiang Uygur Autonomous Region. Kalatongke Mining calculated and paid corporate income tax using the preferential rate of 15% for the the six months ended 30 June 2026 (2025: 15%).

5) The corporate income tax rate applicable to Xinjiang Zhongxin Mining Co., Ltd. (hereinafter referred to as Zhongxin Mining), a subsidiary of the Company, was 25% for the six months ended 30 June 2026 (2025: 25%).

6) Other subsidiaries of the Company, including Beijing Xinding Shunze High Technology Co., Ltd. (hereafter referred to as Beijing Xinding), Shaanxi Xinxin Mining Co., Ltd. (hereafter referred to as Shaanxi Xinxin), and Xinjiang Huaou Mining Co., Ltd. (hereafter referred to as Huaou Mining), the applicable corporate income tax rate for the six months of period 2026 is 25% (2025: 25%).

(2) Value added tax (VAT)

Pursuant to the Announcement on Relevant Policies for Deepening the Reform of Value-added Tax (Announcement No. 39 [2019] of the Ministry of Finance, the State Taxation Administration, the General Administration of Customs) and related regulations promulgated by the Ministry of Finance, the State Taxation Administration, the General Administration of Customs, with effect from 1 April 2019, the VAT output tax rates applicable to the Group's major product sales business and the leasing business are 13% and 9%, respectively. The simplified levy rate is 5%.

Input VAT paid on purchases of raw materials, fuel, power, equipment, etc. is deductible against output VAT. Value-added tax payable is equal to the output VAT less deductible input VAT of the current period.

(3) Resource tax

Pursuant to the Decision of the Standing Committee of the People's Congress of the Xinjiang Uygur Autonomous Region on the Specific Applicable Tax Rate, Method of Taxation, and Measures for Tax Reduction and Exemption on Resource Tax of the Autonomous Region, the mixed concentrates of the Kalatongke Mining are subject to the resource tax at a rate of 4% of the sales amount of the consumption of the taxable products deemed to be sold, and the massive rich ores are subject to the resource tax at a rate of 8% of the sales amount of the consumption of the taxable products deemed to be sold. Xinjiang Yakesi and Hami Jubao pay resource tax at the rate of 4% on the sales of taxable products for which sales proceeds are received and for which sales proceeds are documented.

IV. TAXATION (CONTINUED)

2. Tax Preferences (Continued)

(4) Environmental protection tax

According to the Notice on Issues Relating to Environmental Protection Tax (Cai Shui [2018] No. 23), since 1 January 2018, Kalatongke Mining, Xinjiang Yakesi, Hami Jubao, Zhongxin Mining, and Fukang Smelter have been paying environmental protection tax based on the number of pollution equivalents (kg/day) translated from pollutant emissions at RMB1.2/pollution equivalent.

(5) Land use tax

The Group's subsidiary, Kalaketong Mining, part of its land in use is exempted from land use tax in accordance with the Notice of the State Taxation Administration on Issues Concerning the Taxation and Exemption of Land Use Tax for Mining Enterprises (Guo Shui Di Z〔i 1989〕No. 122): "Land use tax shall be exempted for land used for the safety zones of the mining site, the discharge site, the tailings storage, the explosives storage, the road for transporting mine and rocks in the mining area, and the land used for tailings conveying pipelines and the water return system of the mines. The collapsed land caused by mining enterprises extracting underground mines, as well as the land occupied by barren mountains, shall be temporarily exempted from land use tax until it is utilized".

(Unless indicated otherwise, all amounts are expressed in RMB)

V. NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

1. Cash at bank

Item	30 June 2026	31 December 2025
Cash at bank	**585,557,299.65**	636,243,988.96
Total	**585,557,299.65**	636,243,988.96

Restricted cash at bank

Item	30 June 2026	31 December 2025
Deposits for bank acceptance notes	**77,178,750.00**	187,500,000.00
Fund for mine environment remediation and restoration	**32,449,263.91**	27,393,295.75
Deposits for land reclamation	**103,100.00**	1,518,800.00
Bank deposits subject to judicial freeze	**679,657.44**	228,911.36
ETC guarantee	**8,200.00**	9,200.00
Total	**110,418,971.35**	216,650,207.11

2. Financial assets held for trading

Item	30 June 2026	31 December 2025
Financial assets at fair value through profit or loss	**–**	38,188,722.52
Including: Derivative financial assets	**–**	38,188,722.52
Total	**–**	38,188,722.52

3. Notes receivable

(1) Notes receivable presented by category

Item	30 June 2026	31 December 2025
Bank acceptances notes	**33,494,437.70**	25,885,569.82
Total	**33,494,437.70**	25,885,569.82

(Unless indicated otherwise, all amounts are expressed in RMB)

V. NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3. Notes receivable (Continued)

(2) Notes receivable presentation by bad debt accrual method

Type	30 June 2026					31 December 2025				
	Book balance		Bad debt provision			Book balance		Bad debt provision		
	Amount	Ratio (%)	Amount	Accrual ratio (%)	Book value	Amount	Ratio (%)	Amount	Accrual ratio (%)	Book value
Bad debt provision by individual basis						–	–	–	–	–
Bad debt provision by portfolios	33,494,437.70	100.00	–	–	33,494,437.70	25,885,569.82	100.00	–	–	25,885,569.82
Including:										
Bank acceptances notes	33,494,437.70	100.00	–	–	33,494,437.70	25,885,569.82	100.00	–	–	25,885,569.82
Commercial acceptances notes	–	–	–	–	–	–	–	–	–	–
Total	33,494,437.70	100.00	–	–	33,494,437.70	25,885,569.82	100.00	–	–	25,885,569.82

(3) Provisions for bad debts on notes receivable accrued, recovered and reversed during the period

As at 30 June 2026, all the notes receivable held by the Group were bank acceptance notes. The Group considers that the bank acceptance notes held within this portfolio do not have significant credit risk and therefore no provision for bad debts has been made for bank acceptance notes.

(4) Pledged notes receivable as at the end of period-end

As at 30 June 2026, the Group had no pledged notes receivable presented as notes receivable.

(5) Notes receivable endorsed or discounted at period-end and not yet due at the balance sheet date

Item	Amounts derecognized at the ended of 30 June 2026	Amounts not derecognized at the ended of 30 June 2026
Bank acceptance notes	–	28,376,881.67

(6) Notes receivable actually written off during the period

For the six months ended 30 June 2026, the Group did not have any notes receivable actually written off.

(Unless indicated otherwise, all amounts are expressed in RMB)

V. NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3. Notes receivable (Continued)

(7) Age of notes receivable at period-end

As at 30 June 2026, the aging of the Group's notes receivable were all within 365 days.

4. Accounts receivable

Item	30 June 2026	31 December 2025
Accounts receivable	**168,971,823.22**	300,244,333.86
Less: Provision for bad debts	**4,125,058.88**	4,044,987.43
Book value	**164,846,764.34**	296,199,346.43

(1) Accounts receivable presented according to aging

Aging	30 June 2026	31 December 2025
Within 1 year (including 1 year)	**164,201,547.72**	296,063,606.36
1-2 years	**736,935.00**	457,437.12
2-3 years	**310,050.12**	13,044.80
3-4 years	**13,044.80**	–
4-5 years	**–**	–
Over 5 years	**3,710,245.58**	3,710,245.58
Sub-total	**168,971,823.22**	300,244,333.86
Less: Provision for bad debts	**4,125,058.88**	4,044,987.43
Total	**164,846,764.34**	296,199,346.43

Note: Accounts receivable presented according to aging at the date of accounting.

(Unless indicated otherwise, all amounts are expressed in RMB)

V. NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. Accounts receivable (Continued)

(2) Presentation of accounts receivable by bad debt accrual method

Type	30 June 2026					31 December 2025				
	Book balance		Bad debt provision			Book balance		Bad debt provision		
	Amount	Ratio (%)	Amount	Accrual ratio (%)	Book value	Amount	Ratio (%)	Amount	Accrual ratio (%)	Book value
Bad debt provision on an individual basis	-	-	-	-	-	–	–	–	–	–
Bad debt provision by portfolio	168,971,823.22	100.00	4,125,058.88	2.44	164,846,764.34	300,244,333.86	100.00	4,044,987.43	1.35	296,199,346.43
Including:										
Receivables from related party customers	689,353.46	0.41	84,580.88	12.27	604,772.58	2,217,395.94	0.74	77,485.43	3.49	2,139,910.51
Receivables from non-related party customers	168,282,469.76	99.59	4,040,478.00	2.40	164,241,991.76	298,026,937.92	99.26	3,967,502.00	1.33	294,059,435.92
Total	168,971,823.22	100.00	4,125,058.88		164,846,764.34	300,244,333.86	100.00	4,044,987.43		296,199,346.43

(Unless indicated otherwise, all amounts are expressed in RMB)

V. NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. Accounts receivable (Continued)

(2) Presentation of accounts receivable by bad debt accrual method (Continued)

1) Bad debt provision for accounts receivable by portfolio

i) Combined Provision Items:

Portfolio – Accounts receivables from related party customers

Aging	**30 June 2026** **Book balance**	**Bad debt provision**	**Accrual ratio** ***(%)***
Not overdue	**379,303.34**	**10,961.93**	**2.89**
1-6 months overdue		**–**	**–**
7-18 months overdue	**–**	**–**	**–**
More than 18 months overdue	**310,050.12**	**73,618.95**	**23.74**
Total	**689,353.46**	**84,580.88**	

Aging	31 December 2025 Book balance	Bad debt provision	Accrual ratio *(%)*
Not overdue	1,907,345.82	55,122.60	2.89
1-6 months overdue	–	–	–
7-18 months overdue	310,050.12	22,362.83	7.21
More than 18 months overdue	–	–	–
Total	2,217,395.94	77,485.43	

(Unless indicated otherwise, all amounts are expressed in RMB)

V. NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. Accounts receivable (Continued)

(2) Presentation of accounts receivable by bad debt accrual method (Continued)

1) *Bad debt provision for accounts receivable by portfolio* (Continued)

i) Combined Provision Items: (Continued)

Portfolio – Accounts receivables from non-related party customers

	30 June 2026		
Aging	**Book balance**	**Bad debt provision**	**Accrual ratio *(%)***
Not overdue	**163,822,244.38**	**118,559.44**	**0.07**
1-6 months overdue	**–**	**–**	**–**
7-18 months overdue	**736,935.00**	**198,628.18**	**26.95**
More than 18 months overdue	**3,723,290.38**	**3,723,290.38**	**100.00**
Total	**168,282,469.76**	**4,040,478.00**	

	31 December 2025		
Aging	Book balance	Bad debt provision	Accrual ratio *(%)*
Not overdue	294,156,260.54	212,883.16	0.07
1-6 months overdue	–	–	–
7-18 months overdue	147,387.00	39,725.63	26.95
More than 18 months overdue	3,723,290.38	3,714,893.21	99.77
Total	298,026,937.92	3,967,502.00	

(Unless indicated otherwise, all amounts are expressed in RMB)

V. NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. Accounts receivable (Continued)

(3) Provisions for bad debts on accounts receivable accrued, recovered, and reversed during the period

Item	31 December 2025	Changes in the current period: Accrual	Recovery or reversa	Write-off or reversal	Other changes	30 June 2026
Bad debt provision on an individually basis	–	–	–	–	–	–
Bad debt provision by portfolio	4,044,987.43	80,071.45	–	–	–	4,125,058.88
Total	4,044,987.43	80,071.45	–	–	–	4,125,058.88

(4) Accounts receivable actually written off during the period

For the six months ended 30 June 2026, the Group had no write-offs accounts receivable.

(5) As at 30 June 2026, accounts receivable with top five closing balances by debtors

Name of the organization	Closing balance of accounts receivable	Percentage in total ending balances of accounts receivable (%)	Ending balances of allowance for bad debts on accounts receivable
Total accounts receivable with top-five balances	165,265,815.18	97.81	1,672,132.07

(Unless indicated otherwise, all amounts are expressed in RMB)

V. NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. Financing receivables

(1) Financing receivables by category

Item	30 June 2026	31 December 2025
Notes receivable	**144,102,079.57**	78,593,440.13
Total	**144,102,079.57**	78,593,440.13

(2) Presentation of financing receivables by bad debt accrual method

	30 June 2026				
	Book balance		Bad debt preparation		
Type	Amount	Ratio *(%)*	Amount	Accrual ratio *(%)*	Book value
Bad debt provision by portfolio	**144,102,079.57**	**100.00**	–	–	**144,102,079.57**
Including: Bank acceptances notes	**144,102,079.57**	**100.00**	–	–	**144,102,079.57**
Total	**144,102,079.57**	**100.00**	–		**144,102,079.57**

	31 December 2025				
	Book balance		Bad debt preparation		
Type	Amount	Ratio *(%)*	Amount	Accrual ratio *(%)*	Book value
Bad debt provision by portfolio	78,593,440.13	100.00	–	–	78,593,440.13
Including: Bank acceptances notes	78,593,440.13	100.00	–	–	78,593,440.13
Total	78,593,440.13	100.00	–		78,593,440.13

V. NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. Financing receivables (Continued)

(3) Provisions for bad debts on financing receivables accrued, recovered, and reversed during the period

As at 30 June 2026, all the financing receivables held by the Group were bank acceptance notes. The Group considers that the bank acceptance notes held within this portfolio do not have significant credit risk and therefore no provision for bad debts has been made for bank acceptance notes.

(4) Pledged receivables financing at the end of the period

As at 30 June 2026, the Group had no pledged notes receivable presented as financing receivables.

(5) Financing receivables endorsed or discounted as at the year and not yet due at the balance sheet date

Item	**Amounts derecognized at the period-end**	Amounts not derecognized at the period-end
Bank acceptances notes	**1,720,372,064.41**	–
Total	**1,720,372,064.41**	–

(6) Financing receivables actually written off during the period

For the six months ended 30 June 2026, the Group had no actual write-off of financing receivables.

(Unless indicated otherwise, all amounts are expressed in RMB)

V. NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

6. Advances to suppliers

(1) Aging of advances to suppliers

Aging	30 June 2026 Amount	30 June 2026 Ratio (%)	31 December 2025 Amount	31 December 2025 Ratio (%)
Within 1 year	**39,333,480.70**	**84.03**	14,174,759.00	65.46
1 to 2 years	**6,029,877.20**	**12.88**	6,027,577.20	27.83
2 to 3 years	**155,797.15**	**0.33**	385,304.96	1.78
More than 3 years	**1,290,738.73**	**2.76**	1,067,569.34	4.93
Total	**46,809,893.78**	**100.00**	21,655,210.50	100.00

As at 30 June 2026, the prepayment aged over one year amounted to RMB7,476,413.08 (31 December 2025: RMB7,480,451.50), which were mainly prepayments for material purchases, which had not yet been settled as the goods purchased had not yet arrived.

(2) Prepayments with top five closing balances by prepayment recipients

Prepayment recipients	Closing balance	Ratio of the total closing balance of prepayments (%)
Total prepayments with top-five balances	31,604,425.33	67.52

7. Other receivables

Item	30 June 2026	31 December 2025
Other receivables	**21,357,576.25**	9,214,209.02
Total	**21,357,576.25**	9,214,209.02

(Unless indicated otherwise, all amounts are expressed in RMB)

V. NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. Other receivables (Continued)

(1) Other receivables

1) *Other receivables presented by aging*

Aging	30 June 2026	31 December 2025
Within 1 year (including 1 year)	**20,974,435.88**	8,670,230.40
1-2 years	**574,909.96**	849,984.71
2-3 years	**313,733.27**	188,382.22
3-4 years	**–**	–
4-5 years	**–**	80,610.29
Over 5 years	**1,429,129.31**	1,421,949.41
Total	**23,292,208.42**	11,211,157.03

2) *Presentation of other receivables by bad debt accrual method*

	30 June 2026					31 December 2025				
	Book balance		Bad debt provision			Book balance		Bad debt provision		
Type	Amount	Ratio (%)	Amount	Accrual ratio (%)	Book value	Amount	Ratio (%)	Amount	Accrual ratio (%)	Book value
Bad debt provision on an individual basis	**1,135,768.88**	**4.88**	**1,135,768.88**	**100.00**	**–**	1,209,199.27	10.79	1,209,199.27	100.00	–
Bad debt provision by portfolio	**22,156,439.54**	**95.12**	**798,863.29**	**3.61**	**21,357,576.25**	10,001,957.76	89.21	787,748.74	7.88	9,214,209.02
Including:										
Related party portfolio	**3,935,371.03**	**16.90**	**–**	**–**	**3,935,371.03**	1,207,789.05	10.77	–	–	1,207,789.05
Non-related party portfolio	**18,221,068.51**	**78.22**	**798,863.29**	**4.38**	**17,422,205.22**	8,794,168.71	78.44	787,748.74	8.96	8,006,419.97
Total	**23,292,208.42**	**100.00**	**1,934,632.17**		**21,357,576.25**	11,211,157.03	100.00	1,996,948.01		9,214,209.02

(Unless indicated otherwise, all amounts are expressed in RMB)

V. NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. Other receivables (Continued)

(1) Other receivables (Continued)

2) Presentation of other receivables by bad debt accrual method (Continued)

i) Bad debt provision on an individual basis:

Name	30 June 2026 Book balance	Bad debt provision	Accrual ratio (%)	Reason for the provision	31 December 2025 Book balance	Bad debt provision
Beijing Donglin Huamao Technology Co., Ltd.	625,935.00	625,935.00	100.00	The likelihood of recovery is low	625,935.00	625,935.00
Qingdao Jieneng High & New Technology Co., Ltd.	84,000.00	84,000.00	100.00	The likelihood of recovery is low	84,000.00	84,000.00
Shanghai Ganjiang Electromechanical Co., Ltd.	75,100.00	75,100.00	100.00	The likelihood of recovery is low	75,100.00	75,100.00
Tongling Nonferrous Metals Holding Tongguan Mining and Metallurgy Equipment Co., Ltd.	–	–	–	The likelihood of recovery is low	73,430.39	73,430.39
Urumqi Runtianyuan Environmental Testing Co., Ltd.	71,000.00	71,000.00	100.00	The likelihood of recovery is low	71,000.00	71,000.00
Urumqi Economic and Technological Development Zone Lean Electronic Repair Department	63,200.00	63,200.00	100.00	The likelihood of recovery is low	63,200.00	63,200.00
Urumqi Lushengyuan Trading Co., Ltd.	59,660.00	59,660.00	100.00	The likelihood of recovery is low	59,660.00	59,660.00
Urumqi Kelixin Control System Engineering Co., Ltd.	53,308.18	53,308.18	100.00	The likelihood of recovery is low	53,308.18	53,308.18
Shaoxing Shuguang Machinery Co., Ltd	30,500.00	30,500.00	100.00	The likelihood of recovery is low	30,500.00	30,500.00
Xinjiang Dezong Petrochemical Equipment Technology Co., Ltd	21,500.00	21,500.00	100.00	The likelihood of recovery is low	21,500.00	21,500.00
Shanghai United Electric (Group) Co., Ltd.	5,045.70	5,045.70	100.00	The likelihood of recovery is low	5,045.70	5,045.70
Urumqi Zhengqi Lifting Equipment Co., Ltd.	2,600.00	2,600.00	100.00	The likelihood of recovery is low	2,600.00	2,600.00
Xinjiang Tedian Trading Co., Ltd.	900.00	900.00	100.00	The likelihood of recovery is low	900.00	900.00
Xinjiang Zhanxin Fire Insulation Material Co., Ltd.	43,020.00	43,020.00	100.00	Bankruptcy proceedings have been initiated, and recovery is considered unlikely	43,020.00	43,020.00
Total	1,135,768.88	1,135,768.88			1,209,199.27	1,209,199.27

(Unless indicated otherwise, all amounts are expressed in RMB)

V. NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. Other receivables (Continued)

(1) Other receivables (Continued)

2) Presentation of other receivables by bad debt accrual method (Continued)

Bad debt provision for other receivables by portfolio:

Portfolio Items:

Aging	30 June 2026 Other receivables	 Bad debt provision	 Accrual ratio *(%)*
Within 1 year	**20,885,582.00**	**241,264.06**	**1.16**
1-2 years	**574,909.96**	**63,629.19**	**11.07**
2-3 years	**270,713.27**	**68,735.73**	**25.39**
3-4 years	**–**	**–**	**–**
4-5 years	**–**	**–**	**–**
Over 5 years	**425,234.31**	**425,234.31**	**100.00**
Total	**22,156,439.54**	**798,863.29**	

Aging	31 December 2025 Other receivables	 Bad debt provision	 Accrual ratio *(%)*
Within 1 year	8,578,776.52	247,663.49	2.89
1-2 years	849,984.71	77,408.41	9.11
2-3 years	145,362.22	34,842.53	23.97
3-4 years	–	–	
4-5 years	63,764.29	63,764.29	100.00
Over 5 years	364,070.02	364,070.02	100.00
Total	10,001,957.76	787,748.74	

(Unless indicated otherwise, all amounts are expressed in RMB)

V. NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

7. Other receivables (Continued)

(1) Other receivables (Continued)

3) Provision for bad debts

Bad debt provision	Stage 1 Expected credit losses over the next 12 months	Stage 2 Lifetime expected credit loss (No credit impaired)	Stage 3 Lifetime expected credit loss for the entire duration (credit impaired)	Total
1 January 2026	794,373.11	36,395.63	1,166,179.27	1,996,948.01
Balance as at 1 January 2026	–	–	–	–
– Transfer to Stage 2	–	–	–	–
– Transfer to Stage 3	–	–	–	–
– Transferred back to Stage 2	–	–	–	–
– Transferred back to Stage 1	–	–	–	–
Accrual during the period	–	12,725.30	–	12,725.30
Reversal in current period	1,610.75	–	73,430.39	75,041.14
Write-off in the period	–	–	–	–
Other changes	–	–	–	–
Balance as at 30 June 2026	792,762.36	49,120.93	1,092,748.88	1,934,632.17

4) The State of provisions for bad debts on other receivables accrued, reversed, and recovered during the period

Type	31 December 2025	Changes in current the period Accrual	Recovery or reversal	Charge-offs	Other changes	30 June 2026
Bad debt provision on an individual basis	1,209,199.27	–	73,430.39	–	–	**1,135,768.88**
Bad debt provision by portfolio	787,748.74	12,725.30	1,610.75	–	–	**798,863.29**
Total	1,996,948.01	12,725.30	75,041.14	–	–	**1,934,632.17**

5) Other receivables actually written off during the period

No other receivables were written off during the period.

