



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

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

Stock Code 股份代號 : 3636



2026
INTERIM REPORT
中 期 報 告

CONTENTS

2	Corporate Information
4	Definitions
7	Financial Summary
8	Management Discussion and Analysis
20	Other Information
26	Report on Review of Interim Financial Information
27	Consolidated Balance Sheet
30	Company's Balance Sheet
32	Consolidated Income Statement
34	Company's Income Statement
35	Consolidated Cash Flow Statement
37	Company's Cash Flow Statement
39	Consolidated Statements of Changes in Equity
41	Company's Statement of Changes in Equity
43	Notes to Interim Financial Statements



Corporate Information

BOARD OF DIRECTORS

Executive Directors

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

Independent Non-executive Directors

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

COMPANY SECRETARY

Ms. Wan Wing Yi Carol

AUTHORISED REPRESENTATIVES

Ms. Yuan Mei
Ms. Wan Wing Yi Carol

AUDIT COMMITTEE

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

REMUNERATION AND APPRAISAL COMMITTEE

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

NOMINATION COMMITTEE

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

STRATEGY COMMITTEE

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

REGISTERED OFFICE IN THE PRC

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PRC

HEADQUARTERS IN THE PRC

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Corporate Information

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COMPANY'S WEBSITE

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STOCK CODE

Hong Kong Stock Exchange: 3636

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This report is written in both Chinese and English. In the case of any discrepancies, the Chinese version shall prevail.

Any discrepancies between the last digits of the total number and those of the sum of individual items in this report are mainly due to rounding.

Definitions

In this interim report unless the context otherwise requires, the following terms shall have the meaning set out below.

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

Definitions

“Hong Kong dollars” or “HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Jinxun Anhui”	Anhui Jinxun New Energy Material Co., Ltd. (安徽金濤新能源材料有限公司), a company established in the PRC with limited liability on 8 October 2022 and an indirect wholly-owned subsidiary of the Company
“Latest Practicable Date”	20 September 2026, being the latest practicable date for the purpose of ascertaining certain information in this report prior to its publication
“Listing Date”	9 January 2026, the date on which dealings in the H Shares first commence on the Main Board of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
“Main Board”	the stock exchange (excluding the option market) operated by the Stock Exchange, which is independent from and operated in parallel with GEM of the Stock Exchange
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
“Net Proceeds”	the net proceeds raised by the Company from the Global Offering
“Nomination Committee”	the nomination committee of the Company
“Non-H Share(s)”	ordinary Share(s) with a nominal value of RMB1.00 each, other than the H Shares (namely, the Share(s) currently quoted on NEEQ)
“Prospectus”	the prospectus of the Company dated 31 December 2025
“Remuneration and Appraisal Committee”	the remuneration and appraisal committee of the Company
“Renminbi” or “RMB”	Renminbi, the lawful currency of the PRC
“Reporting Period”	the six months ended 30 June 2026
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share(s)”	shares in the share capital of the Company, with a nominal value of RMB1.00 each, comprising the Non-H Shares and the H Shares

Definitions

“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tibet Huiyi”	Tibet Huiyi Information Technology Co., Ltd., a company established in the PRC with limited liability on 21 February 2017 and a wholly-owned subsidiary of the Company
“Zambia”	the Republic of Zambia

Financial Summary

	For the six months ended 30 June	
	2026 RMB (unaudited)	2025 RMB (unaudited)
Revenue	1,445,333,450.88	963,918,574.29
Gross profit	484,935,600.25	257,972,795.46
Profit before taxation	318,011,029.43	161,203,098.70
Net profit	230,203,972.76	134,981,181.50
Net profit attributable to owners of the parent company	230,203,972.76	134,981,181.50

	30 June 2026 RMB (unaudited)	30 June 2025 RMB (unaudited)
Non-current assets	1,235,356,967.15	931,752,465.20
Current assets	1,878,134,828.92	1,261,124,841.15
Total assets	3,113,491,796.07	2,192,877,306.35
Current liabilities	892,418,736.59	1,242,656,407.32
Net current assets	985,716,092.33	18,468,433.83
Non-current liabilities	148,972,183.85	127,062,742.37
Total equity attributable to shareholders of the parent company	2,072,100,875.63	823,158,156.66

Management Discussion and Analysis

OVERVIEW

The Group is a leading manufacturer of high-quality copper cathodes, with a strong presence in DR Congo and Zambia. The H Shares have been listed on the Main Board of the Stock Exchange since 9 January 2026 by way of the Global Offering.

In the first half of 2026, the Group's operating results achieved a year-over-year increase driven by the rise in global copper prices and the year-over-year increase in sales volume of copper cathodes.

For the period from 1 January 2026 to 30 June 2026, the Group's operating revenue was RMB1,445,333,450.88, representing an increase of 49.94% as compared with the same period of the previous year, and the net profit attributable to shareholders of the Company amounted to RMB230,203,972.76, representing an increase of 70.55% as compared with the same period of the previous year, mainly driven by the rise in global copper prices and the year-over-year increase in production and sales volume of copper cathodes.

BUSINESS REVIEW

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

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

The Group's Products

As of 30 June 2026, the Group derived its revenue primarily from (i) the production and sale of copper products; (ii) the production and sale of cobalt products; and (iii) the trading of non-ferrous metal products.

Management Discussion and Analysis

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

Major Products	Six months ended 30 June 2026 (tons)		Six months ended 30 June 2025 (tons)	
	Production volume	Sale volume	Production volume	Sale volume
Copper				
Copper cathodes	13,123.72	13,246.63	12,496.20	12,952.90
Copper concentrates	16.22	25.21	9.00	21.20
Subtotal	13,139.94	13,271.84	12,505.20	12,974.10
Cobalt				
Cobalt hydroxide	120.30	–	171.00	83.70
Cobalt sulfates	79.45	19.81	–	–
Cobalt chlorides	125.92	0.49	–	–
Subtotal	325.67	20.30	171.00	83.70
Total	13,465.61	13,292.14	12,676.20	13,057.80

Copper

Copper is a chemical element with a distinctive rose-red metallic luster. Renowned for its excellent electrical and thermal conductivity, corrosion resistance, and ductility, it is one of the earliest metals known to humankind and is widely used in the manufacture of various products, including electrical and electronic components, construction materials, and machinery.

The Group's copper products mainly include copper cathodes and copper concentrates.

Copper Cathodes

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

In the six months ended 30 June 2025 and 30 June 2026, the Group produced 12,496.20 tons and 13,123.72 tons, respectively, of copper cathodes. The increase in the production of copper cathodes in the Reporting Period from the Corresponding Period was primarily due to Rong Xing Company achieved higher capacity utilisation rate and increased production volume of copper cathodes.

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

Management Discussion and Analysis

Copper Concentrates

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

In the six months ended 30 June 2025 and 30 June 2026, the Zambia flotation plant had an output of 9.00 tons and 16.22 tons of copper concentrates, respectively. The production volume of copper concentrates increased slightly.

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

Cobalt

Cobalt is a silvery-white, hard metal that belongs to the ferromagnetic elements. It possesses excellent high-temperature resistance, corrosion resistance, and magnetic properties. Cobalt is commonly found in nature in ore form, often coexisting with copper and nickel, and is considered an important strategic metal. Cobalt is primarily used in battery materials, alloy manufacturing, catalysts, magnetic materials, and other high-tech fields. It is one of the key raw materials for modern industry and high-tech industries.

The Group's cobalt products mainly include cobalt hydroxide, cobalt sulfates and cobalt chlorides.

Cobalt Hydroxide

Cobalt hydroxide is a key intermediate primarily utilized in the production of refined cobalt compounds, including cobalt sulfates and cobalt chlorides, as well as ternary precursors.

The Group uses cobalt, which is a by-product generated during the copper smelting process, to produce and sell cobalt (II) hydroxide. The original ore used in the Group's production facility in DR Congo contained a mix of copper and cobalt, and the Group produces cobalt hydroxide as a byproduct in the copper smelting process.

In the six months ended 30 June 2025 and 30 June 2026, the Group produced 171.00 tons and 120.30 tons of cobalt hydroxide, respectively.

Cobalt Sulfates

Cobalt sulfate is a refined cobalt salt primarily used as a raw material for lithium-ion battery ternary cathode precursors.

During the Reporting Period, the Group produced 79.45 tons of cobalt sulfates through Anhui cobalt processing plant. The Group did not have any cobalt sulfate products during the corresponding period last year, mainly because Anhui cobalt processing plant had not yet commenced production at that time.

Cobalt Chlorides

Cobalt chloride is a refined cobalt compound mainly utilized in hydrometallurgical cobalt refining, catalysts, and surface treatment processes.

Management Discussion and Analysis

During the Reporting Period, the Group produced 125.92 tons of cobalt chlorides through Anhui cobalt processing plant. The Group did not have any cobalt chloride products during the corresponding period last year, mainly because Anhui cobalt processing plant had not yet commenced production at that time.

Non-ferrous metal products

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

PROSPECTS

Accelerate project construction to facilitate rapid capacity ramp-up

The Group will accelerate the construction and commissioning of the technical transformation project in Zambia, the Phase-I technical transformation project in DR Congo and the Phase-II hydrometallurgical smelting plant project in DR Congo. The technical transformation project in Zambia will be completed in August 2026. The Group will gradually speed up the capacity ramp-up of new production capacity, improve copper metal recovery rate, and reduce acid consumption, power consumption and reagent costs in the second half of the year.

The Phase-I technical transformation project in DR Congo has entered the end of construction and is scheduled for completion and commissioning in the third quarter. Construction of the Phase II hydrometallurgical smelting plant project in DR Congo is progressing steadily, and it is targeted to be completed and put into commissioning before the end of the year.

In addition, the sulfuric acid plant invested and constructed by the Group in the DR Congo is expected to have an annual production capacity of approximately 150,000 tons of sulfuric acid. The project has started construction and is targeted to be completed and put into commissioning in the second quarter of 2027. Upon commissioning, we will realize self-sufficiency in smelting sulfuric acid, significantly reduce the cost of externally purchased sulfuric acid, increase the gross profit margin of hydrometallurgy, and improve the local integrated supporting capability.

Accelerate upstream extension to enhance resource self-sufficiency

The Company will continue to promote the transformation from smelting and processing to the integration of mining, beneficiation and smelting. In the second half of the year, we will focus on the merger and acquisition of the mineral rights of local tailings and small and medium-sized copper mines in Africa to secure high-quality existing mineral sources at low cost. We will enter into the long-term ore procurement agreements simultaneously to ensure the stable supply of raw materials for new production capacity, reduce the risk of price fluctuation of externally purchased ore, gradually increase the proportion of self-owned raw materials, and optimize the cost structure and operating stability.

Management Discussion and Analysis

FINANCIAL REVIEW

Revenue

During the six months ended 30 June 2026, the Group derived its revenue from (i) copper production and processing (including copper cathodes and copper concentrates); (ii) cobalt production and processing (including cobalt hydroxide, cobalt sulfate and cobalt chloride); and (iii) the trading of non-ferrous metal products.

The following table sets out a breakdown of the revenue by business segment:

	Six months ended 30 June			
	2026 (Unaudited)	%	2025 (Unaudited)	%
Copper production and processing				
Copper cathodes	1,160,945,492.25	80.32	828,020,514.86	85.90
Copper concentrates	1,255,077.44	0.09	1,179,367.94	0.12
Subtotal	1,162,200,569.69	80.41	829,199,882.80	86.02
Cobalt production and processing				
Cobalt hydroxide	—	—	10,738,523.54	1.11
Cobalt sulfate	7,518,584.07	0.52	—	—
Cobalt chloride	194,690.27	0.01	—	—
Subtotal	7,713,274.34	0.53	10,738,523.54	1.11
Trading of non-ferrous metal products	274,523,932.20	18.99	123,846,556.85	12.85
Other businesses	895,674.65	0.07	133,611.10	0.02
Total	1,445,333,450.88	100.00	963,918,574.29	100.00

Revenue of the Group increased by approximately 49.94% from approximately RMB963.92 million in the first half of 2025 to approximately RMB1,445.33 million in the first half of 2026, primarily attributable to (i) the increase in the sales volume of copper cathodes from 12,952.90 tons during the first half of 2025 to 13,246.63 tons in the first half of 2026; and (ii) an increase in the average selling prices as a result of the higher copper prices quoted on the London Metal Exchange (the “LME”).

Revenue from trading of non-ferrous metal products increased by approximately 121.66% from approximately RMB123.85 million in the first half of 2025 to approximately RMB274.52 million in the first half of 2026, primarily due to both trading volume and selling prices of the non-ferrous metals trading business increased during the Reporting Period.

Management Discussion and Analysis

Gross Profit and Gross Profit Margin

	Six months ended 30 June			
	2026		2025	
	Gross Profit/(Loss)	Gross Profit Margin (%)	Gross Profit	Gross Profit Margin (%)
	RMB		RMB	
	(Unaudited)		(Unaudited)	
Copper production and processing				
Copper cathodes	430,050,179.07	37.04	246,377,797.82	29.76
Copper concentrates	(724,532.63)	(57.73)	508,524.48	43.12
Subtotal	429,325,646.44	36.94	246,886,322.30	29.77
Cobalt production and processing				
Cobalt hydroxide	—	—	3,094,751.36	28.82
Cobalt chlorides	(6,076.34)	(3.12)	—	—
Cobalt sulfates	(671,346.06)	(8.93)	—	—
Subtotal	(677,422.40)	(8.78)	3,094,751.36	28.82
Trading of non-ferrous metal products	55,435,240.05	20.19	7,875,977.59	6.36
Other businesses	852,136.16	95.14	115,744.21	86.63
Total	484,935,600.25	33.55	257,972,795.46	26.76

The Group's gross profit increased by approximately 87.98% from approximately RMB257.97 million in the first half of 2025 to approximately RMB484.94 million in the first half of 2026.

The Group's gross profit margin in the first half of 2026 was 33.55%, representing an increase of 6.79 percentage points from the same period in 2025, primarily due to the improvement in the gross profit margin of copper cathodes and trading of non-ferrous metal products.

Selling Expenses

Selling expenses increased by approximately 25.32% from approximately RMB6.25 million in the first half of 2025 to approximately RMB7.84 million in the first half of 2026. This was mainly attributable to an increase in employee compensation as the Company's sales scale increased.

Management Discussion and Analysis

Administrative Expenses

Administrative expenses increased by approximately 59.24% from approximately RMB44.32 million in the first half of 2025 to approximately RMB70.57 million in the first half of 2026. This increase was mainly attributable to the business growth of the Company and improved business performance, which led to an increase in the number and salaries of administrative management staff.

Research and Development Expenses

Research and development expenses increased by approximately 36.52% from approximately RMB8.30 million in the first half of 2025 to approximately RMB11.33 million in the first half of 2026. This was mainly attributable to an increase in R&D investment during the period.

Finance Expenses

Finance cost increased by approximately 852.57% from approximately RMB2.02 million in the first half of 2025 to approximately RMB19.21 million in the first half of 2026. Such increase was mainly attributable to an increase in net exchange losses resulting from the depreciation of the US dollar during the Reporting Period.

Other Income

Other income increased by approximately 283.61% from RMB32,641.40 in the first half of 2025 to RMB125,216.15 in the first half of 2026. This was mainly attributable to an increase in government social security subsidies received during the period.

Investment Income

Investment income increased by approximately 163.00% from approximately RMB10.47 million in the first half of 2025 to approximately RMB27.54 million in the first half of 2026. This was mainly attributable to an increase in fair value gains on copper cathodes subject to provisional priced sales arrangements upon final settlement, as a result of the rise in the spot settlement price of LME copper during the period.

Gains from Changes in Fair Value

Gains from changes in fair value increased by approximately 79.86% from approximately RMB0.97 million in the first half of 2025 to RMB1.74 million in the first half of 2026. This was mainly attributable to an increase in fair value gains on unsettled copper cathodes subject to provisional priced sales arrangements, as a result of the rise in the spot settlement price of LME copper during the period.

Credit Impairment Losses

Credit impairment losses increased by approximately 78.53% from approximately RMB9.16 million in the first half of 2025 to approximately RMB16.35 million in the first half of 2026. This was mainly attributable to an increase in bad debt provision calculated according to the expected credit impairment loss model for tax refund receivable in Zambia during the period.

Management Discussion and Analysis

Asset Impairment Losses

Asset impairment losses was approximately RMB26.59 million in the first half of 2026. This was mainly attributable to an increase in provision for impairment of inventories based on market prices, as a result of the higher fixed costs of inventory arising from the current production capacity of cobalt chloride and cobalt sulfate products manufactured by the subsidiary Anhui Jinxun during the period not yet meeting the required standard.

Income Tax Expense

Income tax expenses increased by approximately 234.86% from approximately RMB26.22 million in the first half of 2025 to approximately RMB87.81 million in the first half of 2026, primarily due to an increase in profit before tax.

Net Profit

As a result of the foregoing, profit increased from approximately RMB134.98 million in the first half of 2025 to approximately RMB230.20 million in the first half of 2026.

Cash and Cash Equivalents

Cash and cash equivalents increased by approximately 193.81% from approximately RMB295.17 million as at 31 December 2025 to approximately RMB867.25 million as at 30 June 2026. This was mainly attributable to an increase in funds raised from the Company's listing on the Stock Exchange in the first half of 2026.

Inventories

Inventories held by the Group decreased by approximately 2.51% from approximately RMB776.08 million as at 31 December 2025 to approximately RMB756.63 million as at 30 June 2026, which remained stable.

Receivables Financing

Receivables financing increased by approximately 100% to approximately RMB8.72 million as at 30 June 2026 as compared with 31 December 2025. This was mainly attributable to bank acceptance bills received during the period that were not yet due for settlement.

Accounts Receivables

The Group's receivables increased by approximately 137.21% from approximately RMB39.70 million as at 31 December 2025 to approximately RMB94.17 million as at 30 June 2026, primarily due to the increase in trade receivables for cathode copper at the end of the period.

Prepayments

Prepayments increased by approximately 31.80% from approximately RMB26.96 million as at 31 December 2025 to approximately RMB35.53 million as at 30 June 2026. This was mainly attributable to an increase in prepayments for ore purchases during the period.

Management Discussion and Analysis

Other Current Assets

Other current assets decreased by approximately 30.25% from approximately RMB51.08 million as at 31 December 2025 to approximately RMB35.63 million as at 30 June 2026. This was mainly attributable to a decrease in deductible input tax during the period and the offsetting of the listing service fee at the beginning of the period against the capital reserves following the listing on the Hong Kong Stock Exchange during the period.

Construction in Progress

Construction in progress increased by approximately 207.15% from approximately RMB110.83 million as at 31 December 2025 to approximately RMB340.42 million as at 30 June 2026. This was mainly attributable to an increase in the investment in the Phase-II construction of the 30,000-ton-per-annum copper cathode hydrometallurgical smelting project by the subsidiary Jinxun Congo (DRC) and the hydrometallurgical smelting technical transformation by Rong Xing Investments during the period.