(Unless indicated otherwise, all amounts are expressed in RMB)

V. NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. Other receivables (Continued)

(1) Other receivables (Continued)

6) *Other receivables categorized by nature of the payment*

Nature of the payment	30 June 2026	31 December 2025
Receivables from related parties	**3,978,391.03**	4,241,209.05
Social Security advances receivable	**4,117,746.94**	2,675,578.84
Deposit	**4,181,350.00**	310,444.00
Others	**11,014,720.45**	3,983,925.14
Less: Provision for bad debts	**1,934,632.17**	1,996,948.01
Total	**21,357,576.25**	9,214,209.02

7) *Other receivables with top five closing balances collected by debtors*

Name of the organization	Nature of payment	30 June 2026	Aging	Ratio of the total closing balance of other receivables (%)	Bad debt provision
Dushan County Caihong Mining Co., Ltd.	Deposit	**2,000,000.00**	Within one year	8.59	28,408.97
Hami Xinyuan Mining Co., Ltd.	Deposit	**2,000,000.00**	Within one year	8.59	28,408.97
Xinjiang Haba River Ashe Le Copper Co., Ltd	Receivables from related parties	**2,900,000.00**	Within one year	12.45	–
Xinjiang Zhongkai Construction Engineering Co., Ltd	Others	**1,075,532.02**	Within one year	4.62	15,277.38
China Steel Luonai Technology Co., Ltd	Others	**1,006,091.65**	Within one year	4.32	14,291.01
Total		**8,981,623.67**		38.56	86,386.33

(Unless indicated otherwise, all amounts are expressed in RMB)

V. NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

8. Inventories

(1) Classification of inventories

Item	30 June 2026 Book balance	30 June 2026 Provision for the decline in value of inventories	30 June 2026 Book value	31 December 2025 Book balance	31 December 2025 Provision for the decline in value of inventories	31 December 2025 Book value
Raw materials	**136,338,012.34**	**6,757,399.08**	**129,580,613.26**	162,487,479.22	6,757,399.08	155,730,080.14
Work in progress	**312,639,307.67**	**–**	**312,639,307.67**	255,888,036.33	–	255,888,036.33
Finished goods	**340,433,230.96**	**–**	**340,433,230.96**	298,930,438.21	–	298,930,438.21
Self-made semi-finished goods	**360,969,503.25**	**–**	**360,969,503.25**	365,138,045.30	–	365,138,045.30
Total	**1,150,380,054.22**	**6,757,399.08**	**1,143,622,655.14**	1,082,443,999.06	6,757,399.08	1,075,686,599.98

(2) Provision for the decline in value of inventories

Item	31 December 2025	Increase in the period Accrual	Increase in the period Others	Decrease in the period Charge-off	Decrease in the period Others	**30 June 2026**
Raw materials	6,757,399.08	–	–	–	–	**6,757,399.08**
Total	6,757,399.08	–	–	–	–	**6,757,399.08**

Note: The Group's inventory is measured at the lower of cost or net realizable value. Net realizable value refers to the amount after the estimated selling price of inventory in daily activities minus the costs incurred at completion, estimated selling expenses, and related taxes.

9. Other current assets

Item	**30 June 2026**	31 December 2025
Input tax to be deducted	**126,538,800.04**	112,901,002.69
Input tax to be verified	**5,508,103.81**	4,747,951.57
Prepaid income tax	**28,001.39**	28,001.39
Total	**132,074,905.24**	117,676,955.65

(Unless indicated otherwise, all amounts are expressed in RMB)

V. NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

10. Long-term equity investments

(1) Long-term equity investments

Item	30 June 2026	31 December 2025
Investments in a joint venture	**196,715,909.66**	196,337,198.42
Sub-total	**196,715,909.66**	196,337,198.42
Less: provision for impairment for long-term equity investments	**–**	–
Total	**196,715,909.66**	196,337,198.42

Note: The Group's investees are unlisted companies and there are no significant restrictions on the realization of long-term equity investments.

Item	31 December 2025 (Book Value)	Ending balance of impairment provisions at the end of last year	Net profit (loss) adjusted using the equity method	Offset of unrealized profits in internal trading	Declaration of cash dividends or profits	June 30, 2026 (Book Value)	Closing balance of Provision for impairment
I. Joint ventures							
Hami Hexin Mining Industry Co., Ltd.	196,337,198.42	–	9,228,657.13	-10,000,000.00	1,150,054.11	**196,715,909.66**	–
Total	196,337,198.42	–	9,228,657.13	-10,000,000.00	1,150,054.11	**196,715,909.66**	–

Note: The place of incorporation and principal place of business of Hami Hexin Mining Industry Co., Ltd. ("Hexin Mining") is in the PRC. Hexin Mining is one of the major suppliers of raw materials to the Group, which is strategically important to ensure the supply of raw materials to the Group.

(Unless indicated otherwise, all amounts are expressed in RMB)

V. NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

11. Investment properties

(1) Investment properties using the cost model

Item	Buildings	Land use rights	Total
I. Original book value			
(1) 31 December 2025	192,844,153.73	68,551,732.40	261,395,886.13
(2) Increase during the period	60,642.44	–	60,642.44
– External purchase	60,642.44	–	60,642.44
(3) Decrease during the period	–	–	–
(4) 30 June 2026	**192,904,796.17**	**68,551,732.40**	**261,456,528.57**
II. Accumulated depreciation and accumulated amortization			
(1) 31 December 2025	26,390,641.20	19,194,485.32	45,585,126.52
(2) Increase during the period	1,950,528.10	685,517.34	2,636,045.44
– Accrual or amortization	1,950,528.10	685,517.34	2,636,045.44
(3) Decrease during the period	–	–	–
(4) 30 June 2026	**28,341,169.30**	**19,880,002.66**	**48,221,171.96**
III. Provision for impairment			
(1) 31 December 2025	–	–	–
(2) Increase during the period	–	–	–
(3) Decrease during the period	–	–	–
(4) 30 June 2026	**–**	**–**	**–**
IV. Book value			
(1) 30 June 2026	**164,563,626.87**	**48,671,729.74**	**213,235,356.61**
(2) 31 December 2025	166,453,512.53	49,357,247.08	215,810,759.61

(Unless indicated otherwise, all amounts are expressed in RMB)

V. NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

12. Fixed assets

(1) Fixed assets

Item	30 June 2026	31 December 2025
Fixed assets	**3,602,046,452.35**	3,616,082,646.20
Total	**3,602,046,452.35**	3,616,082,646.20

(2) State of fixed assets

Project	Buildings	Shaft and alley structures	Machinery	Transportation equipment	Electronic and office equipment	Total
I. Original book value						
(1) 31 December 2025	2,218,862,215.39	2,185,251,219.44	2,045,122,126.67	45,632,920.27	172,775,353.44	6,667,643,835.21
(2) Increase during the period	4,073,487.66	52,018,263.16	73,305,039.40	15,463.99	6,829,039.51	136,241,293.72
– Purchase	1,137,900.40	1,120,900.38	16,108,825.75	15,463.99	4,285,697.20	22,668,787.72
– Transfer from construction in progress	2,935,587.26	50,897,362.78	57,196,213.65	–	2,543,342.31	113,572,506.00
(3) Decrease during the period	1,836,484.60	–	27,568,718.42	1,212,965.45	6,088,198.06	36,706,366.53
– Disposal or scrapping		–	27,568,718.42	1,212,965.45	6,088,198.06	34,869,881.93
– Others	1,836,484.60	–	–	–	–	1,836,484.60
(4) 30 June 2026	**2,221,099,218.45**	**2,237,269,482.60**	**2,090,858,447.65**	**44,435,418.81**	**173,516,194.89**	**6,767,178,762.40**

(Unless indicated otherwise, all amounts are expressed in RMB)

V. NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

12. Fixed assets (Continued)

(2) State of fixed assets (Continued)

Project	Buildings	Shaft and alley structures	Machinery	Transportation equipment	Electronic and office equipment	Total
II. Accumulated depreciation						
(1) 30 December 2025	865,737,177.78	609,100,124.66	1,353,967,133.10	31,146,741.98	110,776,874.36	2,970,728,051.88
(2) Increase during the period	31,582,904.01	50,483,241.89	54,434,715.44	1,746,454.34	8,986,887.23	147,234,202.91
– Accrual	31,582,904.01	50,483,241.89	54,434,715.44	1,746,454.34	8,986,887.23	147,234,202.91
(3) Decrease during the period	–	–	26,634,455.72	1,176,576.48	5,852,049.67	33,663,081.87
(4) 30 June 2026	**897,320,081.79**	**659,583,366.55**	**1,381,767,392.82**	**31,716,619.84**	**113,911,711.92**	**3,084,299,172.92**
III. Provision for impairment						
(1) 31 December 2025	38,254,583.72	8,659,019.82	33,756,172.80	–	163,360.79	80,833,137.13
(2) Increase during the period	–	–	–	–	–	–
(3) Decrease during the period	–	–	–	–	–	–
(4) 30 June 2026	**38,254,583.72**	**8,659,019.82**	**33,756,172.80**	**–**	**163,360.79**	**80,833,137.13**
IV. Book value						
(1) 30 June 2026	**1,285,524,552.94**	**1,569,027,096.23**	**675,334,882.03**	**12,718,798.97**	**59,441,122.18**	**3,602,046,452.35**
(2) 31 December 2025	1,314,870,453.89	1,567,492,074.96	657,398,820.77	14,486,178.29	61,835,118.29	3,616,082,646.20

Note: The depreciation of fixed assets for the six months ended 30 June 2026 was RMB147,234,202.91 (six months ended 30 June 2025: RMB134,323,133.98), of which the depreciation expense included in operating costs, management expenses, selling expenses and R&D expenses was RMB 136,470,053.52, RMB10,274,219.46, RMB2,530.52, RMB487,399.41 respectively (for the six months ended 30 June 2025: RMB120,797,750.26, RMB13,491,824.04 and RMB11,409.52, RMB22,150.16). The original cost transferred from construction in progress to fixed assets is RMB113,572,506.00 (six months ended 30 June 2025: RMB10,692,962.87).

(Unless indicated otherwise, all amounts are expressed in RMB)

V. NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

12. Fixed assets (Continued)

(3) Temporarily idle fixed assets

As at 30 June 2026, fixed assets with a book value of RMB43,162,535.03 (original price: RMB199,573,106.13) (31 December 2025: RMB42,625,433.53,(original price: RMB183,858,501.39)) were temporarily idled due to resource integration, expansion and renovation of production lines, as analyzed below:

Item	Original book value	Accumulated depreciation	Provision for impairment	Book value
Buildings	67,662,558.60	50,960,911.76	135,232.02	16,566,414.82
Shaft and alley structures	54,898,422.09	23,040,559.47	8,659,019.82	23,198,842.80
Machinery	72,350,896.32	69,332,407.56	–	3,018,488.76
Office equipment	3,262,423.16	2,818,276.91	138,223.60	305,922.65
Electronic equipment	1,398,805.96	1,325,939.96	–	72,866.00
Total	199,573,106.13	147,478,095.66	8,932,475.44	43,162,535.03

(4) Fixed assets with pending certificates of ownership

On 30 June 2026, the book value of RMB83,169,227.60 buildings were in the process of applying the property ownership certificates. The Group's management believes that there is no substantial difficulty in obtaining the property ownership certificate, and there is no significant adverse effect on the Group's operation.

13. Construction in progress

(1) Construction in progress and Construction Materials

	30 June 2026			31 December 2025		
Item	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Construction in progress	**1,643,184,682.74**	**-**	**1,643,184,682.74**	1,490,179,186.59	-	1,490,179,186.59
Construction materials	**22,193,733.91**	**-**	**22,193,733.91**	18,762,771.58	-	18,762,771.58
Total	**1,665,378,416.65**	**-**	**1,665,378,416.65**	1,508,941,958.17	-	1,508,941,958.17

(Unless indicated otherwise, all amounts are expressed in RMB)

V. NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

13. Construction in progress (Continued)

(2) State of construction in progress

Item	30 June 2026 Book balance	30 June 2026 Provision for impairment	30 June 2026 Book value	31 December 2025 Book balance	31 December 2025 Provision for impairment	31 December 2025 Book value
Fukang Refinery						
Wastewater treatment design and development	80,125,574.01	–	80,125,574.01	64,361,644.79	–	64,361,644.79
Technological transformation of high-efficiency and environmentally friendly electrolyzer applications	104,177,609.96	–	104,177,609.96	97,994,155.85	–	97,994,155.85
Key Technology and Engineering Demonstration of Multi-component Deep Separation and Extraction of Sulfur-based Nickel-Cobalt Slag (Self-funded)	21,323,126.74	–	21,323,126.74	21,322,949.49	–	21,322,949.49
Other projects	40,290,515.48	–	40,290,515.48	33,052,713.23	–	33,052,713.23
Sub-total	245,916,826.19	–	245,916,826.19	216,731,463.36	–	216,731,463.36
Kalatongke Mining						
Fuyun living base	–	–	–	2,555,033.71	–	2,555,033.71
No. 1 ramp surface renewal and renovation project	580,258.48	–	580,258.48	857,186.65	–	857,186.65
Production expansion project	144,511,229.84	–	144,511,229.84	136,009,763.22	–	136,009,763.22
Other projects	106,079,492.87	–	106,079,492.87	83,179,344.45	–	83,179,344.45
Sub-total	251,170,981.19	–	251,170,981.19	222,601,328.03	–	222,601,328.03
Hami Jubao						
Huangshan East Deep Mining Project	102,888,091.79	–	102,888,091.79	102,888,091.79	–	102,888,091.79
Other projects	13,894,198.43	–	13,894,198.43	13,894,198.43	–	13,894,198.43
Sub-total	116,782,290.22	–	116,782,290.22	116,782,290.22	–	116,782,290.22
Huaou Mining						
Karchar Southwest Fluorite Mine	987,602,206.00	–	987,602,206.00	914,525,555.96	–	914,525,555.96
Sub-total	987,602,206.00	–	987,602,206.00	914,525,555.96	–	914,525,555.96
Xinjiang Yakesi						
Huangshan West Mine Mining and Processing Project	41,712,379.14	–	41,712,379.14	19,538,549.02	–	19,538,549.02
Sub-total	41,712,379.14	–	41,712,379.14	19,538,549.02	–	19,538,549.02
Total	1,643,184,682.74	–	1,643,184,682.74	1,490,179,186.59	–	1,490,179,186.59

(Unless indicated otherwise, all amounts are expressed in RMB)

V. NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

13. Construction in progress (Continued)

(3) Changes in significant construction in progress projects during the current period

Project name	Budget	31 December 2025	Increase during the year	Transfer to fixed assets during the year	Other decreases during the year	30 June 2026	Engineering inputs as percentage of budget	Project progress	Accumulated Capitalized Interest	Including: Amount of interest capitalized during the year	Interest capitalization rate for the current period *(%)*	Sources of funds
Huangshan West Mine Mining and Processing Project	67,380,000.00	19,538,549.02	22,560,113.31	386,283.19	–	41,712,379.14	33.48%	60.00%	–	–	–	Self-raised
Wastewater treatment design and development	232,180,000.00	64,361,644.79	15,763,929.22	–	–	80,125,574.01	34.51%	75.00%	–	–	–	Self-raised
Technological transformation of high-efficiency and environmentally friendly	154,561,400.00	97,994,155.85	6,183,454.11	–	–	104,177,609.96	67.40%	85.00%	–	–	–	Self-raised
Fuyun County Life Base	142,755,100.00	2,555,033.71	–	2,555,033.71	–	–	64.62%	64.62%	–	–	–	Self-raised
Karchar Southwest Fluorite Mine	1,612,000,000.00	914,525,555.96	131,386,682.37	56,161,863.73	2,419,766.00	987,330,608.60	64.88%	64.88%	16,230,994.79	8,102,924.52	2.20	Self-raised and loans
Total		1,098,974,939.33	175,894,179.01	59,103,180.63	2,419,766.00	1,213,346,171.71			16,230,994.79	8,102,924.52	2.20	

(Unless indicated otherwise, all amounts are expressed in RMB)

V. NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

14. Right-of-use assets

(1) Detail of right-of-use assets

Project	Buildings	Land use rights	Total
1. Original book value			
(1) 31 December 2025	4,594,914.41	13,922,780.00	18,517,694.41
(2) Increase during the period	–	63,859.95	63,859.95
– New leases	–	63,859.95	63,859.95
(3) Decrease during the period	–	–	–
(4) 30 June 2026	**4,594,914.41**	**13,986,639.95**	**18,581,554.36**
2. Accumulated depreciation			
(1) 31 December 2025	1,475,372.95	3,712,741.28	5,188,114.23
(2) Increase during the period	705,225.80	1,393,324.86	2,098,550.66
– Accrual	705,225.80	1,393,324.86	2,098,550.66
(3) Decrease during the period	–	–	–
(4) 30 June 2026	**2,180,598.75**	**5,106,066.14**	**7,286,664.89**
3. Provision for impairment			
(1) 31 December 2025	–	–	–
(2) Increase during the period	–	–	–
(3) Decrease during the period	–	–	–
(4) 30 June 2026	–	–	–
4. Book value			
(1) 30 June 2026	**2,414,315.66**	**8,880,573.81**	**11,294,889.47**
(2) 31 December 2025	3,119,541.46	10,210,038.72	13,329,580.18

(Unless indicated otherwise, all amounts are expressed in RMB)

V. NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

15. Intangible assets

(1) Details of intangible assets

Item	Land use rights	Exploration rights	Mining rights	Others	Total
1. Original book value					
(1) 31 December 2025	212,773,458.70	239,793,762.43	2,573,329,608.41	13,055,677.67	3,038,952,507.21
(2) Increase during the period	–	–	–	1,570,088.50	1,570,088.50
– Purchase	–	–	–	1,570,088.50	1,570,088.50
(3) Decrease during the period	–	–	–	–	–
(4) 30 June 2026	**212,773,458.70**	**239,793,762.43**	**2,573,329,608.41**	**14,625,766.17**	**3,048,744,195.71**
2. Accumulated amortization					
(1) 31 December 2025	63,812,452.22	1,000,000.00	371,436,159.81	6,331,830.83	442,580,442.86
(2) Increase during the period	1,835,254.39	–	23,990,929.13	1,999,565.64	27,825,749.16
– Accrual	1,835,254.39	–	23,990,929.13	1,999,565.64	27,825,749.16
(3) Decrease during the period	–	–	–	–	–
(4) 30 June 2026	**65,647,706.61**	**1,000,000.00**	**395,427,088.94**	**8,331,396.47**	**469,406,192.02**
3. Impairment provision					
(1) 31 December 2025	17,623,157.99	195,153,000.00	21,023,753.04	–	233,799,911.03
(2) Increase during the period	–	–	–	–	–
(3) Decrease during the period	–	–	–	–	–
(4) 30 June 2026	**17,623,157.99**	**195,153,000.00**	**21,023,753.04**	**–**	**233,799,911.03**
4. Book value					
(1) 30 June 2026	**129,502,594.10**	**43,640,762.43**	**2,156,878,766.43**	**6,294,369.70**	**2,336,316,492.66**
(2) 31 December 2025	131,337,848.49	43,640,762.43	2,180,869,695.56	6,723,846.84	2,362,572,153.32

Note: The amortization amount of intangible assets was RMB27,825,749.16 for the year ended of 30 June 2026(For the six months ended of 30 June 2025: RMB24,160,069.51).