Accounts Payable

Accounts payable primarily arose from purchases of copper ore, non-ferrous metal products, chemical products, engineering equipment and relevant fees. The Group's accounts payable decreased by approximately 44.59% from approximately RMB610.05 million as at 31 December 2025 to approximately RMB338.03 million as at 30 June 2026, primarily due to the substantial decrease in trade payables to suppliers, which was due to sufficient funds and accelerated capital turnover during the Reporting Period.

Contract Liabilities

Contract liabilities represented advances received from customers. The Group's contract liabilities decreased by approximately 94.51% from approximately RMB58.87 million as at 31 December 2025 to approximately RMB3.23 million as at 30 June 2026, primarily due to the decrease in advances received from customers during the period.

Taxes Payable

Taxes payable increased by approximately 75.92% from approximately RMB93.31 million as at 31 December 2025 to approximately RMB164.16 million as at 30 June 2026. This was mainly attributable to an increase in enterprise income tax as a result of the significant increase in operating profit during the period.

Other Payables

Other payables decreased by approximately 71.85% from approximately RMB216.17 million as at 31 December 2025 to approximately RMB60.84 million as at 30 June 2026. This was mainly attributable to the repayment of third party borrowings and deposits from customers during the period.

Non-current Liabilities Due within One Year

Non-current liabilities due within one year increased by approximately 108.54% from approximately RMB25.54 million as at 31 December 2025 to approximately RMB53.25 million as at 30 June 2026. This was mainly attributable to an increase in borrowings classified as due within one year based on liquidity as a result of the increase in long-term borrowings during the period.

Management Discussion and Analysis

Other Current Liabilities

Other current liabilities decreased by approximately 62.18% from RMB575,221.24 as at 31 December 2025 to RMB217,560.84 as at 30 June 2026. This was mainly attributable to the decrease in advances received from customers during the period and the corresponding decrease in value-added tax.

Deferred Tax Assets/Liabilities

Deferred tax assets increased by approximately 29.68% from approximately RMB13.87 million as at 31 December 2025 to approximately RMB17.98 million as at 30 June 2026, primarily due to the increase in deductible temporary differences arising from unrealized internal transactions and provisions for credit impairment during the period.

There were no deferred tax liabilities as at 30 June 2026.

Share Capital

Share capital increased by approximately 38.33% from approximately RMB110.30 million as at 31 December 2025 to approximately RMB152.58 million as at 30 June 2026. This was mainly attributable to an increase in share capital for listing of the H shares of the Company on the Stock Exchange in the first half of 2026.

Capital Reserves

Capital reserves increased by approximately 2,368.45% from approximately RMB44.44 million as at 31 December 2025 to approximately RMB1,096.97 million as at 30 June 2026. This was mainly attributable to an increase in share premium for listing of the H shares of the Company on the Stock Exchange during the period.

Net Current Assets

Total current assets increased by approximately 48.93% from approximately RMB1,261.12 million as at 31 December 2025 to approximately RMB1,878.13 million as at 30 June 2026. Total current liabilities decreased by approximately 28.18% from approximately RMB1,242.66 million as at 31 December 2025 to approximately RMB892.42 million as at 30 June 2026. As at 30 June 2026, the net current assets of the Group was approximately RMB985.71 million.

LIQUIDITY AND CAPITAL RESOURCES

The Group's liquidity mainly came from operating cash flows, interest-bearing borrowings and proceeds from the Listing. As at 30 June 2026, cash and cash equivalents of the Group amounted to approximately RMB867.25 million (31 December 2025: RMB295.17 million).

Bank and Other Borrowings

As at 30 June 2026, the Group had total bank and other borrowings of RMB424.38 million (31 December 2025: RMB336.80 million), comprising short term bank and other borrowings (repayable within one year or on demand) of RMB313.17 million and long-term (repayable after one year) bank and other borrowings of RMB111.21 million.

The Group's borrowings bear interest rates ranging from 2.5% to 10.5% per annum, mainly denominated in RMB.

Management Discussion and Analysis

Pledge of Assets

As at 30 June 2026, the Group's bank borrowings of approximately RMB203.47 million were secured by the Group's assets (certain property, plant and equipment and land).

Gearing Ratio

Gearing ratio is calculated based on total bank and other borrowings divided by total equity as of the end of that period. The Group's gearing ratio for the six months ended 30 June 2026 was 20.48%.

Contingent Liabilities

As at 30 June 2026, the Group did not have any outstanding material contingent liabilities.

Capital Expenditures

The Group's capital expenditures primarily consisted of expenditures on property, plant and equipment and intangible assets. During the six months ended 30 June 2026, the Group incurred capital expenditures of approximately RMB269.53 million (30 June 2025: RMB72.12 million). The amount incurred was mainly used for Phase-II construction of the 30,000-ton-per-annum cathode copper hydrometallurgical smelting project of the subsidiary Jinxun Congo (DRC) Mining Co., Ltd., and the hydrometallurgical smelting technical transformation investment of Rong Xing Investment.

Significant Investments, Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures

There were no significant investments, acquisitions and disposals of subsidiaries, associates and joint ventures by the Group during the Reporting Period.

Future Plans for Material Investments and Capital Assets

The Company did not have any future plans for material investments or additions of capital assets as at 30 June 2026.

Employees and Remuneration Policy

As at 30 June 2026, the Group had a total of 1,184 employees, located in the PRC, Zambia, DR Congo, Singapore and Peru. The remuneration package of employees of the Group includes salary and bonus, which are generally based on their qualifications, industry experience, position and performance. In terms of training and development, the Group will arrange ad hoc vocational training for employees assigned or transferred to different positions in accordance with business development needs. Combined with the self-growth and development demands of employees, the Group focuses on key stages and key groups, and carries out key training specialties in different fields and modules, covering new employee training, technical training, professional ability training, among others, to meet the growth and development needs of different stages, different fields and different forms.

Management Discussion and Analysis

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

There were no material subsequent events from 30 June 2026 up to the date of this report that may have a material impact on the Company's operating and financial performance that needs to be disclosed.

PROCEEDS FROM LISTING

On 9 January 2026, the Company's H shares were listed on the Main Board of the Stock Exchange. 42,280,400 new H shares with a par value of RMB1.0 each were issued at a price of HK\$30.00. The net proceeds of the Global Offering (taking into account the full exercise of the over-allotment option) were approximately RMB1,094.45 million.

Purpose	Percentage to total net proceeds	Net proceeds from the Global Offering (RMB million)	Amount unutilized as of 1 January 2026 (RMB million)	Net proceeds utilized during the Reporting Period (RMB million)	Actual use of proceeds as at 30 June 2026 (RMB million)	Remaining unutilized amount as at 30 June 2026 (RMB million)	Expected timeline for use of unutilized proceeds
(1) Expansion of core operations							
(i) Upgrade the hydrometallurgical processing capability of the DR Congo copper smelter I, as well as the improvement of the production yield of its cobalt hydroxide production line	25%	273.61	NA	151.29	151.29	122.32	As at 31 December 2026
(ii) Equipment procurement and daily operations of the facility in Anhui Province	20%	218.89	NA	98.20	98.20	120.69	As at 31 December 2026
(iii) Strategic acquisitions	20%	218.89	NA	–	–	218.89	As at 30 June 2026, no acquisition target has been identified.
(iv) Improve and expand the R&D center in Kunming to enhance R&D capabilities, attract local talents and contribute local employment	15%	164.16	NA	–	–	164.16	As at 31 December 2026
(2) Repay certain interest-bearing bank borrowings with an aggregate principal amount of approximately HK\$105.8 million	10%	109.45	NA	109.45	109.45	–	Fully utilized
(3) Supplement working capital and general corporate purposes	10%	109.45	NA	109.45	109.45	–	Fully utilized
Total	100.00%	1,094.45	–	468.39	468.39	626.06	–

(Note: The numbers have been rounded to two decimal places. Any discrepancies between the total shown and the sum of the amounts listed are due to rounding.) The Company intends to utilise the net proceeds from the Global Offering according to the plans set out in the section headed "Future Plans and Use of Proceeds" in the prospectus of the Company dated 31 December 2025.

Other Information

INTERESTS AND SHORT POSITIONS OF THE DIRECTORS AND CHIEF EXECUTIVE OF THE COMPANY IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 30 June 2026, the interests and short positions of the Directors and chief executive of the Company in any of the Shares, underlying Shares or debentures of the Company or any of its associated corporation (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of SFO (including interests and short positions in which they are taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

Name of Director	Nature of interest	Description of Shares ⁽²⁾	Number of Shares ⁽¹⁾	Percentage of the total Non-H Shares of the Company ⁽⁵⁾	Percentage of the total issued Shares of the Company ⁽⁵⁾
Mr. Yuan Rong ⁽³⁾	Beneficial owner	Non-H Shares	101,230,612 (L)	91.78%	66.35%
	Interest in controlled corporation	Non-H Shares	8,973,467 (L)	8.14%	5.88%
Ms. Yuan Mei ⁽⁴⁾	Interest in controlled corporation	Non-H Shares	8,973,467 (L)	8.14%	5.88%

Notes:

- (1) The letter "L" denotes a long position in the Shares.
- (2) Both Non-H Shares and H Shares are ordinary Shares in the share capital of the Company, and are considered as one class of Shares.
- (3) Heli Investment (the share incentive platform) is owned as to 10% by its general partner, Mr. Yuan, who manages its daily affairs and exercises the voting rights on behalf of Heli Investment as the Shareholder. Heli Investment has 19 limited partners, including Ms. Yuan Mei, the executive Director and Mr. Yuan's sister, who owns approximately 69.32%, Mr. Yang Yongchang, the executive Director, who owns approximately 4.02%, Mr. Chen Weijun, a director of Jinxun Anhui, who owns approximately 0.23% and 15 existing employees and one former employee who collectively owns approximately 16.43% as at the Latest Practicable Date. For the purpose of the SFO, Mr. Yuan is deemed to be interested in the interest held by Heli Investment.
- (4) Ms. Yuan Mei is a limited partner holding approximately 69.32% in Heli Investment. For the purpose of the SFO, Ms. Yuan is deemed to be interested in the Shares held by Heli Investment.
- (5) This calculation is based on the total number of 110,296,643 Non-H Shares and 42,280,400 H Shares as at 30 June 2026.

Save as disclosed above and to the best knowledge of the Company, as at 30 June 2026, none of the Directors or chief executive of the Company had any interest or short position in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the 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.

Other Information

INTERESTS OF THE SUBSTANTIAL SHAREHOLDERS IN THE SHARES AND UNDERLYING SHARES

As at 30 June 2026, so far as the Directors were aware, the following persons (not being a Director or chief executive of the Company) had or were deemed or taken to have interests or short positions in the Shares or the underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were required, pursuant to section 362 of the SFO, to be entered in the register referred to therein:

Name of Shareholder	Nature of interest	Description of Shares ⁽²⁾	Number of Shares ⁽¹⁾	Percentage of the total H Shares of the Company ⁽⁴⁾	Percentage of the total Non-H Shares of the Company ⁽⁴⁾	Percentage of the total issued Shares of the Company ⁽⁴⁾
Glencore International AG	Beneficial owner	H Shares	7,780,800 (L)	18.40%	–	5.10%
Glencore PLC	Interest in controlled corporation	H Shares	7,780,800 (L)	18.40%	–	5.10%
JPMorgan Chase & Co	Beneficial owner	H Shares	258,200 (L)	0.61%	–	0.17%
			254,000 (S)	0.60%	–	0.17%
	Person having security interest Approved Lending Agent	H Shares	865,000 (L)	2.05%	–	0.57%
		H Shares	1,260,199 (P)	2.98%	–	0.83%
J.P. Morgan Securities plc	Beneficial owner	H Shares	1,690,800 (L)	4.00%	–	1.11%
			1,157,200 (S)	2.74%	–	0.76%
	Person having security interest	H Shares	3,536,600 (L)	8.36%	–	2.32%
Stoneylake Global Alpha Fund	Beneficial owner	H Shares	5,183,600 (L)	12.26%	–	3.40%
Stoneylake Asset Management (Hong Kong) Limited	Investment manager	H Shares	5,183,600 (L)	12.26%	–	3.40%
Templeton Asset Management Ltd.	Investment manager	H Shares	2,257,000 (L)	5.34%	–	1.48%
OP Investment Management Limited	Investment manager	H Shares	2,604,800 (L)	6.16%	–	1.71%
QIU Dongrong	Interest in controlled corporation	H Shares	2,604,800 (L)	6.16%	–	1.71%

Other Information

Name of Shareholder	Nature of interest	Description of Shares ⁽²⁾	Number of Shares ⁽¹⁾	Percentage of the total H Shares of the Company ⁽⁴⁾	Percentage of the total Non-H Shares of the Company ⁽⁴⁾	Percentage of the total issued Shares of the Company ⁽⁴⁾
Trivalue Capital Holdings Limited	Interest in controlled corporation	H Shares	2,604,800 (L)	6.16%	–	1.71%
Trivalue Capital Limited	Investment manager	H Shares	2,604,800 (L)	6.16%	–	1.71%
Trivista Capital SPC – Trivista China SP I	Beneficial Owner	H Shares	2,604,800 (L)	6.16%	–	1.71%
Heli Investment ⁽³⁾	Beneficial owner	Non-H Shares	8,973,467 (L)	–	8.14%	5.88%

Notes:

- (1) The letter “L” denotes a long position in the Shares, the letter “S” denotes a short position in the Shares and the letter “P” denotes lending pool in the Shares.
- (2) Non-H Shares and H Shares are regarded as two different types of Shares. For the avoidance of doubt, both Non-H Shares and H Shares are ordinary Shares in the share capital of the Company, and are considered as one class of Shares.
- (3) Heli Investment (the share incentive platform) is owned as to 10% by its general partner, Mr. Yuan, who manages its daily affairs and exercises the voting rights on behalf of Heli Investment as the Shareholder. Heli Investment has 19 limited partners, including Ms. Yuan Mei, the executive Director and Mr. Yuan’s sister, who owns approximately 69.32%, Mr. Yang Yongchang, the executive Director, who owns approximately 4.02%, Mr. Chen Weijun, a director of Jinxun Anhui, who owns approximately 0.23% and 15 existing employees and one former employee who collectively owns approximately 16.43% as at 30 June 2026. For the purpose of the SFO, Mr. Yuan is deemed to be interested in the interest held by Heli Investment.
- (4) This calculation is based on the total number of 110,296,643 Non-H Shares and 42,280,400 H Shares as at 30 June 2026.

Save as disclosed above, as of 30 June 2026, the Directors were not aware of any other person (not being a Director or chief executive of the Company) who had an interest or short position in the Shares or the underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were required, pursuant to section 362 of the SFO, to be entered in the register referred to therein.

Other Information

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

36,765,600 H shares of the Company became listed on the Main Board of The Stock Exchange of Hong Kong Limited on 9 January 2026 by way of global offering at an offer price of HK\$30.00 per H Share. A further 5,514,800 H shares were allotted and issued on 10 February 2026 pursuant to the full exercise of the over-allotment option as disclosed in the announcement of the Company dated 5 February 2026. As at 30 June 2026, the Group did not hold any treasury shares as defined under the Listing Rules. Except for the below on-market repurchases of H Shares which have been held as treasury shares pursuant to the repurchase mandate granted to the Board by the Shareholders on 18 May 2026, since the Listing Date up to the date of this report, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

Date	Number of H Shares Repurchased	Highest Price (HK\$)	Lowest Price (HK\$)	Aggregate Consideration (HK\$)
14-Jul-26	76,000	12	10.79	894,500
15-Jul-26	56,000	12.99	12.75	723,626
17-Jul-26	50,000	12.4	12.03	609,342
20-Jul-26	45,600	12.69	12.4	574,282
24-Jul-26	34,800	13.73	13.49	475,642
Total:	262,400			3,277,392

COMPLIANCE WITH THE MODEL CODE

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 to the Listing Rules as its own code of conduct for dealings in the securities of the Company by the Directors. Specific enquiry has been made of all the Directors and they have confirmed that they have complied with the Model Code since the Listing Date up to the date of this report.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

Since Listing, the Company has applied the principles of good corporate governance and complied with all the code provisions set out in Part 2 of the Corporate Governance Code save for the deviation below: According to code provision C.2.1 of Part 2 of the Corporate Governance Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. Yuan Rong is currently the chairman of the Board and the chief executive officer of the Company. In view of the fact that Mr. Yuan is the founder and has been assuming the responsibilities in the overall management and operation and formulation of business strategies of the Group since 2011, the Board believes that it is in the best interest of the Group to have Mr. Yuan taking up both roles for effective management and operations. Therefore, the Directors consider that the deviation from such code provision is appropriate. Notwithstanding such deviation, the Directors are of the view that the

Other Information

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

REVIEW OF INTERIM RESULTS

The Company has established an audit committee (the “Audit Committee”), which consists of three members, namely Mr. Wong Hok Bun Mario, Ms. Zheng Dongyu and Mr. Xia Hongying, with Mr. Wong Hok Bun Mario, an independent non-executive Director with appropriate professional qualifications, serving as the chairman. The Audit Committee has reviewed the unaudited interim financial results for the Reporting Period (including the reconciliation statement). The review included discussions with the management on the accounting principles and practices adopted by the Group, internal controls and financial reporting matters. The Audit Committee considered that unaudited interim financial results were prepared in compliance with the relevant accounting standards, the Listing Rules and the applicable legal requirements, and that the Company has made appropriate disclosure thereof. The Group has prepared the unaudited consolidated financial statements of the Company for the six months ended 30 June 2026 in accordance with the ASBE. The Company’s independent auditor, KPMG Huazhen LLP, has reviewed the interim financial information.

INTERIM DIVIDEND

The Board proposed the distribution of an interim dividend of RMB0.3 per Share (including tax) for the Reporting Period (the “Cash Dividend”). The Cash Dividend will be denominated and declared in RMB. The Cash Dividend payable to the holders of Non-H Shares will be paid in Renminbi. The Cash Dividend payable to the holders of H Shares will be paid in Hong Kong dollars, being HK\$0.346472 per Share (including tax), calculated with reference to the exchange rate of RMB against Hong Kong dollars published by The People’s Bank of China on 25 August 2026, which is one business day prior to the date of the passing of the relevant board resolution on 26 August 2026 at HKD:RMB = 1:1.154908. The Cash Dividend is conditional, among others, the approval of the Shareholders at an extraordinary general meeting. A circular containing, among other things, further details of the proposed Cash Dividend and the notice convening an extraordinary general meeting together with a proxy form will be despatched to the Shareholders in due course.

CONTINUING DISCLOSURE OBLIGATIONS PURSUANT TO THE LISTING RULES

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

CHANGES TO THE DIRECTORS’ INFORMATION

The Directors have confirmed that no information is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules since the date of the annual report of the Company published on 17 April 2026 and up to the date of this interim report.

Other Information

FORWARD-LOOKING STATEMENTS

This interim report contains forward-looking statements that involve risks and uncertainties. All statements other than statements of historical fact are forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors, some of which are beyond the Company's control, that may cause the actual results, performance or achievements to be materially different from those expressed or implied by the forward-looking statements. You should not rely upon forward-looking statements as predictions of future events. The Company undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, the Directors confirm that the Company has maintained the prescribed public float under the Listing Rules for the six months ended 30 June 2026.

By order of the Board

Yunnan Jinxun Resources Co., Ltd.

Yuan Rong

Chairman of the Board and Executive Director

22 September 2026

Review Report

KPMG Huazhen Zhuan Zi No. 2604244

To all shareholders of Yunnan Jinxun Resources Co., Ltd.:

We have reviewed the accompanying financial statements of Yunnan Jinxun Resources Co., Ltd. (“Jinxun Resources”), which comprise the consolidated and company balance sheets as at 30 June 2026, the consolidated and company income statements, consolidated and company cash flow statement and the consolidated and company statements of changes in equity for the period from 1 January to 30 June 2026 and the related notes to the interim financial statements. In accordance with the Accounting Standards for Business Enterprises No. 32 – Interim Financial Reporting issued by the Ministry of Finance of the People’s Republic of China, the management of Jinxun Resources’ management is responsible for the preparation of these interim financial statement. Our responsibility is to issue our review report on the interim financial statements based on our review engagement.

We conducted our review in accordance with the Review Standard for Chinese Certified Public Accountants No. 2101 – Review of Financial Statements. The standard requires us to plan and conduct a review to obtain limited assurance as to whether the interim financial statements are free from material misstatement. A review is limited primarily to inquiries of personnel of Jinxun Resources and performing analytical procedures on the data. A review provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the aforesaid interim financial statements of Jinxun Resources are not been prepared in accordance with the requirement in Accounting Standards for Business Enterprises issued by the Ministry of Finance of the People’s Republic of China, or do not fairly present the consolidated and company financial position of Jinxun Resources as at 30 June 2026, and its consolidated and company operating results and cash flows for the period from 1 January 2026 to 30 June 2026 in any material respect.

KPMG Huazhen LLP

Chinese Certified Public Accountant

Jiang Hui (Project Partner)

Beijing, China

Zhu Ming

26 August 2026



Consolidated Balance Sheet

30 June 2026
(Unit: RMB)

Item	Notes	30 June 2026 (Unaudited)	31 December 2025
Assets			
Current assets:			
Cash at bank and on hand	V.1	867,246,009.22	295,169,837.36
Derivative financial assets		210,050.00	—
Receivable financing		8,716,000.00	—
Accounts receivable	V.2	94,170,771.66	39,699,809.14
Prepayments	V.3	35,530,698.35	26,958,022.74
Other receivables	V.4	80,003,121.39	72,136,506.19
Inventories	V.5	756,629,452.32	776,079,110.50
Other current assets	V.6	35,628,725.98	51,081,555.22
Total current assets		1,878,134,828.92	1,261,124,841.15
Non-current assets:			
Long-term equity investment	V.7	—	—
Fixed assets	V.8	679,330,792.49	641,753,500.69
Construction in progress	V.9	340,420,755.41	110,831,356.63
Right-of-use assets	V.10	368,561.16	434,688.40
Intangible assets	V.11	45,244,364.13	31,002,179.80
Long-term deferred expenses	V.12	10,530,226.76	10,816,420.59
Deferred tax assets	V.13	17,983,018.53	13,867,709.27
Other non-current assets	V.14	141,479,248.67	123,046,609.82
Total non-current assets		1,235,356,967.15	931,752,465.20
Total assets		3,113,491,796.07	2,192,877,306.35

Consolidated Balance Sheet (continued)

30 June 2026
(Unit: RMB)

Item	Notes	30 June 2026 (Unaudited)	31 December 2025
Liabilities and shareholders' equity			
Current liabilities:			
Short-term borrowings	V.16	260,016,974.10	225,290,921.40
Derivative financial liabilities	V.17	—	251,350.00
Accounts payable	V.18	338,026,155.30	610,051,819.15
Contract liabilities	V.19	3,231,100.36	58,869,658.71
Employee pay payable	V.20	12,676,050.48	12,604,635.57
Taxes payable	V.21	164,156,368.96	93,311,374.13
Other payables	V.22	60,843,486.78	216,166,030.83
Non-current liabilities due within one year	V.23	53,251,039.77	25,535,396.29
Other current liabilities	V.24	217,560.84	575,221.24
Total current liabilities		892,418,736.59	1,242,656,407.32
Non-current liabilities:			
Long-term borrowings	V.25	111,211,249.89	86,098,749.34
Lease liabilities	V.26	278,839.61	341,332.16
Provisions	V.27	37,482,094.35	37,375,997.62
Deferred tax liabilities	V.13	—	3,246,663.25
Total non-current liabilities		148,972,183.85	127,062,742.37
Total liabilities		1,041,390,920.44	1,369,719,149.69

Consolidated Balance Sheet (continued)

30 June 2026
(Unit: RMB)

Item	Notes	30 June 2026 (Unaudited)	31 December 2025
Shareholders' equity:			
Share capital	V.28	152,577,043.00	110,296,643.00
Capital reserve	V.29	1,096,968,903.80	44,439,602.51
Other comprehensive income	V.30	(28,656,878.53)	(2,622,146.92)
Special reserve		317,434.35	3,233.63
Surplus reserve	V.31	27,816,757.83	27,816,757.83
Retained earnings	V.32	823,077,615.18	643,224,066.61
Total shareholder's equity attributable to the parent company		2,072,100,875.63	823,158,156.66
Total shareholders' equity		2,072,100,875.63	823,158,156.66
Total liabilities and shareholders' equity		3,113,491,796.07	2,192,877,306.35

These financial statements have been approved by the Board of Directors on 26 August 2026.

Yuan Rong
Legal representative

Yang Yongchang
Person in charge of
accounting work in the Company

Yang Yongchang
Head of the accounting department

The notes on pages 43 to 156 form part of these financial statements.

Company's Balance Sheet

30 June 2026
(Unit: RMB)

Item	Notes	30 June 2026 (Unaudited)	31 December 2025
Current assets:			
Cash at bank and on hand		634,266,559.33	86,787,457.30
Derivative financial assets		210,050.00	–
Accounts receivable	XVII.1	268,103,361.86	169,278,495.38
Prepayments		8,914,746.28	9,363,696.36
Other receivables	XVII.2	179,285,618.89	19,774,682.69
Inventories		62,747,667.28	66,744,355.51
Other current assets		–	26,061,887.50
Total current assets		1,153,528,003.64	378,010,574.74
Non-current assets:			
Long-term equity investment	XVII.3	569,539,795.36	183,985,662.66
Fixed assets		1,232,412.62	938,436.92
Construction in progress		–	–
Intangible assets		2,366,637.31	2,383,839.44
Deferred tax assets		186,573.27	175,973.97
Other non-current assets		33,106,638.11	57,012,242.84
Total non-current assets		606,432,056.67	244,496,155.83
Total assets		1,759,960,060.31	622,506,730.57

Company's Balance Sheet (continued)

30 June 2026
(Unit: RMB)

Item	Notes	30 June 2026 (Unaudited)	31 December 2025
Liabilities and shareholders' equity			
Current liabilities:			
Short-term borrowings		60,935,555.55	118,161,459.41
Derivative financial liabilities		—	251,350.00
Accounts payable		120,844,879.51	32,481,817.82
Contract liabilities		1,673,544.93	4,424,778.76
Employee pay payable		931,839.69	1,482,810.31
Taxes payable		20,514,472.71	6,196,666.04
Other payables		118,667,405.87	181,749,186.09
Other current liabilities		217,560.84	575,221.24
Total current liabilities		323,785,259.10	345,323,289.67
Total liabilities		323,785,259.10	345,323,289.67
Liabilities and shareholders' equity			
Shareholders' equity:			
Share capital		152,577,043.00	110,296,643.00
Capital reserve		1,095,792,840.70	43,263,539.41
Surplus reserve		29,947,360.76	29,947,360.76
Retained earnings		157,857,556.75	93,675,897.73
Total shareholders' equity		1,436,174,801.21	277,183,440.90
Total liabilities and shareholders' equity		1,759,960,060.31	622,506,730.57

These financial statements have been approved by the Board of Directors on 26 August 2026.

Yuan Rong
Legal representative

Yang Yongchang
Person in charge of
accounting work in the Company

Yang Yongchang
Head of the accounting department

The notes on pages 43 to 156 form part of these financial statements.

Consolidated Income Statement

For the period from 1 January 2026 to 30 June 2026
(Unit: RMB)

Item	Notes	For the six months ended 30 June 2026 (Unaudited)	For the six months ended 30 June 2025 (Unaudited)
I. Operating revenue	V.33	1,445,333,450.88	963,918,574.29
Less: Operating cost		960,397,850.63	705,945,778.83
Tax and surcharges	V.34	43,878,069.23	38,051,795.62
Selling expenses	V.35	7,835,279.17	6,251,981.19
Administrative expenses	V.36	70,571,703.07	44,318,099.25
R&D expenses	V.37	11,327,098.07	8,297,167.92
Financial expenses	V.38	19,205,638.33	2,016,185.58
Including: Interest expenses	V.38	7,618,749.76	7,833,485.52
Interest income	V.38	7,036,762.96	283,481.28
Add: Other income	V.39	125,216.15	32,641.40
Investment income	V.40	27,535,674.52	10,469,654.51
Gains from changes in fair value	V.41	1,738,255.40	966,438.74
Credit impairment losses	V.42	(16,352,657.68)	(9,159,500.85)
Asset impairment losses	V.43	(26,593,295.26)	–
Losses from disposal of assets	V.44	(71,074.91)	(48,910.48)
II. Operating profit		318,499,930.60	161,297,889.22
Add: Non-operating revenue	V.45	223,018.48	368,300.41
Less: Non-operating expenses	V.46	711,919.65	463,090.93
III. Total profit		318,011,029.43	161,203,098.70
Less: Income tax expenses	V.47	87,807,056.67	26,221,917.20
IV. Net profit		230,203,972.76	134,981,181.50
(I) Classified by operating continuity			
1. Net profits from continuing operations		230,203,972.76	134,981,181.50
(II) Classified by ownership			
1. Net profit attributable to the shareholders of the Company		230,203,972.76	134,981,181.50

Consolidated Income Statement (continued)

For the period from 1 January 2026 to 30 June 2026
(Unit: RMB)

Item	Notes	For the six months ended 30 June 2026 (Unaudited)	For the six months ended 30 June 2025 (Unaudited)
V. Other comprehensive income, net of tax		(26,034,731.61)	(1,551,816.19)
(I) Other comprehensive income attributable to the shareholders of the Company		(26,034,731.61)	(1,551,816.19)
1. Other comprehensive income not to be reclassified into profit or loss		—	—
2. Other comprehensive income to be reclassified into profit or loss		(26,034,731.61)	(1,551,816.19)
(1) Translation differences arising from translation of foreign currency financial statements		(26,034,731.61)	(1,551,816.19)
(II) Other comprehensive income attributable to non-controlling shareholders		—	—
VI. Total comprehensive income		204,169,241.15	133,429,365.31
(I) Total comprehensive income attributable to shareholders of the Company		204,169,241.15	133,429,365.31
VII. Earnings per share:			
(I) Basic earnings per share (RMB/share)	V.48	1.54	1.22
(II) Diluted earnings per share (RMB/share)	V.48	1.54	1.22

These financial statements have been approved by the Board of Directors on 26 August 2026.

Yuan Rong
Legal representative

Yang Yongchang
Person in charge of
accounting work in the Company

Yang Yongchang
Head of the accounting department

The notes on pages 43 to 156 form part of these financial statements.

Company's Income Statement

For the period from 1 January 2026 to 30 June 2026
(Unit: RMB)

Item	Notes	For the six months ended 30 June 2026 (Unaudited)	For the six months ended 30 June 2025 (Unaudited)
I. Operating revenue	XVII.4	297,590,961.33	89,363,600.89
Less: Operating cost	XVII.4	233,313,569.40	52,919,793.72
Tax and surcharges		303,105.59	41,872.41
Selling expenses		1,107,633.12	700,203.43
Administrative expenses		10,974,430.89	5,652,147.42
Financial expenses		26,612,673.32	1,557,709.60
Including: Interest expenses		948,891.32	1,060,618.85
Interest income		6,224,247.51	116,452.56
Add: Other income		33,512.62	27,091.47
Investment income	XVII.5	100,374,955.19	44,886,573.13
Gains/(losses) from changes in fair value		461,400.00	(17,380.75)
Credit impairment losses		(503,797.19)	(66,384.41)
II. Operating profit		125,645,619.63	73,321,773.75
Add: Non-operating revenue		18,000.11	48,300.16
Less: Non-operating expenses		250,130.91	155,175.92
III. Total profit		125,413,488.83	73,214,897.99
Less: Income tax expenses		10,881,405.62	6,943,317.37
IV. Net profit		114,532,083.21	66,271,580.62
(I) Net profit from continuing operations		114,532,083.21	66,271,580.62
V. Other comprehensive income, net of tax			
(I) Other comprehensive income not to reclassified into profit or loss		—	—
(II) Other comprehensive income to be reclassified into profit or loss		—	—
VI. Total comprehensive income		114,532,083.21	66,271,580.62

These financial statements have been approved by the Board of Directors on 26 August 2026.

Yuan Rong
Legal representative

Yang Yongchang
Person in charge of
accounting work in the Company

Yang Yongchang
Head of the accounting department

The notes on pages 43 to 156 form part of these financial statements.

Consolidated Cash Flow Statement

For the period from 1 January 2026 to 30 June 2026
(Unit: RMB)

Item	Notes	For the six months ended 30 June 2026 (Unaudited)	For the six months ended 30 June 2025 (Unaudited)
I. Cash flows from operating activities			
Cash received from sales of goods and rendering of services		1,476,549,778.86	1,110,187,879.41
Refunds of taxes		64,134,463.11	16,627,804.94
Other cash received relating to operating activities	V.49	20,666,900.84	20,823,190.97
Subtotal of cash inflows from operating activities		1,561,351,142.81	1,147,638,875.32
Cash paid for goods and services		1,483,948,649.27	888,732,625.26
Cash paid to and on behalf of employees		71,112,279.09	40,726,464.04
Cash paid for taxes and surcharges		63,848,280.80	50,264,930.46
Other cash paid relating to operating activities	V.49	137,102,744.08	56,383,294.22
Subtotal of cash outflows from operating activities		1,756,011,953.24	1,036,107,313.98
Net cash flows (used in)/generated from operating activities		(194,660,810.43)	111,531,561.34
II. Cash flows from investing activities			
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		6,250.00	119,352.18
Cash received relating to other investing activities	V.49	7,036,762.96	283,481.28
Subtotal of cash inflows from investing activities		7,043,012.96	402,833.46
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets		269,534,573.96	72,120,030.09
Subtotal of cash outflows from investing activities		269,534,573.96	72,120,030.09
Net cash flows used in investing activities		(262,491,561.00)	(71,717,196.63)

Consolidated Cash Flow Statement (continued)

For the period from 1 January 2026 to 30 June 2026
(Unit: RMB)

Item	Notes	For the six months ended 30 June 2026 (Unaudited)	For the six months ended 30 June 2025 (Unaudited)
III. Cash flows from financing activities			
Cash received from capital contributions		1,115,463,984.51	—
Cash received from borrowings		284,387,165.94	75,566,254.72
Other cash received relating to financing activities	V.49	—	78,735,822.00
Subtotal of cash inflows from financing activities		1,399,851,150.45	154,302,076.72
Cash paid for repayment of borrowings		193,772,021.63	66,635,044.19
Cash paid for distribution of dividends or profits or for interest expenses		48,439,301.52	10,508,216.97
Other cash paid relating to financing activities	V.49	105,093,793.55	114,083,564.07
Subtotal of cash outflows from financing activities		347,305,116.70	191,226,825.23
Net cash flows generated from/(used in) financing activities		1,052,546,033.75	(36,924,748.51)
IV. Effect of exchange rate changes on cash and cash equivalents		(23,317,490.46)	(280,673.31)
V. Net increase in cash and cash equivalents		572,076,171.86	2,608,942.89
Add: Balance of cash and cash equivalents at the beginning of the year		295,169,837.36	123,901,064.22
VI. Balance of cash and cash equivalents at the end of the period		867,246,009.22	126,510,007.11

These financial statements have been approved by the Board of Directors on 26 August 2026.

Yuan Rong
Legal representative

Yang Yongchang
Person in charge of
accounting work in the Company

Yang Yongchang
Head of the accounting department

The notes on pages 43 to 156 form part of these financial statements.

Company's Cash Flow Statement

For the period from 1 January 2026 to 30 June 2026
(Unit: RMB)

Item	Notes	For the six months ended 30 June 2026 (Unaudited)	For the six months ended 30 June 2025 (Unaudited)
I. Cash flows from operating activities			
Cash received from sales of goods and rendering of services		464,262,606.57	56,662,817.93
Refunds of taxes		15,330,864.81	1,734,875.25
Other cash received relating to operating activities		1,226,505.11	62,516,137.54
Subtotal of cash inflows from operating activities		480,819,976.49	120,913,830.72
Cash paid for goods and services		391,327,766.62	62,060,562.89
Cash paid to and on behalf of employees		20,373,972.20	14,539,271.63
Cash paid for taxes and surcharges		4,362,755.22	2,962,434.87
Other cash paid relating to operating activities		11,537,407.61	41,312,295.18
Subtotal of cash outflows from operating activities		427,601,901.65	120,874,564.57
Net cash flows from operating activities		53,218,074.84	39,266.15
II. Cash flows from investing activities			
Cash received from investment income		60,000,000.00	—
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		—	700.00
Cash received relating to other investing activities		6,224,247.51	116,452.56
Subtotal of cash inflows from investing activities		66,224,247.51	117,152.56
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets		1,075,974.77	1,994,014.50
Other cash paid relating to investing activities		104,170,744.80	7,171,700.00
Cash paid for investments		385,554,132.70	—
Subtotal of cash outflows from investing activities		490,800,852.27	9,165,714.50
Net cash flows used in investing activities		(424,576,604.76)	(9,048,561.94)

Company's Cash Flow Statement (continued)

For the period from 1 January 2026 to 30 June 2026
(Unit: RMB)

Item	Notes	For the six months ended 30 June 2026 (Unaudited)	For the six months ended 30 June 2025 (Unaudited)
III. Cash flows from financing activities			
Cash received from capital contributions		1,115,463,984.51	—
Cash received from borrowings		60,800,000.00	24,500,000.00
Other cash received relating to financing activities		—	5,000,000.00
Subtotal of cash inflows from financing activities		1,176,263,984.51	29,500,000.00
Cash paid for repayment of borrowings		118,000,000.00	26,500,000.00
Cash paid for distribution of dividends or profits or for interest expenses		37,376,327.15	1,092,386.12
Other cash paid relating to financing activities		83,225,738.73	10,489,847.02
Subtotal of cash outflows from financing activities		238,602,065.88	38,082,233.14
Net cash flows generated from/(used in) financing activities		937,661,918.63	(8,582,233.14)
IV. Effect of exchange rate changes on cash and cash equivalents		(18,824,286.68)	(13,741.02)
V. Net increase in cash and cash equivalents		547,479,102.03	(17,605,269.95)
Add: Balance of cash and cash equivalents at the beginning of the year		86,787,457.30	25,219,512.99
VI. Balance of cash and cash equivalents at the end of the period		634,266,559.33	7,614,243.04

These financial statements have been approved by the Board of Directors on 26 August 2026.