Intangible assets generated from The Group's internal research and development accounted for 0.00% of the balance of intangible assets at the end of the period.

The detailed exploration right for the Xianghejie Vanadium Mine in Shangnan County, Shaanxi Province, acquired by the Group in 2011, has expired. The Group is in the process of applying for the registration of the exploration right. As of the reporting date, the registration procedures have not yet been approved.

(Unless indicated otherwise, all amounts are expressed in RMB)

V. NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

15. Intangible assets (Continued)

(2) Land use rights with pending certificates of ownership

As at 30 June 2026, the land with a book value of RMB22,660,292.61 was in the process of applying the property ownership certificates. The Group's management believes that there is no substantial difficulty in obtaining the property ownership certificates described above, and no significant adverse effect would be exerted on the Group's operation.

16. Goodwill

(1) The changes of goodwill

Name of the investee or the matter resulting in goodwill	31 December 2025	Increase during the year	Decrease during the year	**30 June, 2026**
Original value				
Zhongxin Mining	17,844,894.10	–	–	**17,844,894.10**
Xinjiang Yakesi and Hami Jubao	9,987,911.01	–	–	**9,987,911.01**
Shaanxi Xinxin	254,745.09	–	–	**254,745.09**
Huaou Mining	98,093,185.94	–	–	**98,093,185.94**
Total	126,180,736.14	–	–	**126,180,736.14**
Provision for impairment				
Zhongxin Mining	17,844,894.10	–	–	**17,844,894.10**
Shaanxi Xinxin	254,745.09	–	–	**254,745.09**
Total	18,099,639.19	–	–	**18,099,639.19**
Book value	108,081,096.95	–	–	**108,081,096.95**

(2) Information about the asset group or portfolio of asset groups to which goodwill belongs

All of the Group's goodwill arose when the equity interests in the above companies were acquired. Each company was recognized as an asset group. The asset group to which the goodwill belongs at the end of the period was consistent with the asset group determined at the purchase date and during the impairment tests of goodwill in previous years.

(Unless indicated otherwise, all amounts are expressed in RMB)

V. NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

16. Goodwill (Continued)

(3) Specific method for determining the recoverable amount

The recoverable amount is determined as the present value of estimated future cash flow:

Item	Book value at beginning of the period *(RMB'0000)*	Recoverable amount *(RMB'0000)*	Impairment amount	Years of the forecast period	Key parameters for the forecast period	Key parameters of the stabilization period	The basis for determining the key parameters of the stability period
Xinjiang Yakesi and Hami Jubao	98,105.58	101,286.33	–	6 years	Revenue growth rate was 28.56%-31.28%. Profit margin 12.95%-14.91%. The after-tax discount rate is 8.50%.	Not Applicable	Not Applicable
Huaou Mining	152,482.11	202,567.49	–	44 years	Revenue growth rate 0.00%, gross margin 38.68%, after tax discount rate 8.50%	Not Applicable	Not Applicable
Total	250,587.69	303,853.82	–				

(4) Fulfillment of performance commitments

On 14 February 2025, The Group, Nonferrous Metals Group and Huaou Mining entered into an equity transfer agreement, under which The Group conditionally agreed to acquire 51% equity interest in Huaou Mining from Nonferrous Metals Group for a consideration of approximately RMB1,098.08 million. The acquisition includes a performance commitment that has not yet reached the settlement period; accordingly, no related financial data has been reflected in the financial statements.

(Unless indicated otherwise, all amounts are expressed in RMB)

V. NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

17. Provision for impairment of assets and losses

Item	31 December 2025	Increase during the period	Decrease during the period		30 June 2026
			Reversal	Charge-offs	
Bad debt provision for accounts receivable	4,044,987.43	80,071.45	–	–	**4,125,058.88**
Including: Bad debt provision by portfolio	4,044,987.43	80,071.45	–	–	**4,125,058.88**
Bad debt provision for other receivables	1,996,948.01	12,725.30	75,041.14	–	**1,934,632.17**
Including: Bad debt provision on an individual basis	1,209,199.27	–	73,430.39	–	**1,135,768.88**
Bad debt provision by portfolio	787,748.74	12,725.30	1,610.75	–	**798,863.29**
Provision for impairment of intangible assets	80,833,137.13	–	–	–	**80,833,137.13**
Provision for impairment of fixed assets	243,021,511.03	–	–	–	**243,021,511.03**
Provision for the decline in value of inventories	6,757,399.08	–	–	–	**6,757,399.08**
Provision for impairment of goodwill	18,099,639.19	–	–	–	**18,099,639.19**
Total	354,753,621.87	92,796.75	75,041.14	–	**354,771,377.48**

18. Long-term prepaid expenses

Item	31 December 2025	Increase in the period	Amortization in the period	30 June 2026
Expenditure on improvement of fixed assets under operating leases	1,060,266.79	1,836,484.60	535,340.54	**2,361,410.85**
Total	1,060,266.79	1,836,484.60	535,340.54	**2,361,410.85**

(Unless indicated otherwise, all amounts are expressed in RMB)

V. NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

19. Deferred tax assets and deferred tax liabilities

(1) Deferred tax assets without offsetting

Item	30 June 2026		31 December 2025	
	Deductible Temporary differences	**Deferred income tax assets**	Deductible Temporary differences	Deferred income tax assets
Provision for asset impairment	**86,826,940.21**	**17,517,270.11**	86,817,271.34	17,499,984.11
Unrealized profits in internal trading	**461,787,598.34**	**69,268,139.75**	225,478,335.92	33,821,750.39
Deferred income	**40,740,462.30**	**6,111,069.35**	40,952,003.01	6,142,800.46
Lease Liabilities	**2,519,083.05**	**420,268.88**	3,180,432.27	518,834.02
Depreciation of fixed assets	**31,517,565.30**	**4,727,634.80**	27,423,258.24	4,113,488.74
Mineral royalty	**84,591,870.77**	**12,688,780.62**	86,818,751.73	13,022,812.76
Provisions for environment remediation and restoration	**138,172,070.11**	**20,725,810.52**	135,354,292.49	20,303,143.88
Dismissal benefits	**2,810,205.63**	**421,530.85**	3,448,071.91	517,210.79
Total	**848,965,795.71**	**131,880,504.88**	609,472,416.91	95,940,025.15

(2) Deferred tax liabilities without offsetting

Item	30 June 2026		31 December 2025	
	Taxable temporary differences	**Deferred income tax liabilities**	Taxable temporary differences	Deferred income tax liabilities
Asset valuation appreciation of business combinations not under common control	**1,808,267,282.25**	**275,909,169.25**	1,814,448,831.63	276,839,619.02
Depreciation of fixed assets	**21,252,638.92**	**3,187,895.84**	23,279,558.87	3,491,933.83
Amortization of intangible assets	**8,574,621.27**	**1,286,193.19**	8,574,621.27	1,286,193.19
Long-term payables	**30,805,884.06**	**4,620,882.61**	36,450,717.53	5,467,607.63
Provisions for environment remediation and restoration	**118,302,624.64**	**17,745,393.70**	120,851,331.32	18,127,699.70
Right-of-use assets	**2,414,315.66**	**399,801.74**	3,119,541.49	508,182.47
Profit and loss of the fair value change of derivative financial assets	**–**	**–**	38,188,722.52	5,728,308.38
Total	**1,989,617,366.80**	**303,149,336.33**	2,044,913,324.63	311,449,544.22

(Unless indicated otherwise, all amounts are expressed in RMB)

V. NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

19. Deferred tax assets and deferred tax liabilities (Continued)

(3) Deferred tax assets or liabilities presented as the net amount after offsetting

Item	30 June 2026 Offsetting amount of deferred tax assets and liabilities	30 June 2026 Deferred tax assets or liabilities after offsetting	31 December 2025 Offsetting amount of deferred tax assets and liabilities	31 December 2025 Deferred tax assets or liabilities after offsetting
Deferred tax assets	**32,182,156.01**	**99,698,348.87**	33,519,567.76	62,420,457.39
Deferred tax liabilities	**32,182,156.01**	**270,967,180.32**	33,519,567.76	277,929,976.46

(4) List of unrecognized deferred tax assets

Item	30 June, 2026	30 December, 2025
Deductible temporary differences	**113,033,150.60**	112,213,705.19
Deductible losses	**86,718,625.48**	74,022,937.05
Total	**199,751,776.08**	186,236,642.24

Due to the uncertainty about whether sufficient taxable income can be obtained in the future, the deductible temporary differences and deductible losses that have not been recognized as deferred tax assets.

(5) Deductible losses that are not recognized as deferred tax assets will fall due in the following years

Year 30	30 June 2026	31 December 2025
2026	**12,805,447.85**	12,805,447.85
2027	**18,478,045.39**	18,478,045.39
2028	**5,927,021.31**	5,927,021.31
2029	**13,755,662.16**	13,755,662.16
2030	**23,056,760.34**	23,056,760.34
2031	**12,695,688.43**	–
Total	**86,718,625.48**	74,022,937.05

(Unless indicated otherwise, all amounts are expressed in RMB)

V. NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

20. Other non-current assets

Item	30 June 2026	31 December 2025
Advances on power expenses	**2,856,183.42**	6,035,265.42
Advances on long-term assets	**3,908,211.46**	13,826,111.30
Total	**6,764,394.88**	19,861,376.72

21. Assets with restricted ownership or use

	30 June 2026				30 December 2025			
Item	Book balance	Book value	Restricted types	Restricted circumstances	Book balance	Book value	Restricted types	Restricted circumstances
Monetary funds	**110,418,971.35**	**110,418,971.35**	**Guarantee**	**Deposits for bank acceptance notes, environmental restoration and safety production deposits, land reclamation bond, bank deposits subject to judicial freeze, etc**	216,650,207.11	216,650,207.11	Guarantee	Deposits for bank acceptance notes, environmental restoration and safety production deposits, land reclamation bond, bank deposits subject to judicial freeze, etc
Total	**110,418,971.35**	**110,418,971.35**			216,650,207.11	216,650,207.11		

22. Short-term borrowings

(1) Classification of short-term borrowings

Item	30 June 2026	30 December 2025
Credit loans	**400,217,472.25**	400,246,166.68
Discounted bills not derecognized	**–**	36,950,536.26
Total	**400,217,472.25**	437,196,702.94

Note: As at 30 June 2026, the interest rate on credit borrowings was 1.90%.-2.11% (As at 31 December 2025:1.60%-2.11%）.

(Unless indicated otherwise, all amounts are expressed in RMB)

V. NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

23. Notes payable

Types	30 June 2026	31 December 2025
Bank acceptances notes	**275,484,176.23**	336,003,302.00
Total	**275,484,176.23**	336,003,302.00

Note: By the end of the period, the aging of the Group's notes payable described above were all within 365 days.

24. Accounts payable

(1) Accounts payable presented by the nature of payment

Item	30 June 2026	31 December 2025
Payable for purchase of materials	**196,078,948.72**	274,053,558.34
Payable for purchase of services	**206,217,799.05**	188,648,732.50
Transportation fee payable	**7,435,842.88**	11,015,506.59
Others	**13,752,545.60**	14,372,983.22
Total	**423,485,136.25**	488,090,780.65

2. Accounts payable presented by aging

Aging	30 June 2026	31 December 2025
Within 1 year	**361,030,074.72**	427,875,081.58
1-2 years	**26,564,353.76**	35,416,752.54
2-3 years	**16,378,874.25**	12,193,598.85
More than 3 years	**19,511,833.52**	12,605,347.68
Total	**423,485,136.25**	488,090,780.65

Note: Accounts payables are aged and disclosed based on initial recognition date.

(Unless indicated otherwise, all amounts are expressed in RMB)

V. NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

25. Advance payments

(1) List of the advances from customers

Item	30 June 2026	31 December 2025
Income from rent and property services	**39,997.41**	307,667.40
Total	**39,997.41**	307,667.40

26. Contract liabilities

(1) Detail of Contract liabilities

Item	30 June 2026	31 December 2025
Advances on sales	**32,012,653.53**	14,585,292.80
Total	**32,012,653.53**	14,585,292.80

Note: As at 30 June 2026, the Group's contract liabilities was RMB32,012,653.53, of which RMB14,585,292.80 carried in the opening-year book value was reclassified into operating revenue during the current period.

27. Employee benefits payable

(1) Classification of employee benefits payable

Item	31 December 2025	Increase during the period	Decrease during the period	30 June 2026
Short-term employment benefits	139,164,768.82	161,974,196.21	207,929,317.52	**93,209,647.51**
Post-employment benefits –Defined contribution plan	10,548.27	28,122,243.96	28,122,243.96	**10,548.27**
Termination benefits	1,232,554.18	1,821,862.10	1,555,304.23	**1,499,112.05**
Total	140,407,871.27	191,918,302.27	237,606,865.71	**94,719,307.83**

(Unless indicated otherwise, all amounts are expressed in RMB)

V. NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

27. Employee benefits payable (Continued)

(2) Short-term employment benefit

Item	31 December 2025	Increase during the period	Decrease during the period	**30 June 2026**
Salaries, bonuses, allowances, and subsidies	131,597,512.62	115,264,755.25	159,951,325.52	**86,910,942.35**
Staff welfare	–	11,527,141.29	10,682,253.89	**844,887.40**
Social insurances	6,746.85	12,437,081.29	12,437,081.29	**6,746.85**
Including: Medical insurance	6,654.72	10,394,710.23	10,394,710.23	**6,654.72**
Work injury insurance	92.13	2,042,371.06	2,042,371.06	**92.13**
Housing provident fund	–	11,818,995.00	11,818,995.00	**–**
Labor union fund and employee education fund	6,293,407.71	2,949,753.41	4,308,380.38	**4,934,780.74**
Other short-term employment benefits	1,267,101.64	7,976,469.97	8,731,281.44	**512,290.17**
Total	139,164,768.82	161,974,196.21	207,929,317.52	**93,209,647.51**

(3) Defined contribution plans

Item	31 December 2025	Increase during the period	Decrease during the period	**30 June 2026**
Basic pension insurance	4,272.80	19,591,724.14	19,591,724.14	**4,272.80**
Unemployment insurance	6,275.47	612,212.87	612,212.87	**6,275.47**
Enterprise annuity payment	–	7,918,306.95	7,918,306.95	**–**
Total	10,548.27	28,122,243.96	28,122,243.96	**10,548.27**

Note: The Group shall pay the pension insurance premiums and unemployment insurance premiums to the relevant agencies every month according to the payment base and proportion stipulated by the local labour and social security department, and the payment shall not be used to offset the amount that the Group shall pay to its employees in the future.

(Unless indicated otherwise, all amounts are expressed in RMB)

V. NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

28. Taxes payable

Item	30 June 2026	31 December 2025
Corporate income tax	**51,429,014.78**	30,229,077.25
Value-added tax	**8,873,272.47**	23,296,554.08
Resource tax	**8,570,344.89**	10,012,604.38
Personal income tax	**772,872.06**	523,079.59
Stamp duty	**578,058.07**	776,853.54
Education surcharge	**442,997.69**	1,164,161.85
Urban maintenance and construction tax	**268,679.51**	1,052,967.93
Environmental protection tax	**76,462.49**	116,999.60
Property tax	**3,755.46**	15,046.86
Land use tax	**75.00**	75.00
Total	**71,015,532.42**	67,187,420.08

29. Other payables

Item	30 June 2026	31 December 2025
Other payables	**623,072,053.39**	570,419,615.72
Dividends payable	**106,547,256.00**	–
Total	**729,619,309.39**	570,419,615.72

(1) Dividends payable

Item	30 June 2026	31 December 2025
Dividend on common stock	**106,547,256.00**	–
Total	**106,547,256.00**	–

(Unless indicated otherwise, all amounts are expressed in RMB)

V. NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

29. Other payables (Continued)

(2) Other payables

1) *Other payables presented by nature of payables*

Item	30 June 2026	31 December 2025
Payables to related parties	**435,323,269.70**	352,508,680.07
Engineering payments	**87,633,918.08**	113,249,083.25
Equipment payables	**39,462,759.02**	62,313,655.37
Deposits and margin	**21,951,955.59**	15,256,861.27
Intermediary fee	**430,900.33**	1,411,988.58
Other payables	**38,269,250.67**	25,679,347.18
Total	**623,072,053.39**	570,419,615.72

Note: As at 30 June 2026, other payables over one year with the amount of RMB82,002,085.74 (As at 31 December 2025: RMB64,587,145.35) were mainly payables for engineering payments and equipment expenses. Since the final settlement of the related projects is yet to be completed, the payments have not been settled in full.

30. Non-current liabilities due within one year

Item	30 June 2026	31 December 2025
Long-term borrowings due within one year	**118,579,784.54**	79,131,973.72
Long-term payables due within one year	**49,232,910.00**	49,232,910.00
Lease liabilities due within one year	**1,496,244.61**	1,405,964.62
Total	**169,308,939.15**	129,770,848.34

31. Other current liabilities

Item	30 June 2026	31 December 2025
Notes receivable by endorsement	**28,876,881.67**	27,333,921.96
Output VAT to be charged off	**4,163,061.91**	1,905,903.86
Total	**33,039,943.58**	29,239,825.82

(Unless indicated otherwise, all amounts are expressed in RMB)

V. NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

32. Long-term borrowing

Item	30 June 2026	31 December 2025
Credit loans	**1,409,737,540.90**	1,375,245,185.69
Less: Long-term loans due within one year	**118,579,784.54**	79,131,973.72
Total	**1,291,157,756.36**	1,296,113,211.97

Note: As at 30 June 2026, the interest rate range for long-term borrowing was between 2.34% and 2.57%(31 December 2025: between 2.34% and 2.67%)。

33. Lease liabilities

Item	30 June 2026	31 December 2025
Lease liabilities	**2,519,083.05**	3,180,432.27
Less: Lease liabilities due within one year	**1,496,244.61**	1,405,964.62
Total	**1,022,838.44**	1,774,467.65

34. Long-term payable

Item	30 June 2026	31 December 2025
Long-term payables	**208,364,189.18**	246,449,355.67
Special payables	**3,636,179.68**	3,636,179.68
Total	**212,000,368.86**	250,085,535.35

(Unless indicated otherwise, all amounts are expressed in RMB)

V. NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

34. Long-term payable (Continued)

(1) Long-term payables

Item	30 June 2026	31 December 2025
Mineral royalty	**257,597,099.18**	295,682,265.67
Less: Long-term payables due within one year	**49,232,910.00**	49,232,910.00
Total	**208,364,189.18**	246,449,355.67

Note: The Group has assessed the royalties of the relevant mining rights in accordance with the Notice on Issuing the Plan for Reforming the Royalty System for Mineral Resources issued by the State Council, the Interim Measures for the Administration of Mining Rights Grant Proceeds Collection issued by the Ministry of Finance and the Implementation Plan for the Pilot Work of the Reform of the Mining Rights Transfer System in the Xinjiang Uygur Autonomous Region, and the total amount of royalties has been determined after the review and approval by the relevant authorities.

The Group has included the present value of mineral resource equity in the original value of mining rights for intangible assets (Note V.15.).

(2) Special payables

Item	30 June 2026	31 December 2025
Maintenance and improvement grant program for supply of water, electricity, and heating and property management	**3,615,179.68**	3,615,179.68
Tailored policies for each enterprise	**21,000.00**	21,000.00
Total	**3,636,179.68**	3,636,179.68

35. Long-term payable employee benefits payable

(1) Detailed of the long-term employee benefits payable

Item	30 June 2026	31 December 2025
Decline benefits	**1,310,511.57**	2,215,517.75
Total	**1,310,511.57**	2,215,517.75

(Unless indicated otherwise, all amounts are expressed in RMB)

V. NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

36. Provisions

Item	31 December 2025	Increased during the period	Decreased during the period	30 June 2026	Reason of formation
Provision for mine closure and environmental restoration	154,848,532.22	3,226,663.89	–	**158,075,196.11**	Note
Total	154,848,532.22	3,226,663.89	–	**158,075,196.11**	–

Note: Kalatongke Mining, Xinjiang Yakesi, Hami Jubao, and Xinjiang Huaou Mining Industry Co., Ltd. recognized the provision for mine closure and environmental restoration with respect to mine closure costs and tailings dam closure costs. The management discounted projected future expenditures to net present value based on prior years' experience and the best estimate of future expenditures required for environmental restoration. This provision may be modified in future years with the increasingly prominent impact of mining activities on land and the environment. The related mine closure and environmental restoration costs will be reviewed.

The Group recognizes the costs of mining geological environment restoration and treatment as abandonment costs in accordance with the mining geological environment protection and land reclamation plan and the relevant provisions of the Accounting Standards for Business Enterprises. The costs are included in the recorded cost of the relevant assets, amortized over the estimated mining life in proportion to the production, and charged to production costs. including them in production costs.