Yuan Rong
Legal representative

Yang Yongchang
Person in charge of
accounting work in the Company

Yang Yongchang
Head of the accounting department

The notes on pages 43 to 156 form part of these financial statements.

Consolidated Statements of Changes in Equity

For the period from 1 January 2026 to 30 June 2026
(Unit: RMB)

Item	For the six months ended 30 June 2026 (Unaudited)						
	Equity attributable to shareholders of the Company						Total
	Share capital	Capital reserve	Other comprehensive income	Special reserve	Surplus reserve	Retained earnings	
I. Balance at the beginning of the current year	110,296,643.00	44,439,602.51	(2,622,146.92)	3,233.63	27,816,757.83	643,224,066.61	823,158,156.66
II. Amounts of increase or decrease in the current year ("-" for decrease)							
(I) Total comprehensive income	-	-	(26,034,731.61)	-	-	230,203,972.76	204,169,241.15
(II) Capital contribution and reduction by owners							
1. Ordinary shares contributed by shareholders	42,280,400.00	1,052,174,015.65	-	-	-	-	1,094,454,415.65
2. Employees share-based payments	-	355,285.64	-	-	-	-	355,285.64
(III) Profit distribution							
1. Appropriation of surplus reserve	-	-	-	-	-	-	-
2. Distribution to shareholders	-	-	-	-	-	(50,350,424.19)	(50,350,424.19)
(IV) Special reserves							
1. Appropriations during the current year	-	-	-	314,200.72	-	-	314,200.72
2. Utilization during the current year	-	-	-	-	-	-	-
III. Balance at the end of the current year	152,577,043.00	1,096,968,903.80	(28,656,878.53)	317,434.35	27,816,757.83	823,077,615.18	2,072,100,875.63

Consolidated Statements of Changes in Equity (continued)

For the period from 1 January 2026 to 30 June 2026
(Unit: RMB)

Item	For the six months ended 30 June 2025 (Unaudited)						
	Equity attributable to shareholders of the Company						
	Share capital	Capital reserve	Other comprehensive income	Special reserve	Surplus reserve	Retained earnings	Total
I. Balance at the beginning of the current year	110,296,643.00	43,724,701.78	7,858,211.50	-	22,239,222.28	350,864,824.15	534,983,602.71
II. Amounts of increase or decrease in the current year ("-" for decrease)							
(I) Total comprehensive income	-	-	(1,551,816.19)	-	-	134,981,181.50	133,429,365.31
(II) Capital contribution and reduction by owners							
1. Employees share-based payments	-	326,679.13	-	-	-	-	326,679.13
(III) Profit distribution							
1. Appropriation of surplus reserve	-	-	-	-	6,627,158.06	(6,627,158.06)	-
2. Distribution to shareholders	-	-	-	-	-	-	-
(IV) Special reserves							
1. Appropriations during the current year	-	-	-	-	-	-	-
2. Utilization during the current year	-	-	-	-	-	-	-
III. Balance at the end of the current year	110,296,643.00	44,051,380.91	6,306,395.31	-	28,866,380.34	479,218,847.59	668,739,647.15

These financial statements have been approved by the Board of Directors on 26 August 2026.

Yuan Rong
Legal representative

Yang Yongchang
Person in charge of
accounting work in the Company

Yang Yongchang
Head of the accounting department

The notes on pages 43 to 156 form part of these financial statements.

Company's Statement of Changes in Equity

For the period from 1 January 2026 to 30 June 2026
(Unit: RMB)

Item	For the six months ended 30 June 2026 (Unaudited)				
	Share capital	Capital reserve	Surplus reserve	Retained earnings	Total
I. Balance at the beginning of the current year	110,296,643.00	43,263,539.41	29,947,360.76	93,675,897.73	277,183,440.90
II. Amounts of increase or decrease in the current year ("-" for decrease)					
(I) Total comprehensive income	-	-	-	114,532,083.21	114,532,083.21
(II) Capital contribution and reduction by owners					
1. Ordinary shares contributed by shareholders	42,280,400.00	1,052,174,015.65	-	-	1,094,454,415.65
2. Employees share-based payments	-	355,285.64	-	-	355,285.64
(III) Profit distribution					
1. Appropriation of surplus reserve	-	-	-	-	-
2. Distribution to shareholders	-	-	-	(50,350,424.19)	(50,350,424.19)
III. Balance at the end of the current year	152,577,043.00	1,095,792,840.70	29,947,360.76	157,857,556.75	1,436,174,801.21

Company's Statement of Changes in Equity (continued)

For the period from 1 January 2026 to 30 June 2026
(Unit: RMB)

Item	For the six months ended 30 June 2025 (Unaudited)				Total
	Share capital	Capital reserve	Surplus reserve	Retained earnings	
I. Balance at the beginning of the current year	110,296,643.00	42,548,638.68	24,369,825.21	74,361,137.83	251,576,244.72
II. Amounts of increase or decrease in the current year ("-" for decrease)					
(I) Total comprehensive income	-	-	-	66,271,580.62	66,271,580.62
(II) Capital contribution and reduction by owners					
1. Employees share-based payments	-	326,679.13	-	-	326,679.13
(III) Profit distribution					
1. Appropriation of surplus reserve	-	-	6,627,158.06	(6,627,158.06)	-
2. Distribution to shareholders	-	-	-	-	-
III. Balance at the end of the current year	110,296,643.00	42,875,317.81	30,996,983.27	134,005,560.39	318,174,504.47

These financial statements have been approved by the Board of Directors on 26 August 2026.

Yuan Rong
Legal representative

Yang Yongchang
Person in charge of
accounting work in the Company

Yang Yongchang
Head of the accounting department

The notes on pages 43 to 156 form part of these financial statements.

Notes to Interim Financial Statements

(Unless otherwise specified, RMB is the monetary unit)

GENERAL INFORMATION ABOUT THE COMPANY

I. COMPANY OVERVIEW

Yunnan Jinxun Resources Co., Ltd. (the “Company”) was incorporated in China on 21 January 2010 under the Company Law of the People’s Republic of China, and was restructured into a joint stock company with limited liability on 15 July 2016. Its NEEQ and H shares are listed on the National Equities Exchange and Quotations (“NEEQ”) and the Main Board of The Stock Exchange of Hong Kong Limited, respectively.

The consolidated financial statements are presented in Renminbi, which is also the functional currency of the Company and its domestic subsidiaries. The Group is principally engaged in the smelting, trading, and sale of copper, cobalt and other non-ferrous metals.

II. BASIS OF PREPARATION

The Company has prepared the financial statements on a going concern basis.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

The accounting policies adopted by the Group in respect of the recognition and measurement of bad debt provisions on receivables, the recognition and measurement of receivables and payables under deferred pricing arrangements, the measurement of inventories, the depreciation of fixed assets, the amortization of intangible assets, and the recognition and measurement of revenue are formulated in accordance with the operating characteristics of the Group’s relevant businesses; the specific policies are set out in the relevant notes.

1. Statement of Compliance with Accounting Standards for Business Enterprises

These interim financial statements have been prepared in accordance with Accounting Standards for Business Enterprises – No. 32 Interim Financial Reporting issued by the Ministry of Finance.

In addition, the Group’s financial statements also comply with the disclosure requirements of Compilation Rules No. 15 for Information Disclosure by Companies Offering Securities to the Public – General Requirements for Financial Reporting (2023 Revision) and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

2. Accounting Period

The accounting year of the Company runs from 1 January to 31 December of each calendar year.

Notes to Interim Financial Statements (continued)

(Unless otherwise specified, RMB is the monetary unit)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

3. Functional Currency

The functional currency of the Company is RMB, and the currency used in the preparation of the financial statements is also RMB. The basis for the Company and its subsidiaries to select their functional currency is the currency used for pricing and settlement of receipts and payments for their main businesses. Some of the Company's subsidiaries use a currency other than the Company's functional currency as their functional currency. During the preparation of these financial statements, the foreign-currency financial statements of these subsidiaries are translated in accordance with Note III.9.

4. Operating Cycle

The Group defines its normal operating cycle as the period from the purchase of assets for processing to the realization of cash or cash equivalents. The operating cycle for the Group's main businesses is generally less than 12 months.

5. Determination Method and Selection Basis of Materiality Criteria

Item	Materiality Criteria
Significant receivables with bad debt provisions made on an individual basis	10% of profit before tax
Recoveries or reversals of bad debt provisions on receivables that are significant in amount in the current period	10% of profit before tax
Significant construction in progress	Construction in progress with an individual breakdown amount exceeding 0.1% of total assets and exceeding RMB10 million is regarded by the Company as significant
Significant cash flows from investing activities	Cash flows from investing activities that individually exceed 5% of the total assets are regarded by the Company as significant cash flows from investing activities
Significant accounts payable/other payables aged over one year	Accounts payables/other payables aged over one year and with amounts exceeding RMB2 million are regarded as significant
Significant joint ventures or associates	Joint ventures or associates are regarded as significant if the book value of the long-term equity investment in a single investee at the end of the period exceeds 5% of the Group's total assets at the end of the period, or if they have significant influence on the Group

Notes to Interim Financial Statements (continued)

(Unless otherwise specified, RMB is the monetary unit)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

6. Accounting Treatment Methods for Business Combinations Under Common Control and Not Under Common Control

A transaction or event constitutes a business combination when the Group obtains control of one or more entities (or a group of assets or net assets) which meet the definition of a business. Business combinations are classified as either business combinations involving enterprises under common control or business combinations not involving enterprises under common control.

For a transaction not involving enterprises under common control, the acquirer determines whether an acquired set of assets constitutes a business. The Group may elect to apply the simplified assessment method, the concentration test, to determine whether an acquired set of assets is a business. If the concentration test is met, the set of assets is determined not to be a business, no further assessment is needed. If the concentration test is not met, the Group should perform the assessment according to the guidance on the determination of a business.

When the set of assets the Group acquired does not constitute a business, acquisition costs should be allocated to each identifiable asset and liability on the basis of their relative fair values at the date of acquisition. The accounting treatments for business combinations described below are not applied.

(1) Business combinations under common control

A combination where the parties involved are ultimately controlled by the same party or parties both before and after the combination, and such control is not temporary, is a business combination under common control. The assets and liabilities acquired by the combining party in a business combination are measured at their book values in the ultimate controlling party's consolidated financial statements as at the combination date. The difference between the book value share of the net assets acquired and the book value of the consideration paid for the combination (or the total par value of shares issued) is adjusted against the share premium in capital reserve. If the share premium in capital reserve is insufficient to offset, surplus reserve and retained earnings are offset in sequence. Directly related expenses incurred for the business combination are recognized in current profit or loss as incurred. The combination date is the date on which the combining party actually obtains control over the combined party.

Notes to Interim Financial Statements (continued)

(Unless otherwise specified, RMB is the monetary unit)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

6. Accounting Treatment Methods for Business Combinations Under Common Control and Not Under Common Control (continued)

(2) *Business combinations not under common control*

A combination where the parties involved are not ultimately controlled by the same party or parties both before and after the combination is a business combination not under common control. As the acquirer, the Group measures the difference, after considering the related deferred tax effects, between the sum of the fair values of the assets given (including any held equity in the acquiree prior to the acquisition date), liabilities incurred or assumed and the equity securities issued on the acquisition date in exchange for control of the acquiree, and the fair value share of the acquiree's identifiable net assets acquired at the acquisition date; if positive, the difference is recognized as goodwill; if negative, the difference is recognized in current profit or loss. All direct costs incurred by the Group for the business combination are recognized in current profit or loss. On the acquisition date, the Group recognizes at fair value all identifiable assets, liabilities, and contingent liabilities of the acquiree that meet the recognition criteria. The acquisition date refers to the date on which the acquirer actually obtains control over the acquiree.

7. Judgment Criteria for Control and Methods for Preparing Consolidated Financial Statements

(1) *General Principles*

The scope of consolidation for the consolidated financial statements is determined based on control, including the Company and its controlled subsidiaries. Control refers to the Group's having power over the investee, exposure to variable returns through its involvement in the investee's relevant activities, and the ability to use its power over the investee to affect the amount of the returns. The financial position, operating results, and cash flows of subsidiaries are included in the consolidated financial statements from the date control commences until the date control ceases.

All intra-group transactions and balances, including unrealized profits or losses arising from intra-group transactions, have been offset on consolidation. Unrealized losses arising from intra-group transactions are recognized in full if there is evidence that the losses are impairment losses of the relevant assets.

Notes to Interim Financial Statements (continued)

(Unless otherwise specified, RMB is the monetary unit)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

7. Judgment Criteria for Control and Methods for Preparing Consolidated Financial Statements (continued)

(2) *Subsidiaries Acquired Through Combinations*

For subsidiaries acquired through business combinations under common control, during the preparation of the consolidated financial statements for the current period, the assets and liabilities of the merged subsidiary are based on their book values in the financial statements of the ultimate controlling party. The merged subsidiary is deemed to have been included in the Company's scope of consolidation from the date the ultimate controlling party commences exercising control over it, and the opening balances of the consolidated financial statements and comparative statements for prior periods are adjusted accordingly.

For subsidiaries acquired through business combinations not under common control, during the preparation of the consolidated financial statements for the current period, the acquiree is included in the Company's scope of consolidation from the acquisition date, based on the fair values of the acquiree's identifiable assets and liabilities determined on the acquisition date.

(3) *Disposal of Subsidiaries*

When the Group loses control over a former subsidiary, any resulting gain or loss on disposal is recognized in investment income for the period in which control is lost.

8. Criteria for Determining Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and cash in bank that can be available for payment at any time, and investments with a short holding period, strong liquidity, easy convertibility into a known amount of cash, and an insignificant risk of changes in value.

Notes to Interim Financial Statements (continued)

(Unless otherwise specified, RMB is the monetary unit)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

9. Foreign-Currency Transactions and Foreign-Currency Financial Statement Translation

When the Group receives capital contributions from investors in foreign currencies, such contributions are translated into RMB at the spot exchange rate on the date of receipt. Other foreign-currency transactions are translated into RMB at an exchange rate approximating the spot exchange rate on the date of the transaction at initial recognition. An exchange rate approximating the spot exchange rate is the average exchange rate for the current period, determined by a systematic and reasonable method and approximating the spot exchange rate on the transaction date.

At the balance sheet date, monetary items denominated in foreign currencies are translated at the spot exchange rate on that date. Except for the exchange differences arising from the principal and interest of specific borrowings related to the acquisition or construction of assets eligible for capitalization (refer to Note III.15), all other exchange differences are recognized in the current profit or loss. Non-monetary items denominated in foreign currencies measured at historical cost are still translated at the spot exchange rate on the transaction date.

During the translation of the financial statements of foreign operations, asset and liability items in the balance sheet are translated using the spot exchange rate at the balance sheet date. All shareholders' equity items, except for retained earnings and exchange difference items arising from the translation of foreign-currency financial statements recognized in other comprehensive income, are translated using the spot exchange rate on the transaction date. Income and expense items in the income statement are translated using the exchange rate approximating the spot exchange rate on the transaction date. The exchange differences arising from the translation of foreign-currency financial statements by the above method are included in other comprehensive income. Upon disposal of a foreign operation, the related exchange differences arising from the translation of foreign-currency financial statements are reclassified from other comprehensive income to current profit or loss for the current period of disposal.

Notes to Interim Financial Statements (continued)

(Unless otherwise specified, RMB is the monetary unit)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

10. Financial Instruments

The Group's financial instruments include cash at bank and on hand, equity investments other than long-term equity investments (see Note III.12), receivables, payables, borrowings, and share capital.

(1) *Recognition and initial measurement of financial assets and financial liabilities*

Financial assets and financial liabilities are recognized in the balance sheet when the Group becomes a party to the contractual provisions of the relevant financial instruments.

At the time of initial recognition, financial assets and financial liabilities are measured at fair value. For financial assets or financial liabilities measured at fair value through current profit or loss (FVTPL), relevant transaction expenses are directly recognized in the current profit or loss; for other categories of financial assets or financial liabilities, relevant transaction expenses are included in the amount of initial recognition. For accounts receivable that do not contain a significant financing component or for which the financing component within a contract of no more than one year is not considered, the Group measures them initially at the transaction price determined in accordance with the accounting policies set out in Note III.22.

(2) *Classification and subsequent measurement of financial assets*

(a) *Classification of the Group's financial assets*

The Group usually classifies financial assets into the following categories at initial recognition based on the business model for managing financial assets and the contractual cash flow characteristics of financial assets: financial assets measured at amortized cost, financial assets at fair value through other comprehensive income (FVTOCI), and financial assets measured at FVTPL.

Financial assets cannot be reclassified after initial recognition unless the Group changes its business model for managing financial assets, in which case all related affected financial assets are reclassified on the first day of the first reporting period following the change in business model.

The Group classifies financial assets that simultaneously meet the following conditions and are not designated as at FVTPL as financial assets measured at amortized cost:

- The business model of the Group for managing financial assets aims at collecting contractual cash flows;
- Cash flows generated on a specified date according to the contractual terms of the financial assets are solely payments of principal and interest on the principal amount outstanding.

Notes to Interim Financial Statements (continued)

(Unless otherwise specified, RMB is the monetary unit)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

10. Financial Instruments (continued)

(2) *Classification and subsequent measurement of financial assets (continued)*

(a) *Classification of the Group's financial assets (continued)*

For financial assets that simultaneously meet the following conditions and that are not designated as financial assets at FVTPL, the Group classifies them as financial assets at FVTOCI:

- The Group's business model for managing the financial assets is to collect contractual cash flows and sell the financial assets;
- Cash flows generated on a specified date according to the contractual terms of the financial assets are solely payments of principal and interest on the principal amount outstanding.

For non-trading equity instrument investments, the Group may, at initial recognition, irrevocably designate them as financial assets at FVTOCI. 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.

Apart from the financial assets at FVTOCI as set out above, the Group classifies all of its other financial assets as financial assets at FVTPL. The Group's trade and sales contracts for cathode copper and other non-ferrous metals contain provisional priced sales arrangements, stipulating that the final settlement price is based on market prices in a specified future period after goods delivery. As the contractual cash flows of accounts receivables under these deferred-pricing sales arrangements contain commodity price fluctuations and are not solely payments of principal and interest on the principal amount outstanding, the Group classifies them as financial assets at FVTPL.

The business model for managing financial assets refers to how the Group manages financial assets to generate cash flows. The business model determines whether the source of cash flows from the financial assets managed by the Group is the collection of contractual cash flows, the sale of financial assets, or a combination of both. The Group determines the business model for managing financial assets based on objective facts and the specific business objectives for managing financial assets as decided by key management personnel. The Group assesses the contractual cash flow characteristics of financial assets to determine whether the contractual cash flows generated by the relevant financial assets at a specific date are solely payments of principal and interest on the principal amount outstanding. Among these, the principal refers to the fair value of the financial asset at the time of initial recognition; the interest includes consideration for the time value of money, credit risk associated with the principal amount outstanding during a specific period, as well as other basic lending risks, costs, and profits. In addition, the Group assesses the contractual terms that may result in changes to the timing or amount of contractual cash flows of financial assets to determine whether such terms meet the requirements of the aforementioned contractual cash flow characteristics.

Notes to Interim Financial Statements (continued)

(Unless otherwise specified, RMB is the monetary unit)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

10. Financial Instruments (continued)

(2) Classification and subsequent measurement of financial assets (continued)

(b) Subsequent measurement of financial assets of the Group

- Financial assets at FVTPL

After initial recognition, financial assets of this category are subsequently measured at fair value, and the generated gains or losses (including interest and dividend income) are recognized in the current profit or loss, unless the financial assets are a part of a hedging relationship.

- Financial assets measured at amortized cost

After initial recognition, this category of financial assets is measured at amortized cost using the effective interest rate method. Gains or losses arising from financial assets that are measured at amortized cost and are not part of any hedging relationship are recognized in the current profit or loss when the financial assets are derecognized, amortized using the effective interest rate method, or recognized with impairment loss.

- Debt investments at FVTOCI

After initial recognition, financial assets in this category are subsequently measured at fair value. Interest calculated using the effective interest rate method, impairment gains or losses, and gains or losses on foreign exchange shall be recognized in current profit or loss, while other gains or losses are recognized in other comprehensive income. Accumulated gains or losses that are previously recognized in other comprehensive income should be transferred out from other comprehensive income into current profit or loss when the financial assets are derecognized.

- Equity instrument investments at FVTOCI

After initial recognition, financial assets in this category are subsequently measured at fair value. Dividend income is recognized in profit or loss; other gains or losses are recognized in other comprehensive income. Accumulated gains or losses that are previously recognized in other comprehensive income should be transferred out into retained earnings when the financial assets are derecognized.

Notes to Interim Financial Statements (continued)

(Unless otherwise specified, RMB is the monetary unit)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

10. Financial Instruments (continued)

(3) *Classification and subsequent measurement of financial liabilities*

The Group classifies financial liabilities into financial liabilities at FVTPL and financial liabilities at amortized cost. Trade payables arising from provisional pricing arrangements of copper ores and other non-ferrous metal purchase are settled at final prices set at a specified future period after shipment by suppliers based on prevailing spot prices. The Group designates the entire accounts payable containing these deferred pricing terms as financial liabilities at FVTPL.

- Financial liabilities at FVTPL

Such financial liabilities include held-for-trading financial liabilities (including derivatives that are financial liabilities) and financial liabilities that are designated as at FVTPL.

After initial recognition, such financial liabilities are subsequently measured at fair value, and any gains or losses incurred, except for those related to hedge accounting, are recognized in current profit or loss.

- Financial liabilities measured at amortized cost

After initial recognition, the financial liabilities of this category are measured at amortized cost using the effective interest rate method.

(4) *Offsetting*

Financial assets and financial liabilities are presented separately in the balance sheet and are not offset against each other. However, they are presented in the balance sheet at the net amount after offsetting if both of the following conditions are met:

- The Group has the legal right to offset the recognized amount, and the legal right is currently enforceable;
- The Group intends either to settle on a net basis, or to realize the financial assets and settle the financial liabilities simultaneously.

Notes to Interim Financial Statements (continued)

(Unless otherwise specified, RMB is the monetary unit)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

10. Financial Instruments (continued)

(5) *Derivative financial instruments*

The Group's derivative financial instruments primarily consist of commodity futures contracts entered into to manage risks related to commodity price changes. Derivative financial instruments are initially measured at fair value on the date the derivative transaction contract is entered into, and subsequently measured at their fair value. Derivative financial instruments with a positive fair value are recognized as an asset, while those with a negative fair value are recognized as a liability. Gains or losses arising from changes in the fair value of derivative instruments are directly recognized in current profit or loss.

(6) *Derecognition of financial assets and financial liabilities*

The Group derecognizes financial assets when one of the following conditions is met:

- The contractual right to receive the cash flow from the financial asset expires;
- The financial asset has been transferred, and the Group has transferred substantially all the risks and rewards of ownership of the financial asset to the transferee;
- The financial asset has been transferred, and although the Group has neither transferred nor retained substantially all the risks and rewards of ownership of the financial asset, it has not retained control of the financial asset.

If the transfer of a financial asset entirely meets the derecognition criteria, the difference between the following two amounts shall be recognized by the Group in current profit or loss:

- The book value of the transferred financial assets on the derecognition date;
- Sum of the consideration received from the transfer of financial assets and the accumulative amount of the changes of the fair value originally recognized in other comprehensive income corresponding to the portion derecognized (where the transferred financial assets refer to debt investments at FVTOCI).

The Group derecognizes a financial liability in part or in whole only if the present obligations of the financial liability have been relieved in part or in whole.

Notes to Interim Financial Statements (continued)

(Unless otherwise specified, RMB is the monetary unit)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

10. Financial Instruments (continued)

(7) Impairment

Based on expected credit losses, the Group performs impairment accounting for the following items and recognizes loss provisions:

- Financial assets measured at amortized cost;

Measurement of expected credit losses

Expected credit losses refer to the weighted average of credit losses of financial instruments with the risk of default as the weight. Credit losses refer to the difference discounted at the original effective interest rate between all contractual cash flows receivable under the contract and all cash flows expected to be received by the Group, that is, the present value of all cash shortfalls.

During measurement of the expected credit losses, the longest period that the Group needs to consider is the longest contract period during which the Group faces credit risk (including consideration of renewal options).

Lifetime expected credit losses refer to the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses refer to the expected credit losses that result from default events of a financial instrument that are possible within 12 months after the balance sheet date (or within the expected life of the financial instrument if its expected life is less than 12 months). They are a portion of lifetime expected credit losses.

For notes receivable, accounts receivable and receivable financing arising from the daily operating activities of sales of goods and rendering of services, the Group always measures the loss provisions at an amount equivalent to the lifetime expected credit losses. The Group calculates the expected credit losses of the aforementioned financial assets based on historical credit loss experience and using an allowance matrix. The relevant historical experience is adjusted based on the specific factors of the debtors as at the balance sheet date, and the assessment of current conditions and forecasts of future economic conditions.

Notes to Interim Financial Statements (continued)

(Unless otherwise specified, RMB is the monetary unit)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

10. Financial Instruments (continued)

(7) Impairment (continued)

Measurement of expected credit losses (continued)

Except for notes receivable, accounts receivable and receivable financing, the Group measures the loss provisions of financial instruments at an amount equivalent to 12-month expected credit losses if the financial instruments meet the following conditions. For other financial instruments, the loss provisions are measured at an amount equivalent to lifetime expected credit losses:

- The financial instruments have only low credit risk as at the balance sheet date; or
- The credit risk of the financial instrument has not increased significantly since initial recognition.

Provision for bad debts on accounts receivable

(a) Classification and determination basis of portfolios with bad debt provisions accrued by portfolio of credit risk characteristics

Notes receivable	Based on the different credit risk characteristics of acceptors, the Group classifies notes receivable into two portfolios: bank acceptance bills and commercial acceptance bills.
Accounts receivable	Based on the Group's historical experience, there is no significant difference in the loss occurrence among different customer groups. Therefore, the Group treats all accounts receivable from general customers as a single portfolio and does not further differentiate customer groups in calculating the provision for bad debts of accounts receivable. The Group does not make impairment provisions for subsidiaries within the scope of consolidation.
Receivable financing	The Group's receivable financing comprises bank acceptance bills held with dual holding objectives. As all accepting banks are financial institutions with high credit ratings, the Group treats all receivable financing as a single portfolio.
Other receivables	The Group's other receivables primarily include VAT refunds receivable from overseas governments, deposits and guarantees receivable, and staff advances receivable. Based on the nature of the receivables and the credit risk characteristics of different counterparties, the Group divides other receivables into three portfolios: long-term VAT refunds receivable from overseas governments, short-term VAT refunds receivable from overseas governments, and other amounts receivable.

Notes to Interim Financial Statements (continued)

(Unless otherwise specified, RMB is the monetary unit)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

10. Financial Instruments (continued)

(7) Impairment (continued)

Provision for bad debts on accounts receivable (continued)

(b) Criteria for judgment of provision for bad debts accrued individually

For notes receivable, accounts receivable, receivable financing, and other receivables, the Group generally measures loss provisions based on portfolios of credit risk characteristics. If the credit risk characteristics of a counterparty are significantly different from those of other counterparties within the portfolio, or if there is a significant change in the counterparty's credit risk characteristics, the loss provision is made on an individual basis for amounts due from that counterparty. For example, when a counterparty experiences significant financial difficulties, and the expected credit loss rate for amounts due from that counterparty is significantly higher than the expected credit loss rate for its aging bracket, a loss provision is made for it on an individual basis.

Low credit risk

A financial instrument is considered to have low credit risk if: the financial instrument has a low risk of default; the borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfill its contractual cash flow obligations.

Significant increase in credit risk

The Group compares the risk of default on the balance sheet date of a financial instrument with the risk of default on the initial recognition date to assess whether the credit risk of the financial instrument has increased significantly since the initial recognition.

In determining whether the credit risk has increased significantly since initial recognition, the Group considers reasonable and supportable information available without undue additional cost or effort, including forward-looking information. The information considered by the Group includes:

- The debtor failing to pay principal and interest by the contractual maturity date;
- A significant deterioration in the external or internal credit ratings (if any) of the financial instrument that has occurred or is expected to occur;
- A significant deterioration in the debtor's operating results that has occurred or is expected to occur;

Notes to Interim Financial Statements (continued)

(Unless otherwise specified, RMB is the monetary unit)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

10. Financial Instruments (continued)

(7) Impairment (continued)

Significant increase in credit risk (continued)

- Existing or expected changes in the technological, market, economic, or legal environment that will have a material adverse impact on the debtor's ability to make repayment to the Group.

If the number of days overdue exceeds 30 days, the Group determines that the credit risk of financial instruments has increased significantly.

Credit-impaired financial assets

The Group evaluates, at the balance sheet date, whether financial assets measured at amortized cost and debt investments at FVTOCI have become credit-impaired. A financial asset becomes credit-impaired when one or more events that have an adverse impact on the expected future cash flows of the financial asset have occurred. Evidence that a financial asset has become credit-impaired includes the following observable information:

- The issuer or debtor is in significant financial difficulties;
- The debtor breaches the contract, such as default in interest payment or principal repayment;
- The Group makes a concession to the debtor which it will not make under any other circumstances for the economic or contractual considerations in connection with the debtor's financial difficulties;
- The debtor is likely to become bankrupt or go into other financial restructuring proceedings;
- The active market for the financial asset disappears due to the financial difficulties of the issuer or debtor.

Presentation of provisions for expected credit losses

In order to reflect the changes in the credit risk of financial instruments since initial recognition, the Group remeasures the expected credit losses on each balance sheet date, and the resulting increase or reversal of the loss provisions shall be recognized as an impairment loss or gain in the current profit or loss. For a financial asset measured at amortized cost, the loss provision reduces the book value of such financial asset presented in the balance sheet; for a debt investment at FVTOCI, the loss provision shall be recognized by the Group in other comprehensive income and shall not reduce the book value of such financial asset.

Notes to Interim Financial Statements (continued)

(Unless otherwise specified, RMB is the monetary unit)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

10. Financial Instruments (continued)

(7) *Impairment (continued)*

Write-offs

If the Group no longer reasonably expects that the contractual cash flows of a financial asset can be recovered in whole or in part, it will directly write down the carrying balance of the financial asset. Such write-down constitutes the derecognition of the related financial asset. This situation usually occurs when the Group determines that the debtor has no assets or income sources to generate sufficient cash flows so as to cover the amount that will be written down. However, the written-down financial asset may still be subject to the Group's enforcement activities related to collecting overdue amounts.

If the written-down financial asset is subsequently recovered, the recovery is recognized as a reversal of impairment loss in the profit or loss of the period when the recovery is made.

11. Inventories

(1) *Categories of inventories*

Inventories include raw materials, work in progress, semi-finished goods, finished goods, and turnover materials. Turnover materials refer to low-value consumables, packaging materials, and other materials that can be used multiple times but do not meet the definition of fixed assets.

In addition to the purchase cost of raw materials, the cost of work-in-progress and finished goods include direct labor and production overheads allocated based on normal output and in appropriate proportions.

(2) *Valuation method of inventories issued*

The actual cost of inventories issued is measured using the weighted average method.

(3) *Inventory system*

The perpetual inventory method is adopted in the Group's inventory system.

(4) *Amortization method of low-value consumables and packaging materials*

Turnover materials such as low-value consumables and packaging materials are amortized by a one-time write-off and are recognized in the cost of relevant assets or current profit or loss.

Notes to Interim Financial Statements (continued)

(Unless otherwise specified, RMB is the monetary unit)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

11. Inventories (continued)

(5) *Recognition criteria and accrual method of provision for decline in value of inventories*

As at the balance sheet date, inventories are measured at the lower of their cost and net realizable value. If the cost calculated by inventory category is higher than the net realizable value, the difference is recognized as a provision for decline in value of inventories and included in the current profit or loss.

For raw materials held for production, their net realizable value is determined based on the net realizable value of the finished goods they will produce. For inventories held to fulfill sales contracts or service contracts, their net realizable value is calculated based on the contract price. When the quantity of inventories held exceeds the quantity ordered in the relevant contracts, the net realizable value of the excess inventories is calculated based on general selling prices.

12. Long-Term Equity Investment

(1) *Determination of investment cost for long-term equity investments*

(a) *Long-term equity investments formed through business combinations*

- For long-term equity investments in subsidiaries formed through business combinations under common control, the Company recognizes the share of the book value of the owners' equity of the combined party in the ultimate controlling party's consolidated financial statements at the combination date as the initial cost of long-term equity investments. The difference between the initial cost of long-term equity investments and the book value of the consideration paid is adjusted against the share premium in the capital reserve; if the share premium in the capital reserve is insufficient to offset, surplus reserve and retained earnings are offset in sequence.
- For long-term equity investments in subsidiaries formed through combinations not under common control, the Company recognizes the fair value of assets transferred, liabilities incurred or assumed, and equity instruments issued to obtain control over the acquiree on the acquisition date as the initial investment cost of such investments.

(b) *Long-term equity investments acquired by other means*

- For long-term equity investments acquired by means other than business combinations: if acquired by cash payment, the Group recognizes the actual purchase price paid as the initial investment cost at initial recognition; if acquired by issuing equity securities, the Group recognizes the fair value of the issued equity securities as the initial investment cost at initial recognition.

Notes to Interim Financial Statements (continued)

(Unless otherwise specified, RMB is the monetary unit)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

12. Long-Term Equity Investment (continued)

(2) *Subsequent measurement and recognition method of profit or loss for long-term equity investments*

(a) *Investments in subsidiaries*

In the Company's separate financial statements, the Company uses the cost method to subsequently measure its long-term equity investments in subsidiaries. The portion of cash dividends or profits declared for distribution by the investee that is attributable to the Company is recognized as current investment income.

(b) *Investments in joint ventures and associates*

A joint venture refers to an arrangement where the Group and other ventures have joint control (see Note III.12(3)) and only have rights to the net assets of the arrangement. An associate refers to an entity over which the Group is able to exercise significant influence (see Note III.12(3)).

For subsequent measurement, long-term equity investments in joint ventures and associates are accounted for using the equity method, unless the investment qualifies as held for sale.

After acquiring investments in joint ventures and associates, the Group recognizes investment profit or loss and other comprehensive income respectively and adjusts the book value of long-term equity investments, based on its share of the net profit or loss and other comprehensive income realized by the investees. The Group's share of profits or cash dividends declared by the investees reduces the book value of the long-term equity investments accordingly.

Unrealized gains or losses arising from internal transactions between the Group and its associates and joint ventures are offset in proportion to the Group's share when applying the equity method of accounting. Unrealized losses arising from internal transactions are recognized in full if there is evidence that the losses are impairment losses of the relevant assets.

In respect of the Group's share of net losses of a joint venture or associate, the Group shall write down to zero the book value of the long-term equity investment and other long-term interests that, in substance, form part of the Group's net investment in the joint venture or associate, unless the Group has an obligation to bear additional losses. If the joint venture or associate subsequently generates net profits, the Group resumes recognizing its share of income after its share of income compensates for the unrecognized share of losses.

Notes to Interim Financial Statements (continued)

(Unless otherwise specified, RMB is the monetary unit)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

12. Long-Term Equity Investment (continued)

(3) *Criteria for determining joint control and significant influence over an investee*

Joint control is the contractually agreed sharing of control over an arrangement, which exists only when decisions about the relevant activities of the arrangement (that is, activities that significantly affect the returns of the arrangement) require the unanimous consent of the parties sharing control.

When assessing whether joint control exists over an investee, the Group generally considers the following matters:

- whether no single party can control the relevant activities of the investee unilaterally;
- whether decisions on the relevant activities of the investee require the unanimous consent of the parties sharing control.

Significant influence is the Group's power to participate in the financial and operating policy decisions of the investee but not to control or jointly control the formulation of such policies with other parties.

13. Fixed Assets

(1) *Recognition conditions*

The initial cost of an externally purchased fixed asset includes the purchase price, relevant taxes and surcharges, and other expenditures incurred for bringing the fixed asset to the intended conditions for use and attributable to the asset. The initial cost of a self-constructed fixed asset is determined in accordance with Note III.14. The expenditure related to obligations for environmental protection and ecological restoration borne by the Group upon scrapping of a fixed asset is included in the initial cost of the related fixed asset.

For components of fixed assets, if they have different useful lives or provide economic benefits to the Group in different ways and are subject to different depreciation rates or methods, the Group recognizes each component as a separate fixed asset.

For subsequent expenditures on fixed assets (including expenditures related to the replacement of a component of fixed assets), if the economic benefits associated with the expenditures are likely to flow into the Group, the expenditures are capitalized and included in the cost of fixed assets, while the book value of the replaced component is deducted. Expenditures related to the routine maintenance of fixed assets are recognized in the current profit or loss when incurred.

Notes to Interim Financial Statements (continued)

(Unless otherwise specified, RMB is the monetary unit)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

13. Fixed Assets (continued)

(2) Depreciation methods for all categories of fixed assets

The Company commences depreciation using the straight-line method from the month following the date when fixed assets are ready for their intended use, and determines the depreciation period and annual depreciation rate based on the category of fixed assets, estimated useful economic life, and estimated net residual value, as follows:

Item	Useful life	Rate of estimated net residual value (%)	Annual depreciation rate (%)
Buildings and structures	10 – 20	5.00	4.75 – 9.50
Machinery equipment	10	5.00	9.50
Electronic equipment	5	5.00	19.00
Means of transportation	5	5.00	19.00
Other equipment	5	5.00	19.00
Decommissioning costs	10 – 20	0.00	5.00 – 10.00

For fixed assets for which impairment provisions have been accrued, depreciation is calculated after deducting the recognized impairment provisions for fixed assets.

At the end of each year, the Company reviews the useful life, estimated net residual value and the methods of depreciation of fixed assets. If the estimated useful life is different from the original estimate, the useful life of the fixed assets is adjusted.