37. Deferred income

Item	31 December 2025	Increase during the period	Decrease during the period	30 June 2026	Reasons of formation
Government grants related to assets	47,472,254.22	–	795,737.94	**46,676,516.28**	Fiscal subsidies
Government grants related to revenue	123,750.00	546,000.00	102,691.76	**567,058.24**	Fiscal subsidies
Total	47,596,004.22	546,000.00	898,429.70	**47,243,574.52**	–

(Unless indicated otherwise, all amounts are expressed in RMB)

V. NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

38. Share capital

Item	Number of shares as at 30 June 2026	Percentage of equity shares (%)	Number of shares as at 31 December 2025	Percentage of equity shares (%)
Unlisted tradable shares	**1,259,420,000.00**	56.99	1,259,420,000.00	56.99
Holders of other overseas listed foreign shares (H shares).	**950,580,000.00**	43.01	950,580,000.00	43.01
Total	**2,210,000,000.00**	100.00	2,210,000,000.00	100.00

Note: The par value per share of the company is RMB 0.25, with a total share capital of RMB 552,500,000.00

There was no movement of the Company's share capital for the period ended of 30 June 2026.

39. Capital reserves

Item	31 December 2025	Increase during the period	Decrease during the period	30 June 2026
Share premium *(Note ii, v, vi)*	3,996,170,644.65	–	–	**3,996,170,644.65**
Contribution from controlling shareholders related to mining rights *(Note i)*	35,393,957.53	–	–	**35,393,957.53**
Other capital reserves *(Notes iii, iv, vii.).*	10,948,492.49	569,142.18	–	**11,517,634.67**
Total	4,042,513,094.67	569,142.18	–	**4,043,082,236.85**

V. NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

39. Capital reserves (Continued)

Note:

i. The difference of RMB35,393,957.53 between the fair value of mining rights acquired from Xinjiang Non-ferrous Group and the present value of the long-term payable for the mining rights was treated as the contribution from Xinjiang Non-ferrous Group to the Company. The capital reserve was formed prior to the listing of the Company on the Main Board of the Stock Exchange of Hong Kong Limited in 2007.

ii. The difference of RMB3,999,724,647.74 between the paid-in capital and the share capital was recognized in capital reserves as a share premium.

iii. Xinjiang Non-ferrous Group provided a long-term interest-free borrowing to the Group and the difference of RMB3,815,140.27 between the principal amount of the borrowing and its fair value at initial recognition was recorded as a contribution from Xinjiang Non-ferrous Group to the Group in capital reserves. The borrowing was repaid in 2017.

iv. The net income from debt waiver of RMB7,133,352.22 arising from equity transactions among the original shareholders of Huaou Mining was an equity transaction.

v. In 2025, the parent company acquired 51.00% of the equity interest in Huaou Mining held by the Nonferrous Metals Group for a cash consideration of RMB1,098,084,000.00.This transaction constitutes a business combination under common control. The initial investment cost of the long-term equity investment by the parent company amounts to RMB885,581,100.00, which was determined based on the acquirer's proportionate share of the book value of the equity and goodwill of the acquiree as of the acquisition date. The difference of RMB212,502,900.00 between the total equity transfer consideration of RMB1,098,084,000.00 and the initial investment cost shall be recognized as a reduction of capital reserve (capital premium).

vi. On 26 June 2025, the Company entered into an equity transfer agreement with Sichuan Aokai Investment Development Co., Ltd. ("Sichuan Aokai"), pursuant to which Sichuan Aokai agreed to transfer its 2.4167% equity interest in Zhongxin Mining to the Group at nil consideration. The registration of the change in business registration was completed on 14 August 2025.Upon completion, the Group's equity interest in Zhongxin Mining increased to 100%, and Zhongxin Mining became a wholly owned subsidiary of the Group. The minority interests and the difference between the consideration paid and fair value were transferred to capital reserve, totaling approximately RMB3,554,003.09.

vii. During this period, Hexin Mining, the joint venture of the Group, made provisions for special reserves, resulting impact of RMB 569,142.18 in a capital reserve.

(Unless indicated otherwise, all amounts are expressed in RMB)

V. NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

40. Special reserves

Item	31 December 2025	Increase during the period	Decrease during the period	**30 June 2026**
Safety production costs	176,721.30	40,747,273.10	32,744,406.18	**8,179,588.22**
Total	176,721.30	40,747,273.10	32,744,406.18	**8,179,588.22**

Note: According to the relevant provisions of Cai Zi [2022] No. 136 issued by the State Administration of Work Safety, Kalatongke Mining, Xinjiang Yakesi, and Hami Jubao are required to extract the safety production fund based on the standard of RMB15 per ton of copper-nickel ore (FY 2025: RMB15 per ton). Huaou Mining calculates and extracts enterprise safety production expenses in accordance with project progress, at an accrual rate ranging from 2% to 3.5%. The fund for the tailings ponds of Kalatongke Mining and Xinjiang Yakesi is calculated on the basis of the volume of tailings put in storage. RMB4 per ton is for the tailings of the third and higher grades (FY2025: RMB4 per ton), and RMB5 per ton is for the tailings of the fourth and fifth grades (FY2025: RMB5 per ton). Zhongxin Mining and Kalatongke Mining are required to withdraw the safety production fund at 4.5% of the amount of sulfuric acid consumption/sales revenue of the prior year (FY 2025: 4.5%). Zhongxin Mining, Fukang Smelter, and Kalatongke Mining use the excess regressive method for the withdrawal of the safety production fund based on the smelting revenue of the prior year. The safety production fund is withdrawn and included in the production costs and special reserves and is used to directly write down special reserves as incurred if the fund is an expense in nature. When special reserves give rise to fixed assets, the special reserves are reduced by the cost of the generated fixed assets, and the same amount of accumulated depreciation is recognized. The related assets are no longer depreciated in subsequent periods.

The amount of the safety production fund used for the expenditure on safety-related projects was RMB 32,744,406.18 for the six months ended 30 June 2026 (For the six months ended 30 June 2025: RMB 24,477,172.55).

41. Surplus reserves

Item	**30 June 2026**	31 December 2025
Statutory surplus reserves	**276,250,000.00**	276,250,000.00
Total	**276,250,000.00**	276,250,000.00

Note: In accordance with The Group Law of the People's Republic of China and the Articles of Association of the Group, no further appropriation to the statutory surplus reserve was made in 30 June 2026 as the accumulated balance reached 50% of the share capital.

(Unless indicated otherwise, all amounts are expressed in RMB)

V. NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

42. Retained earnings

Item	30 June 2026	30 June 2025
Retained earning at the beginning of the period	**570,976,637.99**	488,915,211.92
Add: Net profit attributable to the shareholders of the Company during the period	**249,422,525.78**	71,646,188.34
Less: Dividends payable for ordinary shares	**110,500,000.00**	–
Business combination under the common control	**–**	1,521,310.59
Retained earning – end of period	**709,899,163.77**	559,040,089.67

43. Revenue and cost of sales

(1) Details of revenue and cost of sales

Item	For the six months ended 30 June 2026		For the six months ended 30 June 2025	
	Revenue	Cost of sales	Revenue	Cost of sales
Main operation	**1,256,526,545.37**	**806,579,290.26**	1,100,458,189.04	866,676,727.64
Other operations	**9,209,496.38**	**4,624,744.05**	17,439,313.60	16,807,884.97
Total	**1,265,736,041.75**	**811,204,034.31**	1,117,897,502.64	883,484,612.61

(Unless indicated otherwise, all amounts are expressed in RMB)

V. NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

43. Revenue and cost of sales (Continued)

(2) Breakdown of revenue and cost of sales

Item	For the six months ended 30 June 2026 Revenue	For the six months ended 30 June 2026 Cost of sales	For the six months ended 30 June 2025 Revenue	For the six months ended 30 June 2025 Cost of sales
Types of operation:				
Including:				
Main operation:	**1,256,526,545.37**	**806,579,290.26**	1,100,458,189.04	866,676,727.64
Electrolytic nickel	**674,494,375.05**	**472,464,080.37**	627,861,245.24	465,005,955.01
Cathode cathode	**390,321,612.68**	**249,267,658.99**	315,691,360.21	312,463,615.08
Electrolytic cobalt	**16,913,518.93**	**9,033,837.12**	–	–
Copper leaching residues and precious metal materials	**7,090,594.13**	**–**	62,023,595.55	8,443,106.16
Others	**167,706,444.58**	**75,813,713.78**	94,881,988.04	80,764,051.39
Other operations:	**9,209,496.38**	**4,624,744.05**	17,439,313.60	16,807,884.97
Including:				
Sales of materials	**3,529,484.67**	**209,686.49**	3,100,864.44	2,452,681.20
House rent	**3,101,642.01**	**2,425,820.81**	1,894,226.78	2,461,906.24
Sales of electricity	**158,431.73**	**139,720.01**	8,914,153.21	8,606,027.68
Orefield heating	**–**	**–**	4,516.51	4,516.51
Others	**2,419,937.97**	**1,849,516.74**	3,525,552.66	3,309,679.47
Classified by region of operating:				
Including:				
Domestic	**1,265,736,041.75**	**811,204,034.31**	1,117,897,502.64	883,484,612.61
Overseas	**–**	**–**	–	–
Classification by the time of goods transfer:				
Including:				
Transfer at a point in time	**1,262,475,968.01**	**808,638,493.49**	1,107,084,606.14	872,448,313.35
Transfer over time	**3,260,073.74**	**2,565,540.82**	10,812,896.50	11,036,299.26
Total	**1,265,736,041.75**	**811,204,034.31**	1,117,897,502.64	883,484,612.61
Classified by sales:				
Including:				
Direct sales	**1,265,736,041.75**	**811,204,034.31**	1,117,897,502.64	883,484,612.61
Total	**1,265,736,041.75**	**811,204,034.31**	1,117,897,502.64	883,484,612.61

(Unless indicated otherwise, all amounts are expressed in RMB)

V. NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

43. Revenue and cost of sales (Continued)

(3) Information related to performance obligations

The Group's sales of electrolytic nickel and copper cathode are all performed at a point in time according to sales contracts. As for the performance obligations performed at a point in time, revenue is recognized when the customer obtains control.

44. Taxes and surcharges

Item	**For the six months ended 30 June 2026**	For the six months ended 30 June 2025
Resource tax	**12,827,633.80**	9,231,793.69
Property taxes	**6,821,468.18**	6,399,175.46
Education surcharge	**3,679,358.65**	3,175,718.69
Urban maintenance and construction tax	**2,822,821.00**	2,605,869.21
Land use tax	**2,042,506.72**	2,236,883.27
Stamp duty	**1,431,422.01**	1,883,482.24
Others	**302,523.47**	4,745,266.06
Total	**29,927,733.83**	30,278,188.62

45. Selling expenses

Item	**For the six months ended 30 June 2026**	For the six months ended 30 June 2025
Loading and unloading fee and transportation fee	**6,523,374.29**	5,600,343.11
Employee benefits	**1,434,194.98**	1,472,608.92
Administrative and travel expenses	**71,406.20**	46,362.63
Depreciation	**2,530.52**	11,409.52
Others	**305,304.36**	655,954.76
Total	**8,336,810.35**	7,786,678.94

(Unless indicated otherwise, all amounts are expressed in RMB)

V. NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

46. General and administrative expenses

Item	For the six months ended 30 June 2026	For the six months ended 30 June 2025
Employee benefits	**54,271,541.82**	47,665,918.50
Depreciation and amortization	**14,576,953.85**	14,171,081.28
Comprehensive support service charge	**3,605,000.00**	1,613,207.52
Office expenses	**1,673,547.17**	537,396.61
Intermediary fee	**426,135.34**	2,321,924.42
Leasing fees	**98,164.05**	398,831.10
Others	**25,304,794.34**	18,069,520.71
Total	**99,956,136.57**	84,777,880.16

47. Research and development expenses

Item	For the six months ended 30 June 2026	For the six months ended 30 June 2025
Employee benefits	**13,568,916.37**	2,970,591.51
Material consumption	**9,753,381.74**	16,435,743.24
Outsourcing expenses	**768,867.92**	–
Depreciation and amortization	**487,399.41**	825,970.71
Other expenses	**5,987,317.88**	5,059,971.49
Total	**30,565,883.32**	25,292,276.95

48. Financial costs

Item	For the six months ended 30 June 2026	For the six months ended 30 June 2025
Interest expenses	**17,961,928.99**	12,865,255.40
Less: Interest income	**1,488,694.72**	2,191,199.03
Other expenses	**11,953,869.94**	9,798,287.55
Total	**28,427,104.21**	20,472,343.92

(Unless indicated otherwise, all amounts are expressed in RMB)

V. NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

49. Other income

Item	For the six months ended 30 June 2026	For the six months ended 30 June 2025
Asset-related	**795,737.94**	1,031,737.94
Revenue-related	**4,927,471.61**	6,867,586.23
Total	**5,723,209.55**	7,899,324.17

50. Investment income

Item	For the six months ended 30 June 2026	For the six months ended 30 June 2025
Net gains(losses) from a joint venture under equity method	**8,159,514.95**	-5,010,731.60
Unrealized net profit between joint ventures and the Group	**1,150,054.11**	19,242,861.38
Total	**9,309,569.06**	14,232,129.78

Note: The Group does not have significant restrictions on the return of investment income.

51. Gains(losses) on changes in fair value

Sources of gains on changes in fair value	For the six months ended 30 June 2026	For the six months ended 30 June 2025
Derivative financial assets and derivative financial liabilities – metal trading contracts	**26,999,212.13**	-3,247,446.41
Total	**26,999,212.13**	-3,247,446.41

(Unless indicated otherwise, all amounts are expressed in RMB)

V. NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

52. Credit impairment gains

Item	For the six months ended 30 June 2026	For the six months ended 30 June 2025
Bad debt losses on accounts receivable	**-80,071.45**	203,646.95
Bad debt losses on other receivables	**62,315.84**	565,988.18
Total	**-17,755.61**	769,635.13

53. Gain on disposal of assets

Item	For the six months ended 30 June 2026	For the six months ended 30 June 2025	Amount recognized in non-recurring gains and losses of the current year
Gains on disposal of fixed assets	**–**	66,797.60	–
Losses on disposal of intangible assets	**–**	-1,513,800.00	–
Total	**–**	-1,447,002.40	–

54. Non-operating income

Item	For the six months ended 30 June 2026	For the six months ended 30 June 2025	Amount included in current period non-recurring profit or loss
Fines and forfeitures	**510,506.43**	726,393.58	510,506.43
Amounts not required to be paid	**–**	164,901.55	–
Others	**80,829.18**	1,193,179.28	80,829.18
Total	**591,335.61**	2,084,474.41	591,335.61

(Unless indicated otherwise, all amounts are expressed in RMB)

V. NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

55. Non-operating expenses

Item	For the six months ended 30 June 2026	For the six months ended 30 June 2025	Amount included in current period non-recurring profit or loss
Loss on damaged or scrapped non-current assets	**1,206,800.06**	374,012.17	1,206,800.06
External donation expenditure	**54,408.00**	–	54,408.00
Expenses for damages, liquidated damages and penalties	**15,112.44**	587,397.83	15,112.44
Others	**1,432,045.72**	1,347,255.95	1,432,045.72
Total	**2,708,366.22**	2,308,665.95	2,708,366.22

56. Income tax expenses

(1) Income tax expenses

Item	For the six months ended 30 June 2026	For the six months ended 30 June 2025
Current income tax expenses	**96,053,574.11**	17,949,338.95
Deferred income tax expenses	**-44,240,687.62**	-2,128,014.25
Total	**51,812,886.49**	15,821,324.70

(2) Adjustments to accounting profit and income tax expenses

Item	For the six months ended 30 June 2026
Total consolidated profit	**297,214,636.57**
Income tax expense calculated at applicable tax rates	**44,582,195.48**
Effect of applying different tax rates to subsidiaries	**-1,321,139.44**
Effect of adjustments to income taxes of prior periods	**5,679,536.77**
Effect of non-taxable income	**-1,223,927.24**
Effect of non-deductible costs, expenses, and losses	**776,630.58**
Effect of deductible temporary differences or deductible losses not recognized as deferred tax assets in the current period	**3,319,590.34**
Income tax expenses	**51,812,886.49**

(Unless indicated otherwise, all amounts are expressed in RMB)

V. NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

57. Earnings per share

(1) Basic earnings per share

Basic earnings per share is calculated by dividing consolidated net profit attributable to the Company's common shareholders by the weighted average of common shares outstanding:

Item	For the six months ended 30 June 2026	For the six months ended 30 June 2025
Consolidated net profit attributable to common shareholders of the Company	**249,422,525.78**	71,646,188.34
Weighted average of common shares outstanding of the Group	**2,210,000,000.00**	2,210,000,000.00
Basic earnings per share	**0.113**	0.032
Including: Basic earnings per share for continuing operations	**0.113**	0.032

(2) Diluted earnings per share

Diluted earnings per share is computed by dividing consolidated net income attributable to The Group's common stockholders, as adjusted for dilutive potential common shares, by the adjusted weighted average of common shares of The Group issued and outstanding. There were no dilutive potential common shares for the six months ended 30 June 2026 (for the six months ended 30 June 2025: nil) and therefore diluted earnings per share were equal to basic earnings per share.

58. Cash flow statement items

(1) Cash related to operating activities

1) Cash received relating to other operating activities

Item	For the six months ended 30 June 2026	For the six months ended 30 June 2025
Restricted bank deposits	**106,231,235.76**	–
Government grants received	**3,544,803.16**	5,351,684.32
Interest income	**1,488,694.72**	2,191,199.03
Others	**591,335.61**	3,837,659.61
Total	**111,856,069.25**	11,380,542.96

(Unless indicated otherwise, all amounts are expressed in RMB)

V. NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

58. Cash flow statement items (Continued)

(1) Cash related to operating activities (Continued)

2) *Cash paid relating to other operating activities*

Item	For the six months ended 30 June 2026	For the six months ended 30 June 2025
Restricted cash at bank	–	15,632,701.62
Payment of loading, unloading, and transportation fees	**6,523,374.29**	6,076,786.75
Payment of intermediary fees	**747,635.34**	2,321,924.42
Research services and exploration fees	**1,736,559.53**	2,048,399.59
Machine and material repair costs	**4,138,775.62**	123,743.98
Pay administrative and office expenses	**1,673,547.17**	539,661.38
Comprehensive support service fee	**2,948,000.00**	1,613,207.52
Payment of greening fees	**862,205.94**	710,795.83
Rental fees	**98,164.05**	398,831.10
Payment of bank transaction fees	**164,452.38**	46,455.39
Vehicle transportation expenses	**707,800.44**	789,311.02
Other sporadic expenses	**67,874,336.72**	84,642,296.40
Total	**87,474,851.48**	114,944,115.00

(Unless indicated otherwise, all amounts are expressed in RMB)

V. NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

58. Cash flow statement items (Continued)

(2) Cash related to investing activities

1) *Cash received related to other investment activities*

Item	For the six months ended 30 June 2026	For the six months ended 30 June 2025
Fair value changes	**65,187,934.65**	–
Total	**65,187,934.65**	–

2) *Cash paid related to other investment activities*

Item	For the six months ended 30 June 2026	For the six months ended 30 June 2025
Fair value changes	**–**	2,578,366.22
Total	**–**	2,578,366.22

(3) Cash related to financing activities

1) *Cash paid related to other financing activities*

Item	For the six months ended 30 June 2026	For the six months ended 30 June 2025
Cash paid for business combinations under common control	**–**	1,098,084,000.00
Payment of lease liabilities	**771,383.76**	594,489.40
Total	**771,383.76**	1,098,678,489.40

(Unless indicated otherwise, all amounts are expressed in RMB)

V. NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

58. Cash flow statement items (Continued)

(4) Significant activities and financial effects that do not involve current cash receipts and disbursements but affect the enterprise' s financial position or may affect the enterprise' s cash flows in the future cash related to financing activities

Item	For the six months ended 30 June 2026	For the six months ended 30 June 2025
Inventory procurement funds paid with bank acceptance notes	**450,243,968.23**	22,819,248.44
Purchase funds for long-term assets paid with bank acceptance notes	**208,866,907.87**	390,649,317.9 6
Total	**659,110,876.10**	413,468,566.40

(Unless indicated otherwise, all amounts are expressed in RMB)

V. NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

59. Cash flow statement supplement

(1) Cash flow statement supplement

Item	For the six months ended 30 June 2026	For the six months ended 30 June 2025
1. Reconcile net profit to cash flow from operating activities		
Net profit	**245,402,657.18**	67,966,645.46
Add: Credit impairment losses(gains marked as "–")	**17,755.61**	-769,635.13
Depreciation expense	**149,332,753.57**	136,394,669.22
Amortization of intangible assets	**27,825,749.16**	27,938,469.51
Amortization of long-term prepaid expenses	**535,340.54**	321,084.18
Loss on disposal of fixed assets, intangible assets and other long-term assets	**–**	1,447,002.40
Losses on scraping fixed assets	**1,206,800.06**	374,012.17
Safety production fee	**8,002,866.92**	8,222,795.40
(Gains marked as "–")losses on changes in fair value	**-26,999,212.13**	3,247,446.41
Financial expenses	**26,290,254.36**	12,865,255.40
Gains on investment	**-9,309,569.06**	-14,232,129.78
Decrease in deferred tax liabilities	**-898,429.70**	-1,378,422.26
(Increase marked as "–") decrease in deferred tax assets	**-37,277,891.48**	-1,322,074.64
(Decrease marked as "–") increase in deferred tax liabilities	**-6,962,796.14**	-805,939.60
(Increase marked as "-")decrease in inventories	**-67,936,055.16**	43,513,689.55
Decrease(increase marked as "–") in operating receivables	**5,667,943.36**	11,458,632.21
(Decrease marked as "–") increase in operating payables	**-374,032,939.62**	-85,359,771.67
Others	**106,231,235.76**	-15,632,701.62
Net cash flows generated from operating activities	**47,096,463.23**	194,249,027.21
2. The net movement of cash and cash equivalents		
Closing balance of cash	**475,138,328.30**	547,036,529.43
Less: Opening balance of cash	**419,593,781.85**	582,405,823.83
Net increase (decrease) in cash and cash equivalents	**55,544,546.45**	-35,369,294.40

(Unless indicated otherwise, all amounts are expressed in RMB)

V. NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

59. Cash flow statement supplement (Continued)

(2) Composition of cash and cash equivalents

Item	For the six months ended 30 June 2026	For the six months ended 30 June 2025
1. Cash	**475,138,328.30**	547,036,529.43
Unrestricted cash at bank	**475,138,328.30**	547,036,529.43
2. Cash equivalents	**–**	–
3. Cash and cash equivalents at the end of the period	**475,138,328.30**	547,036,529.43

60. Lease

The Group does not lease fixed assets through financial leases.