14. Construction in Progress

The cost of a self-constructed fixed asset includes materials used in the project, direct labor, borrowing expenses eligible for capitalization (see Note III.15), and necessary expenditures incurred for bringing the asset to the intended conditions for use.

A self-constructed fixed asset is transferred to fixed assets when it reaches the intended conditions for use. Prior to that, it is accounted for as construction in progress and is not depreciated.

If the Company sells products or by-products generated from a fixed asset before the asset reaches the intended conditions for use, it accounts for the relevant revenue and costs separately in accordance with the provisions of the Accounting Standards for Business Enterprises No. 14 – Revenue, the Accounting Standards for Business Enterprises No. 1 – Inventories, and so on, and recognizes such revenue and cost in the current profit or loss.

Notes to Interim Financial Statements (continued)

(Unless otherwise specified, RMB is the monetary unit)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

15. Borrowing Costs

Where the borrowing costs incurred to the Group can be directly attributable to the acquisition or construction of assets eligible for capitalization, they are capitalized and included in the costs of relevant assets; other borrowing costs are recognized as financial expenses in the period in which they are incurred.

During the capitalization period, the Group determines the amount of interest capitalized for each accounting period (including amortization of discounts or premiums) using the following methods:

- For specific borrowings obtained for the acquisition or construction of assets eligible for capitalization, the Group determines the amount of interest to be capitalized for specific borrowings as the current interest expense calculated at the effective interest rate for the specific borrowings, less any interest income earned from depositing the unused portion of the borrowings in banks or investment income from temporary investments of such unused borrowings.
- For general borrowings used for the acquisition or construction of assets eligible for capitalization, the Group calculates the amount of interest to be capitalized for general borrowings by multiplying the weighted-average value of the cumulative asset expenditures in excess of the specific borrowings by the capitalization rate of the general borrowings used. The capitalization rate is determined based on the weighted-average effective interest rate on the general borrowings.

When determining the effective interest rate of a borrowing, the Group uses the rate that discounts the estimated future cash flows over the expected life of the borrowing, or a shorter applicable period, to the amount determined at the initial recognition of the borrowing.

During the capitalization period, exchange differences on the principal and interest of specific foreign-currency borrowings are capitalized and included in the costs of assets eligible for capitalization. Exchange differences arising from the principal and interest of other foreign-currency borrowings (excluding specific foreign-currency borrowings) are recognized as financial costs and included in current profit or loss.

Notes to Interim Financial Statements (continued)

(Unless otherwise specified, RMB is the monetary unit)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

16. Intangible Assets

(1) Useful lives and amortization methods

For intangible assets with finite useful lives, the Group amortizes the cost of the intangible asset over its estimated useful life, after deducting the estimated net residual value and accumulated impairment losses, unless the intangible asset meets the conditions for assets held for sale.

The useful lives, determination basis, and amortization methods for all intangible assets are as follows:

Item	Useful life	Basis
Land use rights	40.5-50 years	Legal right of use
Smelting licenses	16 years	Legal right of use
Software	10 years	Refer to the period over which the asset is expected to generate economic benefits for the Company when determining the useful life

The Group reviews the useful lives and amortization methods of intangible assets with finite useful lives at least at the end of each year.

The Group regards intangible assets for which the period of future economic benefits cannot be foreseen as intangible assets with indefinite useful lives, and these intangible assets are not amortized. As of the balance sheet date, the Group has no intangible assets with indefinite useful lives.

(2) R&D expenditures

Expenditures on internal research and development projects of the Group are classified into expenditures in the research phase and expenditures in the development phase.

Expenditures in the research phase are recognized in the current profit or loss when incurred. Expenditures in the development phase are capitalized if a product or process developed is technically and commercially feasible, the Group has sufficient resources and intent to complete the development work, and the development expenditures can be reliably measured.

Notes to Interim Financial Statements (continued)

(Unless otherwise specified, RMB is the monetary unit)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

17. Long-Term Deferred Expenses

The Group recognizes various expenses that have been incurred and whose benefit period exceeds one year as long-term deferred expenses.

They are amortized on a straight-line basis over the benefit period. The amortization periods for various expenses are as follows:

Item	Amortization Period
Off-site road construction projects	5 years
Ancillary materials pending amortization	4-5 years

18. Impairment of Assets other Than Inventories and Financial Assets

The Group determines whether the following assets have any indication of impairment based on internal and external information as at the balance sheet date, including:

- Fixed assets
- Construction in progress
- Right-of-use assets
- Intangible assets
- Long-term equity investments
- Long-term deferred expenses

For assets with indications of impairment, the Group performs impairment tests to estimate the recoverable amount of the assets. Furthermore, the Group estimates the recoverable amount of goodwill at the end of each year, regardless of whether there is any indication of impairment. The Group allocates the book value of goodwill based on how the relevant asset group or asset group portfolio benefits from the synergies of a business combination, and then performs goodwill impairment tests on this basis.

With regard to the goodwill impairment tests, the book value of goodwill resulting from the business combination is allocated to the relevant asset group according to a reasonable method from the acquisition date; if it is difficult to allocate it to the relevant asset group, it is allocated to the relevant asset group portfolio. Relevant asset groups or asset group portfolios are those that can benefit from the synergies of a business combination and are not larger than the reporting segments identified by the Company.

Notes to Interim Financial Statements (continued)

(Unless otherwise specified, RMB is the monetary unit)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

18. Impairment of Assets other Than Inventories and Financial Assets (continued)

During impairment tests, if the asset groups or asset group portfolios related to goodwill show indications of impairment, impairment tests on the asset groups or asset group portfolios that do not contain goodwill shall be conducted in the first place. The recoverable amount shall be calculated, and the corresponding impairment loss shall be recognized. Then, impairment tests on the asset groups or asset group portfolios that contain goodwill shall be conducted. Their book value shall be compared against their recoverable amount. If their recoverable amount is lower than their book value, the impairment loss on the goodwill shall be recognized.

Once the impairment loss of the assets is recognized, it shall not be reversed in subsequent accounting period.

19. Fair Value Measurement

Unless otherwise stated, the Group measures fair value in accordance with the following principles:

Fair value refers to the price received for selling an asset or paid for transferring a liability by a market participant in an orderly transaction that occurs at the measurement date.

When estimating the fair value, the Group considers the characteristics that market participants would take into account when they price the relevant assets or liabilities on the measurement date (including the status and location of the assets, and restrictions on the sale or use of the assets), and adopts valuation techniques that are applicable under the current circumstances and supported by sufficient available data and other information. The valuation techniques adopted mainly include the market approach, income approach and cost approach.

When measuring non-financial assets at fair value, the Group considers the ability of market participants to use the asset for optimal use to generate economic benefits, or sell the asset to other market participants that can use the asset for optimal use to generate economic benefits.

Notes to Interim Financial Statements (continued)

(Unless otherwise specified, RMB is the monetary unit)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

20. Provisions

The Group recognizes a provision if it has a present obligation as a result of a contingent event, it is probable that an outflow of economic benefits will be required to fulfill the obligation, and the relevant amount can be reliably measured.

Provisions are initially measured at the best estimate of the expenditure required to fulfill the relevant present obligation. Where the effect of the time value of money is material, provisions are determined by discounting the estimated future cash flows. In determining the best estimate, the Group comprehensively considers factors such as risks, uncertainties, and the time value of money related to the contingent event. If the expenditure required falls within a continuous range and all outcomes within that range are equally probable, the best estimate is determined as the midpoint of that range. In other cases, the best estimate is determined as follows:

- If the contingent event involves a single item, the best estimate is determined by the most probable amount.
- If the contingent event involves multiple items, the best estimate is determined by calculating the possible outcomes and their associated probabilities.

The Group reviews the book value of provisions at the balance sheet date and adjusts it to reflect the current best estimate.

21. Share-based Payments

(1) *Types of share-based payments*

The Group's share-based payments are equity-settled share-based payments.

(2) *Relevant accounting treatment of implementing the share-based payment schedule*

- Equity-settled share-based payments

When the Group grants shares or other equity instruments as consideration for services provided by employees, it measures the services at the fair value of the equity instruments granted on the grant date. For share-based payment transactions that vest upon completion of a service period in the vesting period or upon meeting specified performance conditions, at each balance sheet date within the vesting period, the Group makes the best estimate of the number of equity instruments expected to vest based on the latest available information such as changes in the number of employees expected to vest, and recognizes the services received in the current period in the related costs or expenses, with a corresponding increase in the capital reserve, based on the fair value of the equity instruments at the grant date.

Notes to Interim Financial Statements (continued)

(Unless otherwise specified, RMB is the monetary unit)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

21. Share-based Payments (continued)

(2) *Relevant accounting treatment of implementing the share-based payment schedule (continued)*

- Cash-settled share-based payments

For cash-settled share-based payments, where the Group assumes the obligation to deliver cash or other assets calculated based on shares or other equity instruments in exchange for employee services, the services are measured at the fair value of the liability calculated based on the related equity instruments.

22. Revenue

Revenue is the gross inflow of economic benefits generated by the Group in its daily activities, which may result in an increase in shareholders' equity, other than increases relating to contributions from shareholders.

The Group recognizes revenue when its performance obligations in the contract are fulfilled, that is, the control over the relevant goods or services is obtained by the customer.

Where there are two or more performance obligations under the contract, the Group, on the commencement date of the contract, apportions the transaction price to the individual performance obligations in proportion to the stand-alone selling price of the goods or services to which the individual performance obligations are committed, and measures the revenue at the transaction price apportioned to the individual performance obligations.

The transaction price refers to the amount of consideration that the Group expects to be entitled to receive due to the transfer of goods or services to customers, excluding amounts collected on behalf of third parties. The transaction price recognized by the Group does not exceed the amount of cumulatively recognised revenue for which a significant reversal is highly unlikely to occur when the relevant uncertainties are resolved.

The performance obligations are deemed to be performed by the Group within a period if one of the following conditions is satisfied; otherwise, at a point in time:

- The customer obtains and consumes the economic benefits brought by the Group's performance at the same time as the Group's performance;
- The customer can control the goods under construction during the Group's performance;
- The goods produced during the Group's performance have no alternative use, and the Group has the right to collect payment for performance completed to date throughout the entire contract period.

Notes to Interim Financial Statements (continued)

(Unless otherwise specified, RMB is the monetary unit)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

22. Revenue (continued)

The Group assesses whether it is acting as a principal or an agent in a transaction by determining whether it controls the goods or services before transferring them to the customer. If the Group controls the goods or services before transferring them to the customer, the Group is a principal and recognizes revenue at the gross amount of consideration received or receivable. Otherwise, the Group is an agent and recognizes revenue in the amount of the expected commission or fee, which is determined as the net amount after deducting the amounts payable to other parties from the total consideration received or receivable, or based on a pre-determined commission amount or percentage.

The Group presents a right to consideration in exchange for goods or services that it has transferred to a customer (which is conditional on something other than the passage of time) as a contract asset, and contract assets are impaired on an expected credit-loss basis. The Group presents an unconditional right to consideration (that is, only the passage of time is required before the consideration is due) as receivables. The Group's obligation to transfer goods or services to customers for the consideration received or receivable from the customers is presented as contract liabilities.

Specific accounting policies related to the Group's principal revenue-generating activities are described below:

The Company's principal businesses include non-ferrous metal production and non-ferrous mineral product trading, which involve satisfying performance obligations at a point in time.

For production and trading businesses involving direct overseas sales, in most cases, revenue is recognized after the products are loaded onto customer-designated vehicles and the loading document is delivered to the customer. In some other cases, revenue is recognized after the products are transported to the customer-designated border or factory, and the customs declaration form or a weighbridge slips confirmed by the customer is handed over to the customer.

For production and trading businesses involving sales within China, revenue is recognized upon delivery to the customer at a domestic port or customer-designated factory and after obtaining a weighbridge slips confirmed by the customer.

Notes to Interim Financial Statements (continued)

(Unless otherwise specified, RMB is the monetary unit)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

23. Contract Costs

Incremental costs of obtaining a contract are those costs that the Group would not have incurred if the contract had not been obtained. Where such costs are expected to be recoverable, the Group recognizes them as an asset in the form of contract acquisition costs. The Group's costs of obtaining a contract other than incremental costs expected to be recovered are recognized in the current profit or loss when incurred.

If costs to fulfill a contract do not fall within the scope of the other accounting standards for business enterprises such as inventories and meet the following conditions, the Group recognizes them as an asset in the form of contract fulfillment costs:

- The costs relate directly to a contract or to an anticipated contract, including direct labor, direct materials, manufacturing overhead cost (or similar cost), costs that are explicitly chargeable to the customer under the contract, and other costs incurred solely due to the contract;
- The costs enhance resources of the Group that will be used in satisfying performance obligations in the future; and
- The costs are expected to be recovered.

Assets recognized due to costs of obtaining a contract and costs to fulfill a contract (hereinafter referred to as "Assets Related to Contract Costs") are amortized on the same basis as the revenue recognition of goods or services related to the assets and are included in the current profit or loss.

When the book value of the assets associated with the contract costs is greater than the difference between the following two items, the Group accrues impairment provisions for the excess and recognizes them as asset impairment losses:

- Residual consideration expected to be obtained by the Group as a result of the transfer of goods or services related to the assets; and
- Costs expected to be incurred for the transfer of the relevant goods or services.

Notes to Interim Financial Statements (continued)

(Unless otherwise specified, RMB is the monetary unit)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

24. Employee Benefits

(1) *Short-term benefits*

During the accounting period in which employees render services, the Group recognizes employee salaries, bonuses, social insurance premiums (such as medical insurance premiums and work-related injury insurance premiums) and housing provident funds that are actually incurred or accrued in accordance with the prescribed benchmarks and proportions, as liabilities in the current profit or loss or the cost of relevant assets.

(2) *Post-employment benefits – Defined contribution plans*

The defined contribution plans in which the Group participates are the basic pension insurance under the social security system established and administered by government agencies, which the Group's employees participate in accordance with the requirements of relevant laws and regulations of China, Singapore, Zambia, the Democratic Republic of the Congo (hereinafter referred to as "DRC") and Peru. The contribution amount of basic pension insurance is calculated in accordance with the benchmarks and proportions stipulated by the state. During the accounting period in which employees render services, the Group recognizes the amount to be contributed as a liability in the current profit or loss or the cost of relevant assets.

Employee benefits expenses incurred by the Company are recognized as current profit or loss or relevant asset costs when actually incurred, based on the actual amount. Where employee welfare benefits are non-monetary, they shall be measured at fair value.

(3) *Termination benefits*

The Group recognizes a liability for termination benefits and recognizes the corresponding amount in profit or loss for the current period at the earlier of the following two dates, where the Group terminates the employment relationship with employees prior to the expiry of their employment contracts, or makes an offer of compensation to encourage employees to accept voluntary redundancy:

- when the Group cannot unilaterally withdraw the termination benefits provided due to termination of the labor relation plan or layoff proposal;
- when the Group has a detailed, formal restructuring plan involving the payment of termination benefits; and such restructuring plan has commenced implementation, or the key terms of the plan have been communicated to the affected parties, giving rise to a valid expectation on the part of those parties that the Group will carry out the restructuring.

Notes to Interim Financial Statements (continued)

(Unless otherwise specified, RMB is the monetary unit)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

25. Government Subsidies

Government subsidies are recognized when they meet the conditions attached and can be received.

In case of government subsidies as monetary assets, they are measured at the amount received or receivable. In case of government subsidies as non-monetary assets, they are measured at fair value.

Government subsidies that are used for purchasing and construction or otherwise forming long-term assets as received by the Group are classified as government subsidies related to assets. Government subsidies received by the Group, other than those related to assets, are recognized as government subsidies related to income. Government subsidies related to assets are recognized by the Group as deferred income in other income or non-operating income in a reasonable and systematic manner over the useful life of the relevant assets. Government subsidies related to income are recognized by the Group as deferred income if the subsidies are used to compensate the Group for relevant costs, expenses, or losses to be incurred in subsequent periods, and included in other income or non-operating income during the period when the relevant costs, expenses, or losses are recognized; Otherwise, the subsidies are directly recognized in other income or non-operating income.

In the circumstance that government appropriates interest subvention to a lending bank, which provides loans for the Company with a policy-subsidized interest rate, borrowings are carried at the amount received, with relevant borrowings cost computed based on the principal and the policy-subsidized interest rate. In the circumstance that the government directly appropriates interest subvention to the Company, the subsidized interest shall offset relevant borrowing costs.

26. Income tax

Except for income tax arising from business combination and transactions or events that are directly included in owners' equity (including other comprehensive income), the Group recognizes current income tax and deferred tax in the current profit or loss.

Current income tax is the expected income tax payable calculated based on the taxable income of the current year and in accordance with the tax rates stipulated by the tax law, plus adjustments to the income tax payable for prior years.

At the balance sheet date, if the Group has the legal right to settle on a net basis and intends to settle on a net basis or acquire assets and settle liabilities simultaneously, current income tax assets and current income tax liabilities are presented at the net amounts after offsetting.

Notes to Interim Financial Statements (continued)

(Unless otherwise specified, RMB is the monetary unit)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

26. Income tax (continued)

Deferred tax assets and deferred tax liabilities are determined based on deductible temporary differences and taxable temporary differences, respectively. Temporary differences refer to the differences between the book value of an asset or liability and its tax base, including deductible losses and tax credits that can be carried forward to subsequent fiscal years. Deferred tax assets are recognized to the extent that it is very likely to obtain the taxable income to deduct the deductible temporary differences.

If a discrete transaction is not a business combination and affects neither accounting profit nor taxable income (or deductible losses) at the time of the transaction, and the initially recognized assets and liabilities do not give rise to equal taxable temporary differences and deductible temporary differences, the temporary differences arising from such transaction do not generate deferred taxes. Temporary differences arising from the initial recognition of goodwill do not give rise to related deferred tax.

At the balance sheet date, the Group measures the carrying amounts of deferred tax assets and liabilities in accordance with enacted tax laws. This measurement is based on the expected manner of recovering the assets or settling the liabilities, and applies the tax rates in effect for the periods when the assets are expected to be realized or the liabilities are expected to be settled.

At the balance sheet date, the Group reviews the book value of deferred tax assets. If it is unlikely to obtain sufficient taxable income in future periods to offset against the benefit of the deferred tax assets, the book value of the deferred tax assets will be written down. When it is likely to obtain sufficient taxable income, the written-down amount is reversed.

At the balance sheet date, deferred tax assets and deferred tax liabilities are presented on a net basis after offsetting when both of the following conditions are satisfied:

- The taxable entity has a legal right to settle current income tax assets and current income tax liabilities on a net basis;
- Deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities. However, in the future, for each significant period of deferred tax assets and liabilities being reversed, the involved taxable entity intends to either settle current tax assets and liabilities on a net basis, or to acquire the assets and settle the liabilities simultaneously.

Notes to Interim Financial Statements (continued)

(Unless otherwise specified, RMB is the monetary unit)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

27. Lease

On the commencement date of a contract, the Group assesses whether the contract is or includes a lease. A contract is, or contains, a lease if one party to the contract conveys the right to control the use of one or more identified assets for a certain period of time in exchange for consideration.

If a contract contains multiple separate leases, the lessee and the lessor will separate the contract and account for each separate lease individually. If a contract contains both lease and non-lease components, the lessee and the lessor will separate the lease and non-lease components.

(1) *The Group as the lessee*

On the commencement date of the lease term, the Group recognizes the right-of-use assets and lease liabilities for the lease.

The Group depreciates right-of-use assets with the straight-line method. If it can be reasonably determined that the ownership of the underlying asset can be acquired upon the expiry of the lease term, the Group will depreciate the underlying asset over the remaining useful life of the underlying asset; Otherwise, the underlying asset will be depreciated over the lease term or the remaining useful life of the underlying asset, whichever is shorter.

Lease liabilities are initially measured at the present value of lease payments not yet paid as of the commencement date of the lease term, using the interest rate implicit in the lease as the discount rate. If the interest rate implicit in the lease cannot be determined, the Group uses its incremental borrowing rate as the discount rate.

The Group calculates the interest expense on lease liabilities for each period within the lease term using a fixed periodic interest rate, and recognizes such expense in the current profit or loss or the cost of relevant assets. Variable lease payments not included in the measurement of lease liabilities are recognized in the current profit or loss or the cost of relevant assets when actually incurred.

After the commencement date of the lease term, the Group remeasures the lease liability at the present value of the changed lease payments if any of the following circumstances occur:

- Changes in the estimated amount payable under the guaranteed residual value;
- Changes in the index or rate used to determine lease payments;
- Changes in the Group's assessment results of purchase options, renewal options, or termination options, or inconsistencies between the actual exercise of renewal or termination options and the original assessment results.

Notes to Interim Financial Statements (continued)

(Unless otherwise specified, RMB is the monetary unit)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

27. Lease (continued)

(1) *The Group as the lessee (continued)*

When remeasuring the lease liability, the Group adjusts the book value of the right-of-use asset accordingly. If the book value of the right-of-use asset has been reduced to zero, but the lease liability still needs to be further reduced, the Group recognizes the remaining amount in the current profit or loss.

The Group has chosen not to recognize right-of-use assets and lease liabilities for short-term leases (leases with a term of no more than 12 months) and low-value asset leases (an individual leased asset is of low value when the asset is new). Instead, the relevant lease payments are recognized in the current profit or loss or the cost of relevant assets with the straight-line method over the lease term.

(2) *The Group as the lessor*

At the inception of a lease, the Group classifies leases as either finance leases or operating leases. A finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of an asset, whether or not the title is eventually transferred. An operating lease is a lease other than a finance lease.

Lease receipts from operating leases are recognized as rental income on a straight-line basis over the lease term. Variable lease payments which are not included in the lease receipts are charged as profit or loss in the periods in which they are incurred.

28. Distribution of Dividends

After the balance sheet date, the dividends or profits to be distributed under the profit distribution plan reviewed and approved are not recognized as liabilities as at the balance sheet date, and are disclosed separately in the notes.

29. Related Parties

Related parties are constituted when a party controls, jointly controls or exercises significant influence over another party, or when two or more parties are under the control or joint control of the same party. Related parties may be individuals or enterprises. Enterprises that are only subject to the control of the state and have no other related-party relationships do not constitute related parties.

In addition, the Company also identifies its related parties or those of the Group in accordance with the Administrative Measures for Information Disclosure by Listed Companies issued by the CSRC.

Notes to Interim Financial Statements (continued)

(Unless otherwise specified, RMB is the monetary unit)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

30. Key Accounting Estimates and Judgments

In preparing the financial statements, the Group's management is required to make estimates and assumptions, which affect the application of accounting policies and the amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates. The Group's management continuously evaluates the judgments regarding key assumptions and uncertainties involved in estimates. The effects of changes in accounting estimates are recognized in the periods of the changes and future periods.

(1) Key accounting estimates

Except for depreciation and amortization of assets such as fixed assets and intangible assets (see Notes III.13 and 16), impairment of various assets (see Notes V.2, 4, 5, 8, 9, 10, 11) and determination of fair values (see Notes V.2, 17, 18 and Note XI.1), the other significant accounting estimates are set forth below:

- (a) Note V.27 – Provisions for Estimated Liabilities – The Group's hydrometallurgical operations are located in Zambia and the Democratic Republic of the Congo ("DRC"). At the end of the useful lives of the production facilities, the Group is required to rehabilitate tailings and plants. Rehabilitation costs are estimated based on the plant closure plan and discounted to reflect the Group's obligation at that time, based on the plant closure plan and the costs of dismantling and removing these facilities. The Group's estimates are primarily based on the requirements of local laws and regulations.
- (b) Note V.13 – Recognition of Deferred Tax Assets – Deferred tax assets are recognized for all unused tax losses and other deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. This requires the management to use a large amount of judgments to estimate the time and amount of future taxable profits, combined with tax planning strategies to determine the amount of deferred tax assets that shall be recognized.

31. Changes in Significant Accounting Policies and Accounting Estimates

(1) Changes in significant accounting policies

There were no significant changes in the Group's accounting policies for the current year.

(2) Changes in significant accounting estimates

There were no significant changes in the Group's accounting estimates for the current year.

Notes to Interim Financial Statements (continued)

(Unless otherwise specified, RMB is the monetary unit)

IV. TAXATION

1. Main Taxes and Rates

Tax type	Tax base	Tax rate
Value-added tax	Taxable sales revenue, services rendered	Domestic: 13%, 9%, 6%, Zambia and DRC: 16%; Peru: 18%
Resource tax	Sales revenue from products	DRC: 3.5%
Urban maintenance and construction tax	Domestic indirect taxes payable	7%
Education surcharges	Domestic indirect taxes payable	3%
Local education surcharges	Domestic indirect taxes payable	2%
Enterprise income tax	Taxable domestic income amount	Domestic: 25%

Different enterprise income tax rates of the Company's subsidiaries

Name of company	Tax rate
Rong Xing Investments Limited (榮興投資有限公司)	30%
Jinxun (Singapore) International Trade Pte. Ltd. (金潯(新加坡)國際貿易有限公司)	17%
Jinxun Congo (DRC) Mining Co., Ltd. (金潯剛果(金)礦業有限責任公司)	30%
Jinxun Peru Mining Co., Ltd. (金潯秘魯礦業有限公司)	29.5%

Note 1: Rong Xing Investments Limited is a company registered in Zambia and is subject to an applicable enterprise income tax rate of 30%;

Note 2: Jinxun Congo (DRC) Mining Co., Ltd. is a company registered in the DRC and is subject to an applicable enterprise income tax rate of 30%;

Note 3: Jinxun Peru Mining Co., Ltd., a subsidiary of the Company, is a company registered in Peru and is subject to an applicable enterprise income tax rate of 29.5%;

Note 4: Jinxun (Singapore) International Trade Pte. Ltd., a subsidiary of the Company, is a company registered in Singapore and is subject to an applicable enterprise income tax rate of 17%.

Notes to Interim Financial Statements (continued)

(Unless otherwise specified, RMB is the monetary unit)

IV. TAXATION (CONTINUED)

2. Tax Preferences and Relevant Approvals

According to the Announcement on Continuing the Western Development Corporate Income Tax Policy, issued by the Ministry of Finance, the State Taxation Administration and the National Development and Reform Commission (《財政部稅務總局國家發展改革委關於延續西部大開發企業所得稅政策的公告》) (Ministry of Finance Announcement No. 23 [2020]), from 1 January 2021 to 31 December 2030, corporate income tax is levied at a reduced rate of 15% on enterprises in encouraged industries located in the western region.

Pursuant to the provisions of the Interim Implementation Measures for the Enterprise Income Tax Policy of the Tibet Autonomous Region (《西藏自治區企業所得稅政策實施辦法(暫行)》) (Zang Zheng Fa [2022] No. 11), for enterprises satisfying the relevant conditions, the local share portion of enterprise income tax is exempted for the period from 1 January 2022 to 31 December 2025 (the actual effective enterprise income tax rate after exempting the local share portion is 9%). Pursuant to the Notice of the People's Government of the Tibet Autonomous Region on Amending the Implementation Measures for the Enterprise Income Tax Policies of the Tibet Autonomous Region (Provisional) (《西藏自治區人民政府關於修改《西藏自治區企業所得稅政策實施辦法(暫行)》的通知》) (Zang Zheng Fa [2026] No. 4), the above effective period has been extended to 31 December 2027. Tibet Huiyi Information Technology Co., Ltd., a subsidiary of the Company, computed and paid its enterprise income tax from January to June in 2026 and from January to June in 2025, at the rate of 9%.

Pursuant to the Singapore Income Tax Act, in respect of an enterprise's normal taxable income, the first S\$10,000 portion is eligible for a 75% tax exemption; the portion from S\$10,001 to S\$200,000 enjoys a 50% tax exemption; and any remaining portion is subject to corporate income tax at the rate of 17%. Subject to meeting certain trading-related requirements, Jinxun (Singapore) International Trade PTE. Ltd. (hereinafter referred to as "Jinxun (Singapore)") enjoys a preferential tax rate of 10% on specified trading products for the period from 1 April 2025 to 31 March 2028. The aforementioned tax preferential treatment applied to Jinxun (Singapore), a subsidiary of the Company from January to June 2026 and from January to June 2025.

Notes to Interim Financial Statements (continued)

(Unless otherwise specified, RMB is the monetary unit)

IV. TAXATION (CONTINUED)

2. Tax Preferences and Relevant Approvals (continued)

Pursuant to the Announcement of the State Taxation Administration on Issues Concerning the Implementation of the Inclusive Income Tax Reduction and Exemption Policy for Small-and-Low-Profit Enterprises (《國家稅務總局關於實施小型微利企業普惠性所得稅減免政策有關問題的公告》) (State Taxation Administration Announcement No. 2 [2019]), the Announcement of the State Taxation Administration on Matters Concerning the Implementation of Preferential Income Tax Policies in Support of the Development of Small-and-Low-Profit Enterprises and Individual Industrial and Commercial Households (《國家稅務總局關於落實支持小型微利企業和個體工商戶發展所得稅優惠政策有關事項的公告》) (State Taxation Administration Announcement No. 8 [2021]), the Announcement of the Ministry of Finance and the State Taxation Administration on Further Implementing Preferential Income Tax Policies for Small-and-Low-Profit Enterprises (《財政部稅務總局關於進一步實施小微企業所得稅優惠政策的公告》) (Ministry of Finance and State Taxation Administration Announcement No. 13 [2022]) and the Announcement of the Ministry of Finance and the State Taxation Administration on Preferential Income Tax Policies for Small-and-Low-Profit Enterprises and Individual Industrial and Commercial Households (《財政部稅務總局關於小微企業和個體工商戶所得稅優惠政策的公告》) (Ministry of Finance and State Taxation Administration Announcement No. 6 [2023]), Shanghai Jinxun New Energy Co., Ltd. is eligible for the preferential tax policies for small-and-low-profit enterprises.

V. NOTES TO THE MAJOR ITEMS IN CONSOLIDATED FINANCIAL STATEMENTS

1. Cash at Bank and on Hand

(1) Classification of cash at bank and on hand

Item	30 June 2026 (Unaudited)	31 December 2025
Cash on hand	647,878.35	2,358,341.70
Bank deposits	866,598,130.87	292,811,495.66
Total	867,246,009.22	295,169,837.36
Including: Total amount deposited overseas	186,700,130.08	169,870,638.47

At the end of the period, the Group had no cash with restricted ownership (31 December 2025: none).

Notes to Interim Financial Statements (continued)

(Unless otherwise specified, RMB is the monetary unit)

V. NOTES TO THE MAJOR ITEMS IN CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2. Accounts Receivable

(1) Classification of accounts receivable

Item	30 June 2026 (Unaudited)	31 December 2025
Accounts receivable at FVTPL	92,964,309.50	37,353,008.19
Accounts receivable measured at amortized cost	1,206,462.16	2,346,800.95
Total	94,170,771.66	39,699,809.14

Note: Some of the Group's commodity sales contracts contain provisional priced sales arrangements. Since the contractual cash flow characteristics of these accounts receivable are not solely payments of the principal and the interest based on the outstanding principal amount, the Group classifies them as financial assets at fair value through profit or loss.

(2) Aging of accounts receivable measured at fair value (based on the invoice dates):

Aging	30 June 2026 (Unaudited)	31 December 2025
Within 1 year	92,964,309.50	37,353,008.19

(3) Aging of accounts receivable measured at amortized cost (based on the invoice dates):

Aging	30 June 2026 (Unaudited)	31 December 2025
Within 1 year	1,269,960.16	2,470,316.75
Subtotal	1,269,960.16	2,470,316.75
Less: Bad debt provisions	63,498.00	123,515.80
Total	1,206,462.16	2,346,800.95

Notes to Interim Financial Statements (continued)

(Unless otherwise specified, RMB is the monetary unit)

V. NOTES TO THE MAJOR ITEMS IN CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2. Accounts Receivable (continued)

(4) Disclosure by bad debt provision method

Category	30 June 2026 (Unaudited)				
	Account balance	Bad debt provision			
	Amount	Proportion (%)	Amount	Accrual ratio (%)	Book value
Bad debt provisions accrued by portfolio	1,269,960.16	1.35	63,498.00	5.00	1,206,462.16
Trade receivables from customers outside the scope of consolidation measured at amortized cost	1,269,960.16	1.35	63,498.00	5.00	1,206,462.16

Category	31 December 2025				
	Account balance	Bad debt provision			
	Amount	Proportion (%)	Amount	Accrual ratio (%)	Book value
Bad debt provisions accrued by portfolio	2,470,316.75	6.20	123,515.80	5.00	2,346,800.95
Trade receivables from customers outside the scope of consolidation measured at amortized cost	2,470,316.75	6.20	123,515.80	5.00	2,346,800.95

Assessment of expected credit losses of accounts receivable:

The Group always measures the loss provisions for accounts receivable at an amount equivalent to the lifetime expected credit losses, and calculates the expected credit losses based on the comparison table of account ages and expected credit loss rates. Based on the Group's historical experience, there is no significant difference in the loss occurrence among different customer groups. Therefore, no further distinction was made between different customer groups during the calculation of the impairment provisions based on account aging information.

Notes to Interim Financial Statements (continued)

(Unless otherwise specified, RMB is the monetary unit)

V. NOTES TO THE MAJOR ITEMS IN CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2. Accounts Receivable (continued)

(4) Disclosure by bad debt provision method (continued)

Accounts receivable with provision for impairment accrued by portfolio on 30 June 2026.

Aging	30 June 2026 (Unaudited)			
	Account balance		Bad debt provision	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year	1,269,960.16	100.00	63,498.00	5.00

Accounts receivable with provision for impairment accrued by portfolio on 31 December 2025.

Aging	31 December 2025			
	Account balance		Bad debt provision	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year	2,470,316.75	100.00	123,515.80	5.00

The expected credit loss rate is calculated based on actual credit loss experience over the past five years and adjusted for differences between economic conditions during the historical data collection period, current economic conditions, and the Group's estimated economic conditions over the expected life.

(5) Changes in provisions for bad debts for the current period

Item	Change amount in this period				30 June 2026
	31 December 2025	Accrual	Reversal	Other changes	
Provision for bad debts on accounts receivable	123,515.80	63,498.00	(122,653.20)	(862.60)	63,498.00

Item	31 December 2024	Change amount in this period			31 December 2025
		Accrual	Reversal	Other changes	
Provision for bad debts on accounts receivable	13,883.10	123,621.43	(13,792.87)	(195.86)	123,515.80

Notes to Interim Financial Statements (continued)

(Unless otherwise specified, RMB is the monetary unit)

V. NOTES TO THE MAJOR ITEMS IN CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2. Accounts Receivable (continued)

(6) *Accounts receivable not actually written off in this period.*

(7) *Details of the top-five accounts receivable balances as at 30 June 2026*

Name of organization	Balance	Proportion of total balance of accounts receivable at the end of the period (%)	Provision for bad debts on accounts receivable
Customer Q	56,841,796.44	60.32	—
Customer S	14,723,190.18	15.62	—
Customer R	6,068,450.60	6.44	—
Customer T	4,112,182.26	4.36	—
Customer V	2,780,517.18	2.95	—
Total	84,526,136.66	89.69	—

3. Prepayments

(1) *Prepayments presented by aging*

Aging	30 June 2026 (Unaudited)		31 December 2025	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year	34,909,751.75	98.25	26,462,270.41	98.16
1-2 years	240,673.89	0.68	193,992.87	0.72
2-3 years	380,272.71	1.07	301,759.46	1.12
More than 3 years	—	—	—	—
Total	35,530,698.35	100.00	26,958,022.74	100.00

Notes to Interim Financial Statements (continued)

(Unless otherwise specified, RMB is the monetary unit)

V. NOTES TO THE MAJOR ITEMS IN CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3. Prepayments (continued)

(2) Status of prepayment with the top five ending balance collected by prepayment object

Name of organization	30 June 2026 (Unaudited)	Proportion to total prepayments at the end of the period (%)
Supplier F	10,895,740.95	30.67
China Export & Credit Insurance Corporation, Yunnan Branch	3,701,254.24	10.42
Supplier W	3,005,493.91	8.46
Supplier X	2,724,360.00	7.67
Supplier Y	2,165,914.24	6.10
Total	22,492,763.34	63.32

4. Other Receivables

(1) Presentation by category

Item	30 June 2026 (Unaudited)	31 December 2025
Other receivables	168,913,527.28	135,413,299.44
Subtotal	168,913,527.28	135,413,299.44
Less: Portions exceeding one year	88,910,405.89	63,276,793.25
Total	80,003,121.39	72,136,506.19

Notes to Interim Financial Statements (continued)

(Unless otherwise specified, RMB is the monetary unit)

V. NOTES TO THE MAJOR ITEMS IN CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. Other Receivables (continued)

(2) Other receivables

① Disclosure by aging

	30 June 2026 (Unaudited)	31 December 2025
Aging		
Within 1 year	118,028,821.90	115,515,248.25
1-2 years	55,793,084.01	25,704,368.09
2-3 years	24,923,559.74	6,510,059.39
3-4 years	6,283,645.48	17,186,471.97
4-5 years	8,692,855.94	145,741.72
Above 5 years	141,597.32	—
Subtotal	213,863,564.39	165,061,889.42
Less: Bad debt provisions	44,950,037.11	29,648,589.98
Subtotal	168,913,527.28	135,413,299.44
Less: Portions exceeding one year	88,910,405.89	63,276,793.25
Total	80,003,121.39	72,136,506.19

② Disclosure by nature

	30 June 2026 (Unaudited)	31 December 2025
Nature of amounts		
Refundable taxes receivable	172,063,232.77	139,726,649.99
Deposits and security deposits	39,778,955.04	24,793,782.91
Others	2,021,376.58	541,456.52
Subtotal	213,863,564.39	165,061,889.42
Less: Bad debt provisions	44,950,037.11	29,648,589.98
Subtotal	168,913,527.28	135,413,299.44
Less: Tax refunds expected to be recovered after more than one year	88,910,405.89	63,276,793.25
Total	80,003,121.39	72,136,506.19