(Unless indicated otherwise, all amounts are expressed in RMB)

VI. R&D EXPENDITURE

1. R&D expenditure

Item	For the six months ended 30 June 2026	For the six months ended 30 June 2025
Employee benefits	**13,568,916.37**	2,970,591.51
Material consumption	**9,753,381.74**	16,435,743.24
Outsourced costs	**768,867.92**	–
Depreciation and amortization	**487,399.41**	825,970.71
Other costs	**5,992,461.88**	5,059,971.49
Total	**30,571,027.32**	25,292,276.95
Including: expenditure on research and development costs	**30,565,883.32**	25,292,276.95
expenditure on capitalized research and development costs	**5,144.00**	–

2. Development costs

Item	31 December 2025	Increase during the period: Internal development expenditure	Increase during the period: Others	Decrease during the period: Recognized as intangible assets	30 June 2026
Hami Tower Mountain Project	3,417,641.52	–	–	–	**3,417,641.52**
Copper exploration around the karatongke mining area in Fuyun County, Xinjiang	2,996,513.50	–	5,144.00	–	**3,001,657.50**
Xinjiang Yax Huangshan Copper-Nickel Mine 350 mid-section motor vehicle unmanned project	235,849.06	–	–	–	**235,849.06**
Production control platform software development	1,561,007.99	–	–	–	**1,561,007.99**
Exploration expenditure	9,639,371.37	–	–	–	**9,639,371.37**
Research on Non-Blasting Mechanical Continuous Mining Technology and Equipment	1,541,509.44	–	–	–	**1,541,509.44**
Sub-total	19,391,892.88	–	5,144.00	–	**19,397,036.88**
Less: provision for impairment	–	–	–	–	**–**
Total	19,391,892.88	–	5,144.00	–	**19,397,036.88**

VII. INTERESTS IN OTHER ENTITIES

1. Interests in subsidiaries

(1) Composition of the Group

Name of subsidiaries	Registered capital (RMB'000)	Main business place	Types of enterprises	Place of registration	Nature of the business	Shareholding percentage (%) Direct	indirect	Acquisition method
Xinjiang Yakesi Resources Development Co., Ltd.	500,000.00	Hami, the PRC	Note 2	Hami, the PRC	Mining	100.00	–	Business combinations not under common control
Hami Jubao Resource Development Co., Ltd.	120,000.00	Hami, the PRC	Note 3	Hami, the PRC	Mining	98.96	1.04	Business combinations not under common control
Xinjiang Zhongxin Mining Co., Ltd.	120,000.00	Hami, the PRC	Note 4	Hami, the PRC	Smelting	100.00	–	Business combinations not under common control
Xinjiang Karatongke Mining Co., Ltd.	1,230,000.00	Fuyun, the PRC	Note 4	Fuyun, the PRC	Mining, smelting	100.00	–	Through establishment or investment
Shaanxi Xinxin Mining Co., Ltd.	10,000.00	Shangnan, the PRC	Note 3	Shangnan, the PRC	Mining	51.00	–	Business combinations not under common control
Xinjiang Mengxi Mining Co., Ltd. (Note 1).	15,918.40	Hami, the PRC	Note 5	Hami, the PRC	Mining	51.00	–	Through establishment or investment
Beijing Xinding Shunze High-Tech Co., Ltd.	145,000.00	Beijing, the PRC	Note 6	Beijing, the PRC	R&D, property management	100.00	–	Through establishment or investment
Xinjiang Huaou Mining Co., Ltd.	113,000.00	Ruoqiang, the PRC	Note 5	Ruoqiang, the PRC	Mining	51.00	–	Business mergers under common control

Note: 1. This subsidiary was deregistered on April 14, 2025.

2. Enterprise type: Joint-stock limited company (unlisted, state-controlled).

3. Enterprise type: Other limited liability company.

4. Enterprise type: Limited liability company (sole legal entity investment, not invested or controlled by natural persons).

5. Enterprise type: Limited liability company (state-controlled).

6. Enterprise type: Limited liability company (sole legal entity).

(Unless indicated otherwise, all amounts are expressed in RMB)

VII. INTERESTS IN OTHER ENTITIES (CONTINUED)

1. Interests in subsidiaries (Continued)

(2) Significant non-wholly owned subsidiaries

Name of subsidiaries	Non-controlling shareholding percentage	Profit or loss attributable to minority shareholders for the period	Dividends declared to minority shareholders during the period	Ending balance of minority interests
Shaanxi Xinxin Mining Co., Ltd.	**49%**	**-489.56**	**–**	**-10,118,410.97**
Xinjiang Huaou Mining Co., Ltd.	**49%**	**-4,019,379.04**	**–**	**743,142,945.41**

(3) Key financial information of significant non-wholly owned subsidiaries

Subsidiaries' name	**30 June 2026**						31 December 2025					
	Current assets	**Non-current assets**	**Total assets**	**Current liabilities**	**Non-current liabilities**	**Total liabilities**	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Shaanxi Xinxin Mining Co., Ltd.	**32,995.24**	**1,373.09**	**34,368.33**	**20,684,186.65**	**-**	**20,684,186.65**	21,869.35	1,373.09	23,242.44	20,672,061.65	–	20,672,061.65
Xinjiang Huaou Mining Co., Ltd.	**149,866,174.99**	**2,588,164,183.12**	**2,738,030,358.11**	**608,823,286.28**	**612,588,815.89**	**1,221,412,102.17**	181,717,416.85	2,459,425,476.53	2,641,142,893.38	559,777,551.58	556,544,271.50	1,116,321,823.08

Subsidiaries' name	**For the six months ended 30 June 2026**				For the six months ended 30 June 2025			
	Operating income	**Net profit**	**Total comprehensive income**	**Cash flow from operating activities**	Operating income	Net profit	Total comprehensive income	Cash flow from operating activities
Shaanxi Xinxin Mining Co., Ltd.	**-**	**-999.11**	**-999.11**	**11,125.89**	–	–	-1,693,429.22	-175,494.68
Xinjiang Huaou Mining Co., Ltd.	**364,805.50**	**-8,202,814.36**	**-8,202,814.36**	**-57,288,514.35**	11,822,959.99	-2,982,961.95	-2,982,961.95	-26,027,218.52
Xinjiang Zhongxin Mining Co., Ltd.	**-**	**-**	**-**	**-**	–	-2,624,258.80	-2,624,258.80	-1,170,948.58

VII. INTERESTS IN OTHER ENTITIES (CONTINUED)

2. Transactions resulting in changes in ownership interest in subsidiaries while retaining control

(1) Explanation of changes in owners' equity shares of subsidiaries

According to the board resolution on March 4, 2026, the Company carried out internal integration of its affiliated subsidiaries, Xinjiang Yakesi, Hami Juba, and Zhongxin Mining. The Company acquired 0.486% of the equity of Xinjiang Yakesi held by Hami Juba. After the completion of the equity acquisition, Xinjiang Yakesi absorbed and merged Hami Juba and Zhongxin Mining. On April 27, 2026, the Company had already acquired 0.486% of the equity of Xinjiang Yaxs held by Hami Juba. After the acquisition, Xinxin Mining directly held 100% of the shares of Xinjiang Yakesi.

3. Interests in a joint venture

(1) Significant joint venture

Name of the joint venture	Main operation place	Place of registration	Nature of the business	Shareholding ratio *(%)*		Accounting treatment methods	Whether the transaction is strategic to the Company
				Direct	Indirect		
Hami Hexin Mining Co., Ltd.	Hami, the PRC	Hami, the PRC	Mining	50.00	–	Equity method	Yes

(Unless indicated otherwise, all amounts are expressed in RMB)

VII. INTERESTS IN OTHER ENTITIES (CONTINUED)

3. Interests in a joint venture (Continued)

(2) Key financial information on the significant joint venture

Item	**30 June 2026/ For the six months ended 30 June 2026**	31 December 2025/ For the six months ended 30 June 2025
Current assets	**147,877,254.31**	108,623,465.09
Including: Cash and cash equivalents	**43,646,515.70**	31,445,737.73
Non-current assets	**387,082,832.07**	415,319,322.96
Total assets	**534,960,086.38**	523,942,788.05
Current liabilities	**181,023,729.75**	168,606,266.24
Non-current liabilities	**17,438,616.38**	17,296,095.80
Total liabilities	**198,462,346.13**	185,902,362.04
Total net assets	**336,497,740.25**	338,040,426.01
Including: Non–controlling interests	**–**	–
Equity attributable to shareholders of the parent company	**336,497,740.25**	338,040,426.01
Share of net assets based on percentage of shareholding	**168,248,870.13**	169,020,212.99
– Goodwill	**44,668,386.35**	44,668,386.35
–Unrealized profits in internal trading	**-16,201,346.81**	-17,351,400.92
Book value of equity investments in the joint venture	**196,715,909.66**	196,337,198.42

(Unless indicated otherwise, all amounts are expressed in RMB)

VII. INTERESTS IN OTHER ENTITIES (CONTINUED)

3. Interests in a joint venture (Continued)

(2) Key financial information on the significant joint venture (Continued)

The fair value of interests in the joint venture with quoted prices in an active market	30 June 2026/ For the six months ended 30 June 2026 Not applicable	31 December 2025/ For the six months ended 30 June 2025 Not applicable
Revenue	**119,323,311.15**	64,144,546.85
Financial expenses	**765,744.18**	668,774.04
Income tax expenses	**6,231,535.27**	1,471,212.36
Net profit	**17,327,571.35**	-10,021,463.19
Total comprehensive income	**17,327,571.35**	-10,021,463.19
Dividends received from the joint venture during the period	**10,000,000.00**	–

VIII. GOVERNMENT GRANTS

1. Government grants recognized in profit or loss for the period

Item	For the six-month period ended 30 June 2026	For the six-month period ended 30 June 2025
Government grants related to income	**2,808,974.35**	1,481,242.66
Government grants related to assets	**795,737.94**	1,031,737.94
Total	**3,604,712.29**	2,512,980.60

(Unless indicated otherwise, all amounts are expressed in RMB)

VIII. GOVERNMENT GRANTS (CONTINUED)

2. Liabilities related to government grants

Liability items	December 31, 2025	Additional grants recognised during the period	Amount included in non-operating income the period	Amount transferred to other income during the period	Amount of cost and expense reduction for the period	Other changes	30 June 2026	Related to assets/ Related to income
Deferred income	47,472,254.22	–	–	795,737.94	–	–	**46,676,516.28**	Government grants related to assets
Deferred income	123,750.00	546,000.00	–	102,691.76	–	–	**567,058.24**	Government grants related to income

IX. FINANCIAL INSTRUMENTS AND RISK

1. Risks arising from financial instruments

The Group's activities expose it to a variety of financial risks: market risks (primarily foreign exchange risk, interest rate risk, and concentration risk), credit risk, and liquidity risk. The financial risks mentioned above, and the risk management policies adopted by the Group to mitigate these risks are described below:

The Board is responsible for planning and establishing the Group's risk management framework, formulating the Group's risk management policies and related guidelines, and supervising the implementation of the risk management measures. The Group has developed risk management policies to identify and analyze the risks to which the Group is exposed. These risk management policies specify specific risks and cover various aspects such as market risk, credit risk, and liquidity risk management. The Group regularly evaluates the market environment and changes in the Group's operating activities to determine whether to update the risk management policies and systems. The risk management of the Group is carried out by the Risk Management Committee in accordance with the policy approved by the Board. The Risk Management Committee identify, evaluate, and evade related risks by working closely with other business units of the Group. The Group's internal audit department controls the risk management system and procedures for periodic review, and the audit results are reported to the Group's audit committee.

IX. FINANCIAL INSTRUMENTS AND RISK (CONTINUED)

1. Risks arising from financial instruments (Continued)

(1) Credit risk

Credit risk refers to the risk that counterparty fails to fulfill its contractual obligations, thereby causing financial losses to the Group.

The Group's credit risk mainly arises from cash, notes receivable, accounts receivable, financing receivables, and other receivables, contract assets, financial guarantee contracts etc. As at the balance sheet date, the book value of the Group's financial assets represents their full credit risk exposure. The maximum credit risk exposure off the balance sheet is RMB25,000,000.00 which arises from the undertaking of a financial guarantee.

As at 30 June 2026, the amounts of financial guarantees provided by the Group to Hexin Mining amounted to a principal amount of RMB25,000,000.00, with no payment in lieu, overdue interest or penalty. The Group assesses that there is no credit impairment loss for the financial guarantee contract.

The financial guarantee provided by the Group is the guarantee for the joint venture. The Group continuously monitors the financial position of joint ventures and manages credit risk exposure by controlling the total amount of guarantee and providing a guarantee jointly with the other participants of joint ventures to ensure that the credit risk is limited to a controllable extent.

The Group expects that there is no significant credit risk associated with cash at bank since they are deposited at state-owned banks and other medium or large size listed banks, and no significant losses are expected from non-performance by these counterparties.

In addition, the Group has policies to limit the credit exposure on notes receivable, accounts receivable, financing receivables and other receivables, etc. The Group assesses the credit quality of and sets credit limits on its customers by taking into account their financial position, the availability of guarantees from third parties, their credit history and other factors such as current market conditions. The credit history of the customers is regularly monitored by the Group. In respect of customers with a poor credit history, the Group will use written payment reminders, or shorten or cancel credit periods, to ensure the overall credit risk of the Group is limited to a controllable extent.

As at 30 June 2026, the Group had no significant collateral or other credit enhancements held as a result of debtor mortgages (31 December 2025: nil).

(Unless indicated otherwise, all amounts are expressed in RMB)

IX. FINANCIAL INSTRUMENTS AND RISK (CONTINUED)

1. Risks arising from financial instruments (Continued)

(2) Liquidity risk

Liquidity risk refers to the risk that a company will experience a shortage of funds when fulfilling its obligations to settle by delivering cash or other financial assets.

Cash flow forecasting was performed by each subsidiary of the Group. The Group's finance department at its headquarters monitors rolling forecasts of the Group's short-term and long-term liquidity requirements to ensure it has sufficient cash and securities that are readily convertible to cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities from a major financial institution so that the Group does not breach borrowing limits or covenants on any of its borrowing facilities to meet the short-term and long-term liquidity requirements.

The undiscounted contractual cash flows of each of the Group's financial liabilities are presented below by maturity date:

	30 June 2026					
Item	Within one year	One to two years	Two to five years	Over five years	Total undiscounted contract amount	Book value
Short-term borrowings	400,217,472.25	–	–	–	400,217,472.25	400,217,472.25
Notes payable	275,484,176.23	–	–	–	275,484,176.23	275,484,176.23
Accounts payable	423,485,136.25	–	–	–	423,485,136.25	423,485,136.25
Other payables	729,619,309.39	–	–	–	729,619,309.39	729,619,309.39
Long-term borrowings	154,548,297.22	322,125,109.99	574,470,552.41	502,823,311.44	1,553,967,271.06	1,409,737,540.90
Long-term payables	73,237,227.63	376,759,730.87	284,327,107.43	24,977,880.09	759,301,946.02	257,597,099.18
Lease liabilities	1,487,325.02	773,937.77	181,651.38	105,963.30	2,548,877.47	2,519,083.05
Total	2,058,078,943.99	699,658,778.63	858,979,311.22	527,907,154.83	4,144,624,188.67	3,498,659,817.25

(Unless indicated otherwise, all amounts are expressed in RMB)

IX. FINANCIAL INSTRUMENTS AND RISK (CONTINUED)

1. Risks arising from financial instruments (Continued)

(2) Liquidity risk (Continued)

	31 December 2025					
Item	Within one year	One to two years	Two to five years	Over five year	Total undiscounted contract amount	Book value
Short-term borrowings	437,196,702.94	–	–	–	437,196,702.94	437,196,702.94
Notes payable	336,003,302.00	–	–	–	336,003,302.00	336,003,302.00
Accounts payable	488,090,780.65	–	–	–	488,090,780.65	488,090,780.65
Other payables	570,419,615.72	–	–	–	570,419,615.72	570,419,615.72
Long-term borrowings	87,879,589.61	144,877,769.15	799,206,810.10	425,019,114.22	1,456,983,283.08	1,375,245,185.69
Long-term payables	71,931,160.82	369,702,047.46	199,220,969.00	91,424,195.85	732,278,373.13	295,682,265.67
Lease liabilities	1,487,325.02	1,487,325.05	181,651.38	166,513.76	3,322,815.21	3,180,432.27
Total	1,993,008,476.76	516,067,141.66	998,609,430.48	516,609,823.83	4,024,294,872.73	3,505,818,284.94

As at the balance sheet date, the Group's financial guarantees provided to external parties are analysed below based on the maximum amounts and the earliest periods in which the guarantees could be called:

	30 June 2026				
Item	**Within one year**	**One to two years**	**Two to five years**	**Over five years**	**Total**
Financial guarantees	**25,000,000.00**	**–**	**–**	**–**	**25,000,000.00**

	31 December 2025				
Item	Within one year	One to two years	Two to five years	Over five years	Total
Financial guarantees	25,000,000.00	–	–	–	25,000,000.00

(Unless indicated otherwise, all amounts are expressed in RMB)

IX. FINANCIAL INSTRUMENTS AND RISK (CONTINUED)

1. Risks arising from financial instruments (Continued)

(2) Liquidity risk (Continued)

The analysis of the Group's bank loans and related party loans repayment period is as follows:

Item	30 June 2026	31 December 2025
Within one year	**917,000,000.00**	877,500,000.00
One to two years	**286,606,816.00**	132,468,876.00
From two to five years	**525,788,439.90**	758,804,393.00
More than five years	**478,762,500.46**	404,839,942.97

The analysis of the Group's long-term payable repayment period is as follows:

Item	30 June 2026	31 December 2025
Within one year	**50,482,376.00**	50,482,376.00
One to two years	**50,482,376.00**	53,004,879.24
From two to five years	**134,938,398.00**	134,938,398.00
More than five years	**23,895,417.67**	46,385,150.67

The analysis of the Group's lease liability repayment period is as follows:

Item	30 June 2026	31 December 2025
Within one year	**1,487,325.02**	1,487,325.02
One to two years	**773,937.77**	1,487,325.05
From two to five years	**181,651.38**	181,651.38
More than five years	**105,963.30**	166,513.76

IX. FINANCIAL INSTRUMENTS AND RISK (CONTINUED)

1. Risks arising from financial instruments (Continued)

(3) Market risk

Market risk of financial instruments refers to the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market prices, including foreign exchange risk, interest rate risk and concentration risk.

1) *Interest rate risk*

Interest rate risk refers to the risk that the fair value or future cash flows of financial instruments fluctuate due to changes in market interest rates.

The Group's interest rate risk arises from bank borrowings. Floating rate financial liabilities expose the Group to cash flow interest rate risk, fixed rate financial liabilities expose the Group to fair value interest rate risk. The Group adjusts the relative proportion of contracts at a fixed rate and contracts at a floating rate based on market situation. As at 31 December 2026, the Group's interest-bearing debts were RMB-denominated floating rate loan contracts with an aggregate amount of RMB1,613,157,756.36(31 December 2025: RMB1,673,613,211.97).

The Group continuously monitors its interest rate level. A rise in interest rates would increase the cost of new interest-bearing debt and interest expense on the Group's outstanding interest-bearing debt at floating rates and have a material adverse effect on the Group's financial results, and management makes timely adjustments based on the latest market conditions, which may be in the form of interest rate swap arrangements to reduce interest rate risk. The Group had no interest rate swap arrangements for the six months ended 30 June 2026, and for the year ended 31 December 2025.

As at 30 June 2026, if interest rates on borrowings at variable rates had decreased or increased by 10% with all other factors held constant, the Group's net profit would have increased or decreased by RMB3,241,769.39 (31 December 2025: net profit would have increased or decreased by RMB3,109,122.11).

IX. FINANCIAL INSTRUMENTS AND RISK *(CONTINUED)*

1. Risks arising from financial instruments *(Continued)*

(3) Market risk *(Continued)*

(2) Foreign exchange risk

The Group's main operations are located in China and its main business is settled in RMB. The Group's recognized foreign currency assets and liabilities and future foreign currency transactions (foreign currency assets and liabilities and foreign currency transactions are denominated primarily in US dollars and Hong Kong dollars) are exposed to foreign exchange risk. The Group continuously monitors the size of the Group's foreign currency transactions and foreign currency assets and liabilities to minimize the foreign exchange risks it faces, and for this reason, the Group may aim to avoid foreign exchange risk by signing forward foreign exchange contracts or currency swap contracts. The Group had not signed any forward foreign exchange contracts or currency swap contracts as at 30 June 2026 and 31 December 2025.

As at 30 June 2026 and 31 December 2025, the Group did not hold foreign currency financial assets and foreign currency financial liabilities.

(3) Concentration risk

The Group's revenue is mainly derived from the sales of electrolytic nickel, cathode copper, and other tailings, and 78.05% of the sales revenue for the six months ended 30 June 2026 (for the six months ended 30 June 2025: 71.98%) was derived from the top three customers, and the Group has not entered into any long term sales contracts with these three customers, among others. In the event that these major customers terminate their business relationships with the Group and the Group fails to find new customers, it may have a material adverse impact on the Group's financial position and results of operations.

(Unless indicated otherwise, all amounts are expressed in RMB)

X. FAIR VALUE DISCLOSURES

The inputs used in fair value measurement are classified into three levels::

Level 1 inputs are quoted prices in active markets for identical assets or liabilities that are available at the measurement date without adjustment;

Level 2 inputs are inputs other than Level 1 inputs that are directly or indirectly observable for the related assets or liabilities;

Level 3 inputs are unobservable inputs for the related assets or liabilities.

The level to which the fair value measurement result belongs is determined by the lowest level to which the input values that are important to the fair value.

(1) Fair value of assets and liabilities measured at fair value at the end of the period

	Fair value as at 30 June 2026			
Item	**Level 1 fair value measurements**	**Level 2 Fair Value Measurement**	**Level 3 Fair Value Measurement**	**Total**
1. Continuously measured at fair value				
Financing receivable	–	–	**144,102,079.57**	**144,102,079.57**
Total assets continuously measured at fair value	**–**	**–**	**144,102,079.57**	**144,102,079.57**

	Fair value as at 31 December 2025			
Item	Level 1 fair value measurements	Level 2 Fair Value Measurement	Level 3 Fair Value Measurement	Total
1. Continuously measured at fair value				
◆Financial assets held for trading-derivative financial instruments	38,188,722.52	–	–	38,188,722.52
◆Financing receivable	–	–	78,593,440.13	78,593,440.13
Total assets continuously measured at fair value	38,188,722.52	–	78,593,440.13	116,782,162.65

(Unless indicated otherwise, all amounts are expressed in RMB)

X. FAIR VALUE DISCLOSURES (CONTINUED)

(1) Fair value of assets and liabilities measured at fair value at the end of the period (Continued)

The changes in the above Level 3 assets and liabilities are as follows：

As at 30 June 2026:

Item	Balance at the end of last year	Increase	Decrease	Total gains or losses recognised for the period		Current Period Balance
				Recognised in profit or loss	Recognised in other income	
Financing receivable	**78,593,440.13**	**1,431,398,053.86**	**1,365,889,414.42**	**–**	**–**	**144,102,079.57**
Total	**78,593,440.13**	**1,431,398,053.86**	**1,365,889,414.42**	**–**	**–**	**144,102,079.57**

As at 31 December 2025:

Item	31 December 2024	Increase	Decrease	Total gains or losses recognised in the year		31 December 2025
				Recognised in profit or loss	Recognised in other income	
Financing receivable	59,407,818.41	1,746,176,502.55	1,726,990,880.83	–	–	78,593,440.13
Total	59,407,818.41	1,746,176,502.55	1,726,990,880.83	–	–	78,593,440.13

The Group recognizes the timing of transfers between levels as the date on which the event causing the transfer occurs. There were no transfers between Level 1, Level 2 and Level 3 for the six months ended 30 June 2026 and for the years ended 31 December 2025. For financial instruments traded in active markets, The Group determines their fair value using quoted market prices in active markets. For financial instruments not traded in active markets, The Group uses valuation techniques to determine fair value. The inputs to the valuation techniques mainly include risk-free interest rates, benchmark interest rates and expected rates of return.

X. FAIR VALUE DISCLOSURES (CONTINUED)

(1) Fair value of assets and liabilities measured at fair value at the end of the period (Continued)

Information relating to Level 3 fair value measurements is as follows:

Item	Fair value for this period	Valuation techniques	Enter the value Name	Range (Weighted Average)	Relationship with fair value	Observable/ It cannot be observed
Financing receivables – Notes receivable	**144,102,079.57**	Discounted cash flow model	Discount rate	3.00%	Reverse movement	Unobservable

Item	Last year's fair value	Valuation techniques	Enter the value Name	Range (Weighted Average)	Relationship with fair value	Observable/ It cannot be observed
Financing receivables – Notes receivable	78,593,440.13	Discounted cash flow model	Discount rate	3.00%	Reverse movement	Unobservable

(2) The Group does not have assets subsequently measured at fair value on a non-continuing Basis.

(3) Disclosure of the fair value of assets and liabilities that are not subsequently measured at fair value.

The Group's financial assets and liabilities measured at amortized cost mainly include notes receivable, receivables, short-term borrowings, payables, long-term borrowings,, and long-term payables. Apart from the financial assets and liabilities mentioned above, the book value of other financial assets and liabilities not measured at fair value differs very little from fair value.

XI. RELATED PARTIES AND RELATED-PARTY TRANSACTIONS

1. The situation of the company's parent company

Parent company name	Registered address	Business nature	Registered capital *(RMB10,000)*	Parent Company's Shareholding Ratio in the Company *(%)*	Proportion of voting rights held by the parent company in the company *(%)*
Xinjiang Nonferrous Metals Industry (Group) Co., Ltd.	Urumqi, China	Mining, selection, smelting, and processing of non-ferrous and precious metals	163,035.61	40.06	40.06

Note: The ultimate controlling party of the Group is Nonferrous Metal Group, registered in Urumqi, China.

2. The situation of the company's subsidiaries

For details on the Company's subsidiaries, please refer to Note "VII. Interests in Other Entities."

3. The company's joint ventures and associates

For details of the Company's important joint ventures or associates, please refer to Note VII, "Interests in Other Entities."

XI. RELATED PARTIES AND RELATED-PARTY TRANSACTIONS (CONTINUED)

4. Other related party situations

Other related party names	Other related parties and the company's relationship
Xinjiang Zhanxin fire insulation material Co., Ltd.	Under common control of Xinjiang Non-ferrous Group
Xinjiang East Third Ring Trading Co., Ltd.	Under common control of Xinjiang Non-ferrous Group
Xinjiang Nonferrous Metals Industry Group Rare Metals Co., Ltd.	Under common control of Xinjiang Non-ferrous Group
Xinjiang Habahe Ashele Copper Co., Ltd.	Under common control of Xinjiang Non-ferrous Group
Beijing Baodi Xindi Science and Trade Co., Ltd.	Under common control of Xinjiang Non-ferrous Group
Hami Jinhui Real Estate Development Co., Ltd.	Under common control of Xinjiang Non-ferrous Group
Xinjiang Nonferrous Metals Group Mingyuan Property Management Co., Ltd.	Under common control of Xinjiang Non-ferrous Group
Fukang City nonferrous Garden Property Service Co., Ltd.	Under common control of Xinjiang Non-ferrous Group
Xinjiang Nonferrous Construction Inspection Center Co., Ltd.	Under common control of Xinjiang Non-ferrous Group
Xinjiang Pearl Tourism Development Co., Ltd.	Under common control of Xinjiang Non-ferrous Group
Xinjiang Nonferrous Metals Industry (Group) Electricity Sales Co., Ltd.	Under common control of Xinjiang Non-ferrous Group
Xinjiang Meisheng Mining Co., Ltd	Under common control of Xinjiang Non-ferrous Group
Urumqi Congxin Human Resources Service Co., Ltd.	Under common control of Xinjiang Non-ferrous Group
Fuyun Xin Shengtong Trading Co., Ltd.	Under common control of Xinjiang Non-ferrous Group
Hami Dahongshan Copper Co., Ltd.	Under common control of Xinjiang Non-ferrous Group
Xinjiang Kunlun Blue Diamond Mining Development Co., Ltd..	Under common control of Xinjiang Non-ferrous Group

XI. RELATED PARTIES AND RELATED-PARTY TRANSACTIONS (CONTINUED)

4. Other related party situations (Continued)

Other related party names	Other related parties and the company's relationship
Fuyun Hengsheng beryllium Industry Co., Ltd.	Under common control of Xinjiang Non-ferrous Group
Western Gold Yili Co., Ltd.	Under common control of Xinjiang Non-ferrous Group
Xinjiang Wuxin Copper Industry Co., Ltd.	Under common control of Xinjiang Non-ferrous Group
Xinjiang Nonferrous Metals Industry (Group) Fuyunxing Copper Service Co., Ltd.	Under common control of Xinjiang Non-ferrous Group
Xinjiang Non-ferrous Metal Industry (Group) Quanxin Construction Co., Ltd.	Under common control of Xinjiang Non-ferrous Group
Xinjiang Nonferrous Metal Industry Group Blue Diamond Trading Co., Ltd.	Under common control of Xinjiang Non-ferrous Group
Urumqi Tianshan Star Precious Metals Co., Ltd.	Under common control of Xinjiang Non-ferrous Group
Western Gold Hami Gold Mine Company, Ltd.	Under common control of Xinjiang Non-ferrous Group
Xinjiang Blue Diamond Lithium Tech Co., Ltd.	Under common control of Xinjiang Non-ferrous Group
Xinjiang Nonferrous Metals Research Institute Co., Ltd.	Under common control of Xinjiang Non-ferrous Group
Xinjiang Qianxin Mining Co., Ltd.	An associate of Xinjiang Non-ferrous Group
Xinjiang Nonferrous Metals Industry Group Tianchi Mining Co., Ltd.	An associate of Xinjiang Non-ferrous Group
Xinjiang Huachuang Tianyuan Industrial Co., Ltd.	An associate of Xinjiang Non-ferrous Group
Shanghai Xingqiang Mining Co., Ltd.	Other related parties
Shaanxi Jinerxin Mining Co., Ltd.	Other related parties
Shaanxi Mingtai Engineering Construction Co., Ltd.	Other related parties
Kuitun Tongguan Metallurgical Co., Ltd.	Other related parties
Hexin Mining	Joint venture of the Group

(Unless indicated otherwise, all amounts are expressed in RMB)

XI. RELATED PARTIES AND RELATED-PARTY TRANSACTIONS (CONTINUED)

5. Related Party Transactions

(1) Pricing Policy

The prices of sales to related parties, purchases from related parties, provision of services by related parties, and lease of properties from related parties were based on market price or agreement price.

(2) Purchase and sales of goods, provision and receipt of services

1) Purchases of materials from related parties

Related parties	**For the six months ended 30 June 2026**	For the six months ended 30 June 2026
Under common control of Non-Metals ferrous Group/An associate of Non-ferrous Group:		
Procurement of production support materials/equipment		
Fukang Nonferrous Metals Development Co., Ltd.	**1,539,836.44**	2,283,149.34
Fuyun Xin Shengtong Trading Co., Ltd.	**2,066,699.12**	27,590,501.22
Xinjiang Nonferrous Metals Industry (Group) Fuyunxing Copper Service Co., Ltd.	**–**	3,049,823.86
Xinjiang Non-ferrous Metal Industry (Group) Quanxin Construction Co., Ltd.	**169,681.42**	132,017.70
Xinjiang Nonferrous Metal Industry Group Blue Diamond Trading Co., Ltd.	**2,574,888.49**	17,117,602.90
Xinjiang Huachuang Tianyuan Industrial Co., Ltd.	**1,597,087.45**	5,828,411.91
Xinjiang Nonferrous Metals Research Institute Co., Ltd.	**–**	1,008,245.29
Sub-total	**7,948,192.92**	57,009,752.22

(Unless indicated otherwise, all amounts are expressed in RMB)

XI. RELATED PARTIES AND RELATED-PARTY TRANSACTIONS (CONTINUED)

5. Related Party Transactions (Continued)

(2) Purchase and sales of goods, provision and receipt of services (Continued)

1) Purchases of materials from related parties (Continued)

Related parties	**For the six months ended 30 June 2026**	For the six months ended 30 June 2026
The joint venture of the Group		
Purchase of nickel powder		
Hexin Mining	**68,630,896.30**	107,402,097.44
Sub-total	**68,630,896.30**	107,402,097.44
Purchasing sulfur concentrate		
Xinjiang Habahe Ashele Copper Co., Ltd.	**1,406,031.83**	–
Sub-total	**1,406,031.83**	–
Total	**77,985,121.05**	164,411,849.66

(Unless indicated otherwise, all amounts are expressed in RMB)

XI. RELATED PARTIES AND RELATED-PARTY TRANSACTIONS (CONTINUED)

5. Related Party Transactions (Continued)

(2) Purchase and sales of goods, provision and receipt of services (Continued)

2) Acceptance services

Related parties	For the six months ended 30 June 2026	For the six months ended 30 June 2026
Under common control of Non-Metals ferrous Group/An associate of Non-ferrous Group:		
Controlling shareholder and ultimate controlling party		
Other service fees		
Xinjiang Non-ferrous Group	**497,374.30**	896,745.36
Sub-total	**497,374.30**	896,745.36
Payment for work and labor		
Urumqi Congxin Human Resources Service Co., Ltd.	**5,818,698.75**	13,092,954.32
Xinjiang Nonferrous Construction Inspection Center Co., Ltd.	**–**	713,638.29
Xinjiang Nonferrous Metals Industry (Group) Fuyunxing Copper Service Co., Ltd.	**10,596,301.93**	197,097,213.09
Xinjiang Nonferrous Metal Industry Group Blue Diamond Trading Co., Ltd.	**611,314.91**	–
Xinjiang Nonferrous Metals Research Institute Co., Ltd.	**188,679.25**	2,113.21
Sub-total	**17,214,994.84**	210,905,918.91
Shipping costs		
Fukang Nonferrous Metals Development Co., Ltd.	**463,459.81**	2,870,352.98
Sub-total	**463,459.81**	2,870,352.98

(Unless indicated otherwise, all amounts are expressed in RMB)

XI. RELATED PARTIES AND RELATED-PARTY TRANSACTIONS (CONTINUED)

5. Related Party Transactions (Continued)

(2) Purchase and sales of goods, provision and receipt of services (Continued)

2) Acceptance services (Continued)

Related parties	For the six months ended 30 June 2026	For the six months ended 30 June 2026
Other services fees		
Beijing Baodi Xindi Science and Trade Co., Ltd.	**–**	141,592.93
Fukang Nonferrous Metals Development Co., Ltd.	**73,347.12**	311,674.80
Hami Jinhui Real Estate Development Co., Ltd.	**–**	2,030.56
Western Gold Hami Gold Mine Company, Ltd.	**71,840.93**	149,204.46
Xinjiang Nonferrous Metals Group Mingyuan Property Management Co., Ltd.	**174,001.43**	167,828.92
Xinjiang Nonferrous Metals Industry (Group) Fuyunxing Copper Service Co., Ltd.	**1,152,775.00**	4,375,403.77
Xinjiang Nonferrous Metals Industry (Group) Electricity Sales Co., Ltd.	**–**	75,471.70
Xinjiang Nonferrous Metal Industry Group Blue Diamond Trading Co., Ltd.	**53,354.44**	8,048.36
Xinjiang Nonferrous Metals Research Institute Co., Ltd.	**1,084,375.16**	876,429.72
Sub-total	**2,609,694.08**	6,107,685.22
Comprehensive services fees		
Xinjiang Nonferrous Metals Industry (Group) Fuyunxing Copper Service Co., Ltd.	**3,605,000.00**	3,226,415.04
Sub-total	**3,605,000.00**	3,226,415.04

(Unless indicated otherwise, all amounts are expressed in RMB)

XI. RELATED PARTIES AND RELATED-PARTY TRANSACTIONS (CONTINUED)

5. Related Party Transactions (Continued)

(2) Purchase and sales of goods, provision and receipt of services (Continued)

3) Sales of products

Related parties	**For the six months ended 30 June 2026**	For the six months ended 30 June 2025
Under common control of Non-Metals ferrous Group/An associate of Non-ferrous Group:		
Sales of products and energy		
Fuyun Hengsheng beryllium Industry Co., Ltd.	**1,519,425.67**	1,601,605.87
Western Gold Yili Co., Ltd.	**3,716,808.75**	3,141,333.28
Xinjiang Wuxin Copper Industry Co., Ltd.	**390,332,045.40**	689,772,402.76
Xinjiang Nonferrous Metals Industry (Group) Fuyunxing Copper Service Co., Ltd.	**413,183.55**	378,754.08
Xinjiang Non-ferrous Metal Industry (Group) Quanxin Construction Co., Ltd.	**255,820.97**	986,300.13
Xinjiang Nonferrous Metal Industry Group Blue Diamond Trading Co., Ltd.	**7,090,594.13**	19,720,185.89
Shanghai Xingqiang Mining Co., Ltd.	**–**	461,251.42
Xinjiang Blue Diamond Lithium Tech Co., Ltd.	**8,540,957.87**	–
Xinjiang Nonferrous Metals Research Institute Co., Ltd.	**86.21**	–
Total	**411,868,922.55**	716,061,833.43

(Unless indicated otherwise, all amounts are expressed in RMB)

XI. RELATED PARTIES AND RELATED-PARTY TRANSACTIONS (CONTINUED)

5. Related Party Transactions (Continued)

(2) Purchase and sales of goods, provision and receipt of services (Continued)

4) Rendering of services

Related parties	For the six months ended 30 June 2026	For the six months ended 30 June 2025
Under common control of Non-Metals ferrous Group/An associate of Non-ferrous Group:		
Rendering of services		
Xinjiang Blue Diamond Lithium Tech Co., Ltd.	**–**	33,122.30
Xinjiang Non-ferrous Group	**–**	47,188.68
Xinjiang Kunlun Blue Diamond Mining Development Co., Ltd..	**41,652.24**	–
Xinjiang Nonferrous Metal Industry Group Blue Diamond Trading Co., Ltd.	**–**	515,636.45
Xinjiang Meisheng Mining Co., Ltd	**5,773.58**	–
Total	**47,425.82**	595,947.43

(3) Related leases

The Group as the lessor:

Name of the lessee	Types of leased assets	Lease income recognized in the current year	Lease income recognized in the prior year
Fuyun Xin Shengtong Trading Co., Ltd.	Equipment	**–**	246,814.15
Xinjiang Non-ferrous Metal Industry (Group) Quanxin Construction Co., Ltd.	Buildings	**77,777.78**	80,952.38
Hami Dahongshan Copper Co., Ltd.	Transportation	**24,162.64**	–
Xinjiang Non-ferrous Group	Buildings	**38,532.11**	66,055.05
Total		**140,472.53**	393,821.58

(Unless indicated otherwise, all amounts are expressed in RMB)

XI. RELATED PARTIES AND RELATED-PARTY TRANSACTIONS (CONTINUED)

5. Related Party Transactions (Continued)

(3) Related leases (Continued)

The Group as the lessee:

		Year ended 30 June 2026					Year ended 31 December 2025				
Name of the lessor	Types of leased assets	Rent expense for short-term leases and low-value asset leases accounted for with simplified treatment	Variable lease payments not included in the measurement of lease liabilities	Rent paid	Interest expense on lease liabilities incurred	Additions to right-of-use assets	Rent expense for short-term leases and low-value asset leases accounted for with simplified treatment	Variable lease payments not included in the measurement of lease liabilities	Rent paid	Interest expense on lease liabilities incurred	Additions to right-of-use assets
Xinjiang Nonferrous Metals Research Institute Co., Ltd.	Buildings	-	-	707,523.77	39,802.04	-	–	–	1,477,066.16	113,971.50	4,075,543.56
Xinjiang Non-ferrous Group	Buildings	-	-	-	6,372.55	-	–	–	60,550.46	14,298.18	519,370.85

(4) Related Guarantees

As a guarantor:

Name of the guaranteed party	Amount of guarantee	Starting date	Ending date	Fulfilled or not
Hexin Mining	25,000,000.00	2026-5-7	2027-5-6	No
Hexin Mining	25,000,000.00	2025-5-10	2026-5-10	Yes

(Unless indicated otherwise, all amounts are expressed in RMB)

XI. RELATED PARTIES AND RELATED-PARTY TRANSACTIONS (CONTINUED)

5. Related Party Transactions (Continued)

(5) Financing transactions with a related party

Related party	Borrowing amount	Starting date	Ending date
Borrowed from Xinjiang Non-ferrous Group	400,000,000.00	2025-8-8	2026-8-8

Note: The interest rate of related party borrowing is 2.11%.

(6) Remuneration of key management personnel director and supervisor

Item	For the six-month period ended 30 June 2026	For the six months ended 30 June 2025
Total compensation	**1,288,718.26**	1,551,913.41

(Unless indicated otherwise, all amounts are expressed in RMB)

XI. RELATED PARTIES AND RELATED-PARTY TRANSACTIONS *(CONTINUED)*

5. Related Party Transactions (Continued)

(6) Remuneration of key management personnel director and supervisor (Continued)

1) Remuneration for Directors, Supervisors and Chief Executive Officer

For the six months ended 30 June 2026, the remuneration for each Directors and Chief Executive Officer is as follows:

Item	Remuneration	Wages and subsidies	Contributions to pension plans	Bonus	Other allowance benefits	Remuneration for other services provided in connection with the management of the Company or its subsidiaries	Total
Director							
Chen Yin	–	–	–	–	–	–	–
Zhou Chuanyou	–	–	–	–	–	–	–
Li Jiangping	–	204,350.04	24,330.24	–	–	–	228,680.28
Wang Lijian	–	–	–	–	–	–	–
Hu Chengye	–	–	–	–	–	–	–
Independent Director							
Hu Benyuan	35,000.00	–	–	–	–	–	35,000.00
Huang Yong	35,000.00	–	–	–	–	–	35,000.00
Lee Tao Wai	58,500.00	–	–	–	–	–	58,500.00
Employees' Representative Director							
Zhang Li	–	163,479.96	24,330.24	–	–	–	187,810.20
Other key management personnel							
Zhang Yang(note)	–	–	24,330.24	–	–	153,994.48	178,324.72
He Hongfeng	–	173,697.54	24,330.24	–	–	–	198,027.78
Wu Ning	–	143,045.04	24,330.24	–	–	–	167,375.28
Lin Zhaorong	200,000.00	–	–	–	–	–	200,000.00
Total	328,500.00	684,572.58	121,651.20	–	–	153,994.48	1,288,718.26

Note: Zhang Yang was appointed as Deputy General Manager on 26 June 2026.

(Unless indicated otherwise, all amounts are expressed in RMB)

XI. RELATED PARTIES AND RELATED-PARTY TRANSACTIONS (CONTINUED)

5. Related Party Transactions (Continued)

(6) Remuneration of key management personnel director and supervisor (Continued)

1) *Remuneration for Directors, Supervisors and Chief Executive Officer* (Continued)

For the six months ended 30 June 2025, the remuneration of each Directors, Supervisors, and Chief Executive Officer is as follows:

Item	Remuneration	Wages and subsidies	Contributions to pension plans	Bonus	Other allowance benefits	Remuneration for other services provided in connection with the management of the Company or its subsidiaries	Total
Director							
Chen Yin	–	158,668.35	23,996.16	–	–	–	182,664.51
Chen Yang	–	–	–	–	–	–	–
Guo Quan	–	–	–	–	–	–	–
Wang Lijian	–	–	–	–	–	–	–
The Zhou tradition records it	–	–	–	–	–	–	–
Hu Chengye	–	–	–	–	–	–	–
Independent Director							
Hu Benyuan	35,000.00	–	–	–	–	–	35,000.00
Li Daowei	35,000.00	–	–	–	–	–	35,000.00
Huang Yong	58,500.00	–	–	–	–	–	58,500.00
Supervisor							
Lin Su	20,000.00	–	–	–	–	–	20,000.00
Li Shouqiang	–	–	–	–	–	149,348.24	149,348.24
Huang Fakai	–	–	–	–	–	148,327.52	148,327.52
Yao Wenying	20,000.00	–	–	–	–	–	20,000.00

(Unless indicated otherwise, all amounts are expressed in RMB)

XI. RELATED PARTIES AND RELATED-PARTY TRANSACTIONS (CONTINUED)

5. Related Party Transactions (Continued)

(6) Remuneration of key management personnel director and supervisor (Continued)

1) *Remuneration for Directors, Supervisors and Chief Executive Officer* (Continued)

For the six months ended 30 June 2025, the remuneration of each Directors, Supervisors, and Chief Executive Officer is as follows: (Continued)

Item	Remuneration	Wages and subsidies	Contributions to pension plans	Bonus	Other allowance benefits	Remuneration for other services provided in connection with the management of the Company or its subsidiaries	Total
Other key management personnel							
He Hongfeng	–	163,817.19	23,996.16	–	–	–	187,813.35
Shagenbiek	–	154,181.31	23,996.16	–	–	–	178,177.47
Li Jiangping was pacified	–	154,181.31	23,996.16	–	–	–	178,177.47
Lin Zhaorong	200,000.00	–	–	–	–	–	200,000.00
Wuning	–	134,908.69	23,996.16	–	–	–	158,904.85
Total	**368,500.00**	**765,756.85**	**119,980.80**	**–**	**–**	**297,675.76**	**1,551,913.41**

XI. RELATED PARTIES AND RELATED-PARTY TRANSACTIONS (CONTINUED)

5. Related Party Transactions (Continued)

(6) Remuneration of key management personnel director and supervisor (Continued)

2) During the six months ended 30 June 2026, the Group did not have any retirement benefits for directors (for the six months ended 30 June 2025: nil).

3) During the six months ended 30 June 2026, there were no termination benefits for directors in the Group (for the six months ended 30 June 2025: nil).

4) During the six months ended 30 June 2026, did not pay any consideration to third parties for obtaining director services (for the six months ended 30 June 2025: nil).

5) During the six months ended 30 June 2026, the Group did not make any loans, similar loans, or other transaction information benefiting directors, corporate entities controlled by directors, or related entities of such directors (for the six months ended 30 June 2025: nil).

6) During the six months ended 30 June 2026, the Group did not enter into any significant transactions, arrangements, or contracts related to the Group's business in which the Group's directors directly or indirectly have a material interest (for the six months ended 30 June 2025: nil).

7) The remuneration of the directors and supervisors who did not receive any remuneration from the Group during the six months ended 30 June 2026 and during the six months ended 30 June 2025 were paid by the shareholders or their subsidiaries of the Company, and the Group did not pay any remuneration to such directors and supervisors.

8) There was no arrangement under which a director waived or agreed to waive any remuneration during the the six months ended 30 June 2026 (for the six months ended 30 June 2025: nil).

9) There were no emoluments paid by the Group to, or receivable by, the directors or the five highest paid individuals as an inducement to join or upon joining the Group nor as compensation for loss of office during the six months ended 30 June 2026 (for the six months ended 30 June 2025: nil).

(Unless indicated otherwise, all amounts are expressed in RMB)

XI. RELATED PARTIES AND RELATED-PARTY TRANSACTIONS (CONTINUED)

5. Related Party Transactions (Continued)

(6) Remuneration of key management personnel director and supervisor (Continued)

10) The five highest-paid individuals

Among the top five highest-paid earners in the Group for the six months ended 30 June 2026, there is one director and one employee representative director (for the six months ended 30 June 2025: one director), whose remuneration is reflected in the above table; The total salary amounts for the other 3 (4 for the six months ended 30 June 2025) are as follows:

Item	**For the six-month period ended 30 June 2026**	For the six months ended 30 June 2025
Basic salary, housing subsidies and other subsidies	**895,522.02**	672,179.81
Contributions to pension plans	**97,320.96**	71,988.48
Total	**992,842.98**	744,168.29

Item	**For the six-month period ended 30 June 2026**	For the six months ended 30 June 2025
Salary Range:		
Within HKD1,000,000	**5**	4

(Unless indicated otherwise, all amounts are expressed in RMB)

XI. RELATED PARTIES AND RELATED-PARTY TRANSACTIONS (CONTINUED)

6. Related party receivables and payables balances

(1) Receivables

Item	Related party	30 June 2026 Book balance	30 June 2026 Bad debt provision	31 December 2025 Book balance	31 December 2025 Bad debt provision
Accounts receivable					
	Xinjiang Blue Diamond Lithium Tech Co., Ltd.	**41,897.34**	**1,210.84**	35,109.64	1,014.66
	Xinjiang Wuxin Copper Industry Co., Ltd.	**310,050.12**	**73,618.95**	1,844,880.30	66,719.67
	Xinjiang Non-ferrous Metal Industry (Group) Quanxin Construction Co., Ltd.	**337,406.00**	**9,751.09**	337,406.00	9,751.09
Sub-total		**689,353.46**	**84,580.88**	2,217,395.94	77,485.42
Notes receivable					
	Xinjiang Nonferrous Metal Industry Group Blue Diamond Trading Co., Ltd.	**2,293,023.66**	–	1,000,000.00	–
Sub-total		**2,293,023.66**	–	1,000,000.00	–
Advances to suppliers					
	Xinjiang Quanxin Mining and metallurgy Machinery Manufacturing Co., Ltd	**55,587.00**	–	–	–
	Xinjiang Non-ferrous Group	**15,270.00**	–	–	–
	Xinjiang Habahe Ashele Copper Co., Ltd.	**2,448,008.52**	–	766,114.10	–
Sub-total		**2,518,865.52**	–	766,114.10	–

(Unless indicated otherwise, all amounts are expressed in RMB)

XI. RELATED PARTIES AND RELATED-PARTY TRANSACTIONS (CONTINUED)

6. Related party receivables and payables balances (Continued)

(1) Receivables (Continued)

		30 June 2026		31 December 2025	
Item	Related party	**Book balance**	**Bad debt provision**	Book balance	Bad debt provision
Other receivables					
	Fuyun Hengsheng beryllium Industry Co., Ltd.	**82,076.32**	–	190,371.37	–
	Fuyun Xin Shengtong Trading Co., Ltd.	**182,738.00**	–	262,804.36	–
	Hami Dahongshan Copper Co., Ltd.	**27,303.78**	–	–	–
	Xinjiang Habahe Ashele Copper Co., Ltd.	**2,900,000.00**	–	3,158,000.00	–
	Xinjiang Blue Diamond Lithium Tech Co., Ltd.	**279,544.23**	–	196,625.20	–
	Xinjiang Nonferrous Metals Industry (Group) Fuyunxing Copper Service Co., Ltd.	**260,238.44**	–	260,238.44	–
	Xinjiang Non-ferrous Metal Industry (Group) Quanxin Construction Co., Ltd.	**186,970.26**	–	–	
	Xinjiang Non-ferrous Group	**16,500.00**	–	74,566.36	–
	Xinjiang Nonferrous Metal Industry Group Blue Diamond Trading Co., Ltd.	**–**	–	113,649.68	–
	Xinjiang Zhanxin fire insulation material Co., Ltd.	**43,020.00**	**43,020.00**	43,020.00	43,020.00
Sub-total		**3,978,391.03**	**43,020.00**	4,241,209.05	43,020.00
Other current assets					
	Shanghai Xingqiang Mining Co., Ltd.	**3,541,211.46**	–	3,541,013.50	–

(Unless indicated otherwise, all amounts are expressed in RMB)

XI. RELATED PARTIES AND RELATED-PARTY TRANSACTIONS (CONTINUED)

6. Related party receivables and payables balances (Continued)

(2) Payable

Item	Related party	30 June 2026	31 December 2025
Accounts payable			
	Fukang Nonferrous Metals Development Co., Ltd.	**1,129,706.85**	954,653.68
	Fuyun Xin Shengtong Trading Co., Ltd.	**708,193.74**	1,441,813.34
	Hexin Mining	**61,741,479.38**	36,783,558.11
	Western Gold Hami Gold Mine Company, Ltd.	**–**	11,000.00
	Xinjiang East Third Ring Trading Co., Ltd.	**156,195.20**	156,195.20
	Xinjiang Huachuang Tianyuan Industrial Co., Ltd.	**708,004.60**	502,228.60
	Xinjiang Nonferrous Construction Inspection Center Co., Ltd.	**574,636.19**	574,636.19
	Xinjiang Nonferrous Metals Industry (Group) Fuyunxing Copper Service Co., Ltd.	**4,287,022.43**	4,126,725.59
	Xinjiang Non-ferrous Metal Industry (Group) Quanxin Construction Co., Ltd.	**25,768,199.72**	53,624,425.59
	Xinjiang Quanxin Mining and metallurgy Machinery Manufacturing Co., Ltd.	**2,164,742.80**	1,505,236.00
	Xinjiang Nonferrous Metal Industry Group Blue Diamond Trading Co., Ltd.	**666,053.53**	3,400,279.26
	Xinjiang Nonferrous Metals Industry Group Tianchi Mining Co., Ltd.	**88,892.40**	88,892.40
	Xinjiang Nonferrous Metals Industry Group Rare Metals Co., Ltd.	**10,300.00**	10,300.00
	Xinjiang Nonferrous Metals Research Institute Co., Ltd.	**30,703.40**	501,740.00
Sub-total		**98,034,130.24**	103,681,683.96

(Unless indicated otherwise, all amounts are expressed in RMB)

XI. RELATED PARTIES AND RELATED-PARTY TRANSACTIONS (CONTINUED)

6. Related party receivables and payables balances (Continued)

(2) Payable (Continued)

Item	Related party	30 June 2026	31 December 2025
Other payables			
	Fukang Nonferrous Metals Development Co., Ltd.	**1,125,100.00**	625,100.00
	Hexin Mining	**34,360.75**	34,360.75
	Shaanxi Jinerxin Mining Co., Ltd.	**4,922,145.24**	4,922,145.24
	Shaanxi Mingtai Engineering Construction Co., Ltd	**3,834,074.13**	3,834,074.13
	Xinjiang Huachuang Tianyuan Industrial Co., Ltd.	**739.21**	100,739.21
	Xinjiang Nonferrous Construction Inspection Center Co., Ltd.	**120,000.00**	120,000.00
	Xingjiang Non-ferrous Group	**400,427,517.21**	300,224,017.21
	Xinjiang Non-ferrous Metal Industry (Group) Quanxin Construction Co., Ltd.	**24,472,040.43**	42,258,710.80
	Xinjiang Nonferrous Metals Research Institute Co., Ltd.	**387,292.73**	389,532.73
Sub-total		**435,323,269.70**	352,508,680.07
Contract liabilities			
	Fuyun Hengsheng beryllium Industry Co., Ltd.	**126,447.43**	7,590.26
	Western Gold Hami Gold Mine Company, Ltd.	**721,503.98**	4,684.42
	Xinjiang Wuxin Copper Industry Co., Ltd.	**6,982,809.92**	226,864.77
	Xinjiang Blue Diamond Lithium Tech Co., Ltd.	**697,980.17**	–
	Xinjiang Nonferrous Metal Industry Group Blue Diamond Trading Co., Ltd.	**3,125,655.24**	793,254.58
Sub-total		**11,654,396.74**	1,032,394.03

(Unless indicated otherwise, all amounts are expressed in RMB)

XI. RELATED PARTIES AND RELATED-PARTY TRANSACTIONS (CONTINUED)

6. Related party receivables and payables balances (Continued)

(2) Payable (Continued)

Item	Related party	30 June 2026	31 December 2025
Other current liabilities			
	Xinjiang Nonferrous Metal Industry Group Blue Diamond Trading Co., Ltd.	**406,335.19**	103,123.10
	Xinjiang Wuxin Copper Industry Co., Ltd.	**907,765.31**	29,492.43
	Fuyun Hengsheng beryllium Industry Co., Ltd.	**16,438.17**	986.74
	Western Gold Hami Gold Mine Company, Ltd.	**93,795.52**	608.98
	Xinjiang Blue Diamond Lithium Tech Co., Ltd.	**90,737.43**	–
Sub-total		**1,515,071.62**	134,211.25
Dividends payable			
	Xingjiang Non-ferrous Group	**44,260,200.00**	–
Sub-total		**44,260,200.00**	–
Lease liabilities			
	Xinjiang Nonferrous Metals Research Institute Co., Ltd.	**708,026.25**	1,404,647.03
	Xingjiang Non-ferrous Group	**314,812.19**	369,820.62
Sub-total		**1,022,838.44**	1,774,467.65
Lease liabilities due within one year			
	Xinjiang Nonferrous Metals Research Institute Co., Ltd.	**1,386,992.51**	1,358,093.50
	Xingjiang Non-ferrous Group	**109,252.10**	47,871.12
Sub-total		**1,496,244.61**	1,405,964.62

(Unless indicated otherwise, all amounts are expressed in RMB)

XII. SEGMENT INFORMATION

The Group is principally engaged in the mining, separation, smelting and refining of copper and nickel ores, and the processing and sale of copper, nickel and other non-ferrous metals. Based on the Group's internal organizational structure, management requirements, internal reporting system, and the provisions of Interpretation of the Accounting Standards for Business Enterprises No. 3 for enterprises to report segment information, management considers the Group as a whole to be one operating segment.

During six months ended 30 June 2026 and six months ended 30 June 2025, the Group's sales operations were conducted in China, and the Group's assets and liabilities were also in China.

During six months ended 30 June 2026, the sales revenue of the top three customers of the Group accounted for 31%, 25%, and 23% of the Group's total sales revenue, respectively. (In six months ended 30 June 2025: 28%, 25%, and 19%).

XIII. COMMITMENTS AND CONTINGENCIES

1. Key commitments

(1) Significant commitments existing at the balance sheet date

Capital expenditure commitments contracted but not yet recognized in the balance sheet date

Project	**30 June 2026**	31 December 2025
Houses, buildings, shaft and alley structures, machinery and equipment and engineering construction	**17,946,151.26**	51,259,626.79

XIII. COMMITMENTS AND CONTINGENCIES (CONTINUED)

2. Contingencies

(1) Significant contingencies existing at the balance sheet date

(1) Environment contingencies

Historically, the Group has not incurred any significant expenditure on environmental issues. In addition, apart from those disclosed in Note V. 36, the Group is currently not involved in any environmental incidents, nor has any provisions been made for environmental compensation related to operations. Under existing legal provisions, management believes that there will be no potential liabilities that would have a significant adverse impact on the financial condition or operating performance of the Group. The Chinese government, however, may move further towards the adoption of more stringent environmental protection standards.

Environmental liabilities are subject to considerable uncertainties which affect the Group's ability to estimate the ultimate cost of remediation efforts. These uncertainties include (i) the exact nature and extent of the contamination at various sites (including, but not limited to mines and land development areas, whether operating, closed or sold);(ii) the extent of required cleanup efforts; (iii) the cost of various remediation strategies;(iv) changes in environmental remediation requirements; and (v) the identification of new sites requiring remediation. The amount of such future cost is indeterminable due to such factors as the unknown magnitude of possible contamination and the unknown timing and extent of the corrective actions that may be required. Accordingly, the outcome of environmental liabilities under future environmental legislation cannot reasonably be estimated at present and could be material.

(2) Insurance

The Group purchases personal accident injury commercial insurance for its employees working underground and commercial insurance for its underground mining equipment. However, such insurance may not be sufficient to cover the potential future losses. Although the possible impact of underinsurance on future contingencies cannot be reasonably anticipated at this time, management believes that the above events could have a material adverse effect on the Group's operating performance or financial condition.

(3) Providing guarantees

For details, see Note XI. 5. (4).

XIV. FUTURE EVENTS AFTER THE BALANCE SHEET

1. Significant Non-Adjusting Events

Kalatongke Mining received the Notice on Tax Matters on 29 July 2026 and has launched a self-examination on tax-related matters of previous years. The Company made supplementary payment of corresponding taxes and late surcharges in respect of the additional deduction benefits enjoyed for the period from 1 January 2023 to 31 December 2025, with a total amount of RMB 29,948,187.43. In accordance with Accounting Standard for Business Enterprises No. 28 – Changes in Accounting Policies and Accounting Estimates and Corrections of Errors, the above matter will be recognised in the financial statements for July 2026.

XV. CAPITAL MANAGEMENT

The Group's capital management policies aim to safeguard the Group's ability to continue as a going concern, thereby providing returns for shareholders and benefits for other stakeholders and maintaining an optimal capital structure to reduce the cost of capital.

To maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debts.

Consistent with other companies in the same industry, the Group monitors its capital based on the gearing ratio, which is calculated as net debt divided by total capital. Net debt is equal to total borrowings (including short-term borrowings, long-term borrowings, bonds payable, Loans from a related party, etc.) less cash and cash equivalents. Total capital is the sum of owners' equity as shown in the consolidated balance sheet and net debt.

(Unless indicated otherwise, all amounts are expressed in RMB)

XV. CAPITAL MANAGEMENT (CONTINUED)

During period ending 30 Jue 2026, the Group's strategy is to maintain a gearing ratio below 30%, which is consistent with the previous period. As at 30 June 2026 and 31 December 2025, the Group's gearing ratios were as follows:

	30 June 2026	31 December 2025
Total borrowing	**2,208,157,756.36**	2,110,563,748.23
Including: short-term borrowings	**400,000,000.00**	436,950,536.26
Long-term borrowings	**1,291,157,756.36**	1,296,113,211.97
Long-term loans maturing within one year	**117,000,000.00**	77,500,000.00
Loans from a related party	**400,000,000.00**	300,000,000.00
Less: cash and cash equivalents	**475,138,328.30**	419,593,781.85
Net debt (a)	**1,733,019,428.06**	1,690,969,966.38
Owners' equity (b)	**6,322,935,523.27**	6,179,460,857.00
Total capital (c) = (a) + (b)	**8,055,954,951.33**	7,870,430,823.38
Gearing ratio (a)/(c)	**21.51%**	21.49%

XVI. OTHER SIGNIFICANT EVENTS

As of the balance sheet date, the Group had no other material transactions or commitments that could affect investor decisions that need to be disclosed.

XVII. NOTES TO MAIN ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS

1. Accounts receivable

(1) Accounts receivable presented by aging

Aging	**30 June 2026**	31 December 2025
Within 1 year (including 1 year)	**164,201,547.72**	295,133,009.30
1 – 2 years	**–**	310,050.12
2 – 3 years	**310,050.12**	–
3 – 4 years	**–**	–
4 – 5 years	**–**	–
More than 5 years	**2,232,501.38**	2,232,501.38
Sub-total	**166,744,099.22**	297,675,560.80
Less: bad debt provision	**2,435,641.70**	2,522,196.50
Total	**164,308,457.52**	295,153,364.30

Note: Accounts receivable are disclosed by aging based on the initial recording date.

(Unless indicated otherwise, all amounts are expressed in RMB)

XVII. NOTES TO MAIN ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

1. Accounts receivable (Continued)

(2) Presentation of accounts receivable by bad accrual method

Type	30 June 2026					31 December 2025				
	Book balance		Bad debt provision			Book balance		Bad debt provision		
	Amount	Ratio (%)	Amount	Accrual ratio (%)	Book value	Amount	Ratio (%)	Amount	Accrual ratio (%)	Book value
Bad debt provision on an individual basis	–	–	–	–	–	–	–	–	–	–
Provision for bad debts made based on credit risk characteristics portfolio	**166,744,099.22**	**100.00**	**2,435,641.70**	**1.46**	**164,308,457.52**	297,675,560.80	100.00	2,522,196.50	0.85	295,153,364.30
Including:										
Receivables from related party customers	**689,353.46**	**0.41**	**84,580.88**	**12.27**	**604,772.58**	2,217,395.94	0.74	77,485.43	3.49	2,139,910.51
Receivables from non-related party customers	**166,054,745.76**	**99.59**	**2,351,060.82**	**1.42**	**163,703,684.94**	295,458,164.86	99.26	2,444,711.07	0.83	293,013,453.79
Total	**166,744,099.22**	**100.00**	**2,435,641.70**		**164,308,457.52**	297,675,560.80	100.00	2,522,196.50		295,153,364.30

Provision for bad debts made based on credit risk characteristics portfolio:

(1) Portfolio provisioning items:

Portfolio – Accounts receivable from related party customers

Aging	30 June 2026 Accounts receivable	Bad debt provision	Accrual ratio (%)
Not overdue	**379,303.34**	**10,961.93**	**2.89**
1-6 months overdue	**–**	**–**	**–**
7-18 months overdue	**–**	**–**	**–**
More than 18 months overdue	**310,050.12**	**73,618.95**	**23.74**
Total	**689,353.46**	**84,580.88**	

(Unless indicated otherwise, all amounts are expressed in RMB)

XVII. NOTES TO MAIN ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

1. Accounts receivable (Continued)

(2) Presentation of accounts receivable by bad accrual method (Continued)

(1) Portfolio provisioning items: (Continued)

Name	31 December 2025 Accounts receivable	Bad debt provision	Accrual ratio (%)
Not overdue	1,907,345.82	55,122.60	2.89
1-6 months overdue	–	–	–
7-18 months overdue	310,050.12	22,362.83	7.21
More than 18 months overdue	–	–	–
Total	2,217,395.94	77,485.43	

Portfolio – Accounts receivable from non- related party customers

Aging	**30 June 2026** **Accounts receivable**	**Bad debt provision**	**Accrual ratio** (%)
Not overdue	**163,822,244.38**	**118,559.44**	**0.07**
1-6 months overdue	**–**	**–**	**–**
7-18 months overdue	**–**	**–**	**–**
More than 18 months overdue	**2,232,501.38**	**2,232,501.38**	**100.00**
Total	**166,054,745.76**	**2,351,060.82**	

(Unless indicated otherwise, all amounts are expressed in RMB)

XVII. NOTES TO MAIN ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

1. Accounts receivable (Continued)

(2) Presentation of accounts receivable by bad accrual method (Continued)

(1) Portfolio provisioning items: (Continued)

Aging	December 31, 2025 Accounts receivable	Bad debt provision	Accrual ratio (%)
Not overdue	293,225,663.48	212,209.69	0.07
1-6 months overdue	–	–	–
7-18 months overdue	–	–	–
More than 18 months overdue	–	–	–
Total	293,225,663.48	212,209.69	

(3) Provisions for bad debts on accounts receivable accrued, recovered, and reversed during the period

Type	31 December 2025	Changes in the current period Accrual	Recovery or reversal	Write-off or reversal	Other changes	**30 June 2026**
Bad debt provision on an individual basis	–	–	–	–	–	**–**
Provision for bad debts made based on credit risk characteristics portfolio	2,522,196.50	–	86,554.80	–	–	**2,435,641.70**
Total	2,522,196.50	–	86,554.80	–	–	**2,435,641.70**

(Unless indicated otherwise, all amounts are expressed in RMB)

XVII. NOTES TO MAIN ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

1. Accounts receivable (Continued)

(4) Details of accounts receivable actually written off during the period

No accounts receivable were written off by the Group during the period.

(5) Accounts receivable with top five closing balances by debtors

Name of the organization	Closing balance of accounts receivable	Ratio of the total closing balance of accounts receivable *(%)*	Closing balance of bad debt provision for accounts receivable
Total accounts receivable with top-five balances	164,922,242.28	98.91	1,328,559.17

2. Other receivables

Item	June 30, 2026	December 31, 2025
Interest receivable	**46,535,400.00**	46,535,400.00
Other receivables	**13,961,127.13**	11,949,967.48
Total	**60,496,527.13**	58,485,367.48

(1) Interest receivable

1) *Classification of interest receivable*

Item	30 June 2026	31 December 2025
Entrusted loans	**46,535,400.00**	46,535,400.00
Total	**46,535,400.00**	46,535,400.00

(Unless indicated otherwise, all amounts are expressed in RMB)

XVII. NOTES TO MAIN ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

2. Other receivables (Continued)

(2) Other receivables

(1) Other receivables categorized by aging

Aging	30 June 2026	31 December 2025
Within 1 year (including 1 year)	**3,195,087.85**	1,165,257.35
1-2 years	**406,343.32**	406,815.96
2-3 years	**469,097.57**	469,097.57
3-4 years	**454,895.14**	454,895.14
4-5 years	**147,637.50**	147,637.50
Over 5 years	**9,434,274.35**	9,434,274.35
Total	**14,107,335.73**	12,077,977.87

2) Presentation of other receivables by bad debt accrual method

	30 June 2026					31 December 2025				
	Book balance		Bad debt provision			Book balance		Bad debt provision		
Type	Amount	Ratio (%)	Amount	Accrual ratio (%)	Book value	Amount	Ratio (%)	Amount	Accrual ratio (%)	Book value
Bad debt provision on an individual basis	**43,020.00**	**0.30**	**43,020.00**	**100.00**	**–**	43,020.00	0.36	43,020.00	100.00	–
Bad debt provision by portfolio	**14,064,315.73**	**99.70**	**103,188.60**	**0.73**	**13,961,127.13**	12,034,957.87	99.64	84,990.39	0.71	11,949,967.48
Including:										
Related party portfolio	**12,048,012.58**	**85.40**	**–**	**–**	**12,048,012.58**	11,280,989.91	93.40	–	–	11,280,989.91
Non-related party portfolio	**2,016,303.15**	**14.30**	**103,188.60**	**5.12**	**1,913,114.55**	753,967.96	6.24	84,990.39	11.27	668,977.57
Total	**14,107,335.73**	**100.00**	**146,208.60**		**13,961,127.13**	12,077,977.87	100.00	128,010.39		11,949,967.48

(Unless indicated otherwise, all amounts are expressed in RMB)

XVII. NOTES TO MAIN ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

2. Other receivables (Continued)

(2) Other receivables (Continued)

2) Presentation of other receivables by bad debt accrual method (Continued)

Bad debt provision on an individual basis:

Name	30 June 2026 Book balance	Bad debt provision	Accrual Ratio (%)	Basis for Accrual	31 December 2025 Book balance	Bad debt provision
Xinjiang Zhanxin Fireproof Insulation Materials Co., Ltd	**43,020.00**	**43,020.00**	**100.00**	**Bankruptcy proceedings have been initiated, and recovery is considered unlikely**	43,020.00	43,020.00
Total	**43,020.00**	**43,020.00**			43,020.00	43,020.00

Bad debt provision for other receivables by portfolio:

Portfolio Items:

Aging	**30 June 2026 Other receivables**	**Bad debt provision**	**Accrual ratio** *(%)*
Within 1 year	**3,195,087.85**	**27,534.00**	**0.86**
1-2 years	**406,343.32**	**52.27**	**0.01**
2-3 years	**426,077.57**	**7,652.31**	**1.80**
3-4 years	**454,895.14**	**–**	**–**
4-5 years	**147,637.50**	**–**	**–**
More than 5 years	**9,434,274.35**	**67,950.02**	**0.72**
Total	**14,064,315.73**	**103,188.60**	

(Unless indicated otherwise, all amounts are expressed in RMB)

XVII. NOTES TO MAIN ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

2. Other receivables (Continued)

(2) Other receivables (Continued)

2) *Presentation of other receivables by bad debt accrual method (Continued)*

Aging	31 December 2025 Other receivables	Bad debt provision	Accrual ratio (%)
Within 1 year	1,165,257.35	9,335.81	0.80
1-2 years	406,815.96	52.26	0.01
2-3 years	426,077.57	7,652.30	1.80
3-4 years	454,895.14	–	–
4-5 years	147,637.50	–	–
More than 5 years	9,434,274.35	67,950.02	0.72
Total	12,034,957.87	84,990.39	

3) *Provision for bad debts*

Bad debt provision	**Stage 1 Expected credit losses over the next 12 months**	**Stage 2 Lifetime expected credit loss (No credit impaired)**	**Stage 3 Lifetime expected credit loss for the entire duration(credit impaired)**	**Total**
1 January 2026	128,010.39	–	–	128,010.39
Balance as at 1 January 2026	–	–	–	–
– Transfer to Stage 2	–	–	–	–
– Transfer to Stage 3	–	–	–	–
– Transferred back to Stage 2	–	–	–	–
– Transferred back to Stage 1	–	–	–	–
Accrual during the period	18,198.21	–	–	18,198.21
Reversal in current period	–	–	–	–
Write-off in the period	–	–	–	–
Other changes	–	–	–	–
Balance as at 30 June 2026	**146,208.60**	**–**	**–**	**146,208.60**

(Unless indicated otherwise, all amounts are expressed in RMB)

XVII. NOTES TO MAIN ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

2. Other receivables (Continued)

(2) Other receivables (Continued)

4) *The State of provisions for bad debts on other receivables accrued, reversed, and recovered during the period*

Type	31 December 2025	Changes in current the period				30 June 2026
		Accrual	Recovery or reversal	Charge -offs	Other changes	
Bad debt provision on an individual basis	43,020.00	–	–	–	–	**43,020.00**
Bad debt provision by portfolio	84,990.39	18,198.21	–	–	–	**103,188.60**
Total	128,010.39	18,198.21	–	–	–	**146,208.60**

5) *Other receivables actually written off during the period*

No other receivables were written off during the period.

(Unless indicated otherwise, all amounts are expressed in RMB)

XVII. NOTES TO MAIN ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

2. Other receivables (Continued)

(2) Other receivables (Continued)

6) Other receivables with significant closing balances by debtors

Name of the organization	Nature of payment	30 June 2026	Aging	Ratio of the total closing balance of other receivables (%)	Bad debt provision
Shaanxi Xinxin Mining Co., Ltd	Receivables from related parties	**11,066,020.79**	1-5 years	79.26	**–**

3. Long-term equity investment

Item	30 June 2026 Book balance	30 June 2026 Provision for impairment	30 June 2026 Book value	31 December 2025 Book balance	31 December 2025 Provision for impairment	31 December 2025 Book value
Investment in subsidiaries	**3,388,841,638.50**	**198,659,156.75**	**3,190,182,481.75**	3,385,512,520.87	198,659,156.75	3,186,853,364.12
Investment in a joint venture	**212,917,256.47**	**–**	**212,917,256.47**	213,688,599.34	–	213,688,599.34
Total	**3,601,758,894.97**	**198,659,156.75**	**3,403,099,738.22**	3,599,201,120.21	198,659,156.75	3,400,541,963.46

(Unless indicated otherwise, all amounts are expressed in RMB)

XVII. NOTES TO MAIN ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

3. Long-term equity investment (Continued)

(1) Investment in subsidiaries

Investee	31 December 2025 (book value)	Opening balance of impairment provision	Changes during the period: Increase in investment	Decrease in investment	Provision for impairment	Others	30 June 2026 (book value)	Closing balance of impairment provision
Kalatongke Mining	1,230,000,000.00	–	–	–	–	–	**1,230,000,000.00**	–
Xinjiang Yakesi	720,171,915.12	–	3,329,117.63	–	–	–	**723,501,032.75**	–
Hami Jubao	206,100,349.00	–	–	–	–	–	**206,100,349.00**	–
Beijing Xinding	145,000,000.00	–	–	–	–	–	**145,000,000.00**	–
Shaanxi Xinxin	80,000,000.00	80,000,000.00	–	–	–	–	**80,000,000.00**	80,000,000.00
Zhongxin Mining	118,659,156.75	118,659,156.75	–	–	–	–	**118,659,156.75**	118,659,156.75
Huaou Mining	885,581,100.00	–	–	–	–	–	**885,581,100.00**	–
Total	3,385,512,520.87	198,659,156.75	3,329,117.63	–	–	–	**3,388,841,638.50**	198,659,156.75

(2) Investment in a joint venture

Investee	31 December 2025	Opening balance of impairment provision	Changes in the period: Increase in investment	Decrease in investment	Gains on investments recognized under the equity method	Other comprehensive income adjustments	Other changes in equity	Declaration of cash dividends or profits	Impairment provision is made	Others	30 June 2026	Impairment provision ending balance
1. Joint ventures												
Hexin Mining	213,688,599.34	–	–	–	9,228,657.13	–	–	10,000,000.00	–	–	212,917,256.47	–

(Unless indicated otherwise, all amounts are expressed in RMB)

XVII. NOTES TO MAIN ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

4. Revenue and cost of sales

(1) Details of revenue and cost of sales

Item	For the six months ended 30 June 2026		For the six months ended 30 June 2025	
	Revenue	Cost of sales	Revenue	Cost of sales
Main operation	**1,086,812,550.70**	**885,521,763.17**	1,001,002,867.77	906,624,714.76
Other operations	**363,853.55**	**214,535.74**	631,955.12	87,677.11
Total	**1,087,176,404.25**	**885,736,298.91**	1,001,634,822.89	906,712,391.87

(2) Breakdown information on operating income and operating costs

The revenue generated from customer contracts during this period is as follows:

Item	For the six months ended 30 June 2026		For the six months ended 30 June 2025	
	Revenue	Cost of sales	Revenue	Cost of sales
Types of operation:				
Main operation:	**1,086,812,550.70**	**885,521,763.17**	1,001,002,867.77	906,624,714.76
Electrolytic nickel	**674,494,375.05**	**559,989,538.29**	627,861,245.24	589,265,015.49
Cathode cathode	**390,321,612.68**	**315,483,367.60**	315,691,360.21	308,165,596.51
Electrolytic cobalt	**16,913,518.93**	**9,033,837.12**	–	–
Copper leaching residues and precious metal materials	**–**	**–**	55,912,704.08	8,443,106.16
Others	**5,083,044.04**	**1,015,020.16**	1,537,558.24	750,996.60
Other operations:	**363,853.55**	**214,535.74**	631,955.12	87,677.11
Including: Rental income	**87,674.97**	**172.00**	49,142.86	402.07
Sales of electricity	**144.81**	**–**	17,764.01	14,795.00
Others	**276,033.77**	**214,363.74**	565,048.25	72,480.04

(Unless indicated otherwise, all amounts are expressed in RMB)

XVII. NOTES TO MAIN ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

4. Revenue and cost of sales (Continued)

(2) Breakdown information on operating income and operating costs (Continued)

Item	For the six months ended 30 June 2026		For the six months ended 30 June 2025	
	Revenue	Cost of sales	Revenue	Cost of sales
Classified by region of operating:				
Domestic	1,087,176,404.25	885,736,298.91	1,001,634,822.89	906,712,391.87
Overseas	–	–	–	–
Classification by the time of goods transfer:				
Transfer at a point in time	1,087,088,584.47	885,736,126.91	1,001,567,916.02	906,697,194.80
Transfer over time	87,819.78	172.00	66,906.87	15,197.07
Total	1,087,176,404.25	885,736,298.91	1,001,634,822.89	906,712,391.87
Classified by sales:				
Direct sales	1,087,176,404.25	885,736,298.91	1,001,634,822.89	906,712,391.87
Total	1,087,176,404.25	885,736,298.91	1,001,634,822.89	906,712,391.87

(3) Explanation of performance obligations

The Group's sales of electrolytic nickel and copper cathode are all performed at a point in time according to sales contracts. As for the performance obligations performed at a point in time, revenue is recognized when the customer obtains control.

(Unless indicated otherwise, all amounts are expressed in RMB)

XVII. NOTES TO MAIN ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

5. Investment income

Item	For the six months ended 30 June 2026	For the six months ended 30 June 2025
Income(loss marked as "-") from long-term equity investments accounted for under the equity method	**8,159,514.95**	-5,010,731.60
Investment losses arising from deregistration of subsidiaries	**–**	-4,872,599.76
Total	**8,159,514.95**	-9,883,331.36

XVIII. SUPPLEMENTARY INFORMATION

1. Statement of non-recurring gains and losses for the period

Item	For the six months ended 30 June 2026	For the six months ended 30 June 2025
Government grants recognized in the current profit or loss (except for government grants that are closely related to the Company's normal operating business, in accordance with national policies, enjoyed in accordance with defined standards, and have a continuous impact on the Company's profit or loss)	**2,808,974.35**	6,462,846.39
Non-operating income and expenses other than those mentioned above	**-2,117,030.61**	-224,191.54
Sub-total	**691,943.74**	6,238,654.85
Less: Effect of the income tax	**269,765.53**	935,493.63
Effect of non-controlling interests (after tax)	**609,954.33**	125,211.05
Total	**-187,776.12**	5,177,950.17

XVIII. SUPPLEMENTARY INFORMATION (CONTINUED)

2. Return on net assets and earnings per-share

Profit for the reporting period	Weighted average return on equity (%)	Earnings per share (RMB) Basic earnings per share	Diluted earnings per share
Net profit attributable to the company's common shareholders	4.46%	0.113	0.113
Net profit attributable to ordinary shareholders after deducting non-recurring gains and losses	4.47%	0.113	0.113

Xinjiang Xinxin Mining Industry Co., Ltd.

21 August 2026

Xinjiang Xinxin Mining Industry Co., Ltd.*

新疆新鑫礦業股份有限公司