Notes to Interim Financial Statements (continued)

(Unless otherwise specified, RMB is the monetary unit)

V. NOTES TO THE MAJOR ITEMS IN CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. Other Receivables (continued)

(2) Other receivables (continued)

③ Disclosed by the classification of bad debt provision method

A. As of 30 June 2026, provisions for bad debts are accrued under the three-phase model as follows:

Phase	Account balance	Bad debt provision	Book value
Phase I	213,863,564.39	44,950,037.11	168,913,527.28
Phase II	—	—	—
Phase III	—	—	—
Total	213,863,564.39	44,950,037.11	168,913,527.28

Provisions for bad debts in Phase I as of 30 June 2026:

Category	Account balance	Accrual ratio (%)	Bad debt provision	Book value
Bad debt provisions accrued by portfolio	213,863,564.39	21.02	44,950,037.11	168,913,527.28
Of which: Long-term VAT refunds receivable from overseas governments	128,936,968.93	31.04	40,026,563.04	88,910,405.89
Short-term VAT refunds receivable from overseas governments	34,852,591.02	5.36	1,867,737.41	32,984,853.61
Other receivables	50,074,004.44	6.10	3,055,736.66	47,018,267.78
Total	213,863,564.39	21.02	44,950,037.11	168,913,527.28

Notes to Interim Financial Statements (continued)

(Unless otherwise specified, RMB is the monetary unit)

V. NOTES TO THE MAJOR ITEMS IN CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. Other Receivables (continued)

(2) Other receivables (continued)

③ Disclosed by the classification of bad debt provision method (continued)

B. As of 31 December 2025, provisions for bad debts are accrued under the three-phase model as follows:

Phase	Account balance	Bad debt provision	Book value
Phase I	165,061,889.42	29,648,589.98	135,413,299.44
Phase II	—	—	—
Phase III	—	—	—
Total	165,061,889.42	29,648,589.98	135,413,299.44

Provisions for bad debts in Phase I as of 31 December 2025:

Category	Account balance	Accrual ratio (%)	Bad debt provision	Book value
Bad debt provisions accrued by portfolio	165,061,889.42	17.96	29,648,589.98	135,413,299.44
Of which: Long-term VAT refunds receivable from overseas governments	89,705,844.29	29.46	26,429,051.04	63,276,793.25
Short-term VAT refunds receivable from overseas governments	45,320,073.18	3.09	1,400,167.89	43,919,905.29
Other receivables	30,035,971.95	6.06	1,819,371.05	28,216,600.90
Total	165,061,889.42	17.96	29,648,589.98	135,413,299.44

Notes to Interim Financial Statements (continued)

(Unless otherwise specified, RMB is the monetary unit)

V. NOTES TO THE MAJOR ITEMS IN CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. Other Receivables (continued)

(2) Other receivables (continued)

④ Changes in provisions for bad debts

Item	31 December		Change amount in this period			30 June
	2025	Accrual	Recovery or reversal	Derecognition or write-off	Other changes	2026
Bad debt provisions accrued on an individual basis	-	-	-	-	-	-
Bad debt provisions accrued by portfolio	29,648,589.98	16,461,683.39	(49,870.51)	-	(1,110,365.75)	44,950,037.11
Total	29,648,589.98	16,461,683.39	(49,870.51)	-	(1,110,365.75)	44,950,037.11

Item	31 December		Change amount in this period			31 December
	2024	Accrual	Recovery or reversal	Derecognition or write-off	Other changes	2025
Bad debt provisions accrued on an individual basis	-	-	-	-	-	-
Bad debt provisions accrued by portfolio	9,394,511.53	21,011,124.45	(371,112.05)	-	(385,933.95)	29,648,589.98
Total	9,394,511.53	21,011,124.45	(371,112.05)	-	(385,933.95)	29,648,589.98

Notes to Interim Financial Statements (continued)

(Unless otherwise specified, RMB is the monetary unit)

V. NOTES TO THE MAJOR ITEMS IN CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. Other Receivables (continued)

(2) Other receivables (continued)

⑤ Other receivables of the top five ending balances grouped by debtor

Name of organization	Nature of amounts	Ending balance	Aging	Percentage of the total ending balance of other receivables (%)	Bad debt provision amount
Zambia Tax Authority	Refundable taxes receivable	146,591,887.34	Within 1 year, 1-2 years, 2-3 years, 3-4 years, 4-5 years	68.54%	41,034,416.82
Supplier Q	Security deposits and deposits	19,912,578.81	Within 1 year	9.31%	995,628.94
SUNAT	Refundable taxes receivable	17,197,672.61	Within 1 year	8.04%	859,883.63
Customer U	Security deposits and deposits	8,896,702.38	Within 1 year, 1-2 years	4.16%	508,407.36
VOC/OCC-BIVAC	Security deposits and deposits	8,178,434.93	Within 1 year	3.82%	408,921.75
Total		200,777,276.07		93.87%	

Note: VAT refunds receivable from the Zambia Tax Authority include the portion expected to be recovered after more than 1 year, reclassified to other non-current assets.

5. Inventories

(1) Classification of inventories

Item	30 June 2026 (Unaudited)		
	Book cost	Provision for devaluation	Book value
Raw materials	429,012,180.67	16,164,957.97	412,847,222.70
Finished goods	239,838,769.71	6,645,081.36	233,193,688.35
Work in process	114,371,797.20	3,783,255.93	110,588,541.27
Total	783,222,747.58	26,593,295.26	756,629,452.32

Notes to Interim Financial Statements (continued)

(Unless otherwise specified, RMB is the monetary unit)

V. NOTES TO THE MAJOR ITEMS IN CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. Inventories (continued)

(1) Classification of inventories (continued)

Item	Book cost	31 December 2025	
		Provision for devaluation	Book value
Raw materials	507,300,666.56	–	507,300,666.56
Finished goods	167,133,259.38	–	167,133,259.38
Work in process	101,645,184.56	–	101,645,184.56
Total	776,079,110.50	–	776,079,110.50

6. Other Current Assets

(1) Other current assets

Item	31 December 2025	
	30 June 2026 (Unaudited)	
Input tax credit to be deducted	29,599,229.64	23,742,311.54
Prepaid enterprise income tax	6,029,496.34	4,710,160.82
Listing expenses	–	22,629,082.86
Total	35,628,725.98	51,081,555.22

Notes to Interim Financial Statements (continued)

(Unless otherwise specified, RMB is the monetary unit)

V. NOTES TO THE MAJOR ITEMS IN CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. Long-term Equity Investments

(1) Status of long-term equity investments

Investee	31 December 2025	Additional investment	Negative investment	Changes in this period							30 June 2026 (Unaudited)	Balance of impairment provision
				Investment gains and losses recognized under the equity method	Adjustment to other comprehensive income	Other changes in equity	Declaration of cash dividends or profits	Accrued impairment provision	Foreign currency translation difference			
Associates:												
Jiangxi Tungsten												
Jinxun Resources												
Africa SAS												
(江鎬金灣非洲資源 股份有限公司)	252,196.94	-	-	-	-	-	-	-	-	252,196.94	252,196.94	
Total	252,196.94	-	-	-	-	-	-	-	-	252,196.94	252,196.94	

Investee	31 December 2024	Additional investment	Negative investment	Changes in this period						31 December 2025	Balance of impairment provision
				Investment gains and losses recognized under the equity method	Adjustment to other comprehensive income	Other changes in equity	Declaration of cash dividends or profits	Accrued impairment provision	Foreign currency translation difference		
Associates:											
Jiangxi Tungsten											
Jinxun Resources											
Africa SAS	252,196.94	-	-	-	-	-	-	-	-	252,196.94	252,196.94
Total	252,196.94	-	-	-	-	-	-	-	-	252,196.94	252,196.94

Notes to Interim Financial Statements (continued)

(Unless otherwise specified, RMB is the monetary unit)

V. NOTES TO THE MAJOR ITEMS IN CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

8. Fixed Assets

(1) Presentation by category

Item	30 June 2026 (Unaudited)	31 December 2025
Fixed assets	679,330,792.49	641,753,500.69
Disposal of fixed assets	—	—
Total	679,330,792.49	641,753,500.69

(2) Fixed assets

① Status of fixed assets

Item	Buildings and structures	Machinery equipment	Means of transportation	Electronic equipment	Other equipment	Decommissioning costs	Total
I. Gross carrying amount:							
31 December 2024	282,982,167.10	233,755,523.17	51,706,301.10	6,070,474.30	2,430,207.71	7,889,460.43	584,834,133.81
Amount increased in this period	75,999,780.40	78,068,498.40	17,028,656.94	1,267,516.39	519,027.55	24,669,168.36	197,552,648.04
– Purchase	—	2,271,917.18	18,353,179.39	500,966.19	260,290.71	—	21,386,353.47
– Transfer-in from construction in progress	82,692,717.31	81,043,260.70	40,485.33	889,672.91	322,391.23	—	164,988,527.48
– Others	—	—	—	—	—	24,386,293.39	24,386,293.39
– Foreign currency translation difference	(6,692,936.91)	(5,246,679.48)	(1,365,007.78)	(123,122.71)	(63,654.39)	282,874.97	(13,208,526.30)
Amount decreased in this period	63,947.46	1,388,933.90	155,090.47	426,577.57	104,424.78	—	2,138,974.18
– Disposal or decommissioning	63,947.46	1,388,933.90	155,090.47	426,577.57	104,424.78	—	2,138,974.18
31 December 2025	358,918,000.04	310,435,087.67	68,579,867.57	6,911,413.12	2,844,810.48	32,558,628.79	780,247,807.67
Amount increased in this period	7,853,993.43	33,977,544.18	26,538,357.91	8,436.98	145,357.25	(987,352.45)	67,536,337.30
– Purchase	—	180,185.00	417,883.78	69,842.14	115,716.73	—	783,627.65
– Transfer-in from construction in progress	17,249,257.59	41,661,031.98	28,225,927.19	79,441.72	92,650.30	—	87,308,308.78
– Foreign currency translation difference	(9,395,264.16)	(7,863,672.80)	(2,105,453.06)	(140,846.88)	(63,009.78)	(987,352.45)	(20,555,599.13)
Amount decreased in this period	243,266.89	124,977.37	—	—	4,967.96	—	373,212.22
– Disposal or decommissioning	243,266.89	124,977.37	—	—	4,967.96	—	373,212.22
30 June 2026	366,528,726.58	344,287,654.48	95,118,225.48	6,919,850.10	2,985,199.77	31,571,276.34	847,410,932.75

Notes to Interim Financial Statements (continued)

(Unless otherwise specified, RMB is the monetary unit)

V. NOTES TO THE MAJOR ITEMS IN CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

8. Fixed Assets (continued)

(2) Fixed assets (continued)

① Status of fixed assets (continued)

Item	Buildings and structures	Machinery equipment	Means of transportation	Electronic equipment	Other equipment	Decommissioning costs	Total
II. Accumulated depreciation							
31 December 2024	24,158,084.07	37,016,434.43	17,993,580.03	1,931,527.59	716,041.89	2,406,548.44	84,222,216.45
Amount increased in this period	16,178,718.91	20,863,652.60	9,391,027.87	1,130,052.79	438,005.26	3,183,799.07	51,185,256.50
– Accrual	16,819,676.64	22,006,556.16	10,167,253.68	1,190,634.15	472,171.92	3,289,228.34	53,945,520.89
– Foreign currency translation difference	(640,957.73)	(1,142,903.56)	(776,225.81)	(60,581.36)	(34,166.66)	(105,429.27)	(2,760,264.39)
Amount decreased in this period	13,630.43	537,084.26	86,080.62	188,558.45	36,374.31	–	861,728.07
– Disposals or retirements	13,630.43	537,084.26	86,080.62	188,558.45	36,374.31	–	861,728.07
31 December 2025	40,323,172.55	57,343,002.77	27,298,527.28	2,873,021.93	1,117,672.84	5,590,347.51	134,545,744.88
Amount increased in this period	6,741,187.49	14,810,799.90	5,015,726.67	573,419.38	1,252,978.83	1,396,538.18	29,790,650.45
– Accrual	8,074,767.80	16,878,197.18	5,931,335.42	641,415.03	1,293,218.64	1,590,243.06	34,409,177.13
– Foreign currency translation difference	(1,333,580.31)	(2,067,397.28)	(915,608.75)	(67,995.65)	(40,239.81)	(193,704.88)	(4,618,526.68)
Amount decreased in this period	19,739.74	57,590.40	–	–	472.02	–	77,802.16
– Disposals or retirements	19,739.74	57,590.40	–	–	472.02	–	77,802.16
30 June 2026	47,044,620.30	72,096,212.27	32,314,253.95	3,446,441.31	2,370,179.65	6,986,885.69	164,258,593.17
III. Impairment provision							
31 December 2024	1,592,317.00	2,892,863.97	–	–	–	–	4,485,180.97
Amount increased in this period	–	–	–	–	–	–	–
Amount decreased in this period	35,353.02	501,265.85	–	–	–	–	536,618.87
– Disposals or retirements	–	444,057.12	–	–	–	–	444,057.12
– Foreign currency translation difference	35,353.02	57,208.73	–	–	–	–	92,561.75
31 December 2025	1,556,963.98	2,391,598.12	–	–	–	–	3,948,562.10
Amount decreased in this period	48,267.78	78,747.23	–	–	–	–	127,015.01
– Disposals or retirements	–	4,665.10	–	–	–	–	4,665.10
– Foreign currency translation difference	48,267.78	74,082.13	–	–	–	–	122,349.91
30 June 2026	1,508,696.20	2,312,850.89	–	–	–	–	3,821,547.09
IV. Book value of fixed assets							
30 June 2026	317,975,410.08	269,878,591.32	62,803,971.53	3,473,408.79	615,020.12	24,584,390.65	679,330,792.49
31 December 2025	317,037,863.51	250,700,486.78	41,281,340.29	4,038,391.19	1,727,137.64	26,968,281.28	641,753,500.69

Notes to Interim Financial Statements (continued)

(Unless otherwise specified, RMB is the monetary unit)

V. NOTES TO THE MAJOR ITEMS IN CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

8. Fixed Assets (continued)

(2) Fixed assets (continued)

- ② No temporarily idle fixed assets for the current period.
- ③ No fixed assets leased out under operating leases for the current period.
- ④ No fixed assets with outstanding title certificates at the end of the current period.

9. Construction in Progress

(1) Presentation by category

Item	30 June 2026 (Unaudited)	31 December 2025
Construction in progress	97,366,120.22	61,088,315.57
Engineering materials	243,054,635.19	49,743,041.06
Total	340,420,755.41	110,831,356.63

(2) Construction in progress and engineering materials

① Details of construction in progress and engineering materials

Item	30 June 2026 (Unaudited)			31 December 2025		
	Account balance	Impairment provision	Book value	Account balance	Impairment provision	Book value
Project for Annual Output of 50,000-ton High- performance Lithium- ion Power Battery Raw Materials	519,688.45	-	519,688.45	13,706,116.98	-	13,706,116.98
DRC Smelter	228,153,023.15	305,162.37	227,847,860.78	70,340,126.33	314,925.39	70,025,200.94
Rongxing Tailings Pond Renovation Project	6,389,427.48	-	6,389,427.48	18,305,748.73	-	18,305,748.73
Rongxing Equipment under Installation	105,663,778.70	-	105,663,778.70	8,794,289.98	-	8,794,289.98
Total	340,725,917.78	305,162.37	340,420,755.41	111,146,282.02	314,925.39	110,831,356.63

Notes to Interim Financial Statements (continued)

(Unless otherwise specified, RMB is the monetary unit)

V. NOTES TO THE MAJOR ITEMS IN CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

9. Construction in Progress (continued)

(2) Construction in progress and engineering materials (continued)

② Changes in key construction in progress

Project name	31 December 2025	Increase in the current period	Transferred into fixed assets	Other decreases	Foreign currency translation difference	30 June 2026
Project for Annual Output of 50,000-ton High- performance Lithium- ion Power Battery Raw Materials	13,706,116.98	865,825.57	14,052,254.10	-	-	519,688.45
DRC Smelter	70,340,126.33	206,253,977.51	47,212,240.08	-	(1,228,840.61)	228,153,023.15
Rongxing Tailings Pond Renovation Project	18,305,748.73	5,757,761.67	17,254,051.19	-	(420,031.73)	6,389,427.48
Rongxing Equipment under Installation	8,794,289.98	106,096,984.22	8,789,763.41	-	(437,732.09)	105,663,778.70
Total	111,146,282.02	318,974,548.97	87,308,308.78	-	(2,086,604.43)	340,725,917.78

Project name	31 December 2024	Increase in the current period	Transferred into fixed assets/ Long-term deferred expenses	Other decreases	Foreign currency translation difference	31 December 2025
Project for Annual Output of 50,000-ton High- performance Lithium- ion Power Battery Raw Materials	108,177,693.95	61,342,471.70	155,814,048.67	-	-	13,706,116.98
DRC Smelter	9,092,801.11	72,697,987.68	11,277,848.21	-	(172,814.25)	70,340,126.33
Rongxing Tailings Pond Renovation Project	-	19,298,274.83	992,526.10	-	-	18,305,748.73
Rongxing Equipment under Installation	2,153,631.77	13,389,710.91	6,701,236.83	-	(47,815.87)	8,794,289.98
Total	119,424,126.83	166,728,445.12	174,785,659.81	-	(220,630.12)	111,146,282.02

Notes to Interim Financial Statements (continued)

(Unless otherwise specified, RMB is the monetary unit)

V. NOTES TO THE MAJOR ITEMS IN CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

10. Right-of-Use Assets

Item	Buildings and structures
I. Gross carrying amount:	
31 December 2024	457,215.25
Amount increased in this period	546,350.79
– Amount increased in this period	550,560.19
– Foreign currency translation	(4,209.40)
Amount decreased in this period	453,005.85
31 December 2025	550,560.19
Amount decreased in this period	(16,844.72)
– Foreign currency translation	(16,844.72)
30 June 2026	533,715.47
II. Accumulated depreciation	
31 December 2024	372,091.94
Amount increased in this period	196,785.70
– Accrual	202,535.35
– Foreign currency translation	(5,749.65)
Amount decreased in this period	453,005.85
31 December 2025	115,871.79
Amount increased in this period	49,282.52
– Accrual	53,335.60
– Foreign currency translation	(4,053.08)
30 June 2026	165,154.31
III. Book value	
Book value as at 30 June 2026	368,561.16
Book value as at 31 December 2025	434,688.40

Notes to Interim Financial Statements (continued)

(Unless otherwise specified, RMB is the monetary unit)

V. NOTES TO THE MAJOR ITEMS IN CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

11. Intangible Assets

(1) Status of intangible assets

Item	Land use rights	Software	Smelting licenses	Total
I. Gross carrying amount				
31 December 2024	21,060,913.68	418,299.14	10,116,415.03	31,595,627.85
Amount increased in this period	(171,517.44)	2,327,030.17	327,151.73	2,482,664.46
– Purchase	110,679.42	2,327,030.17	551,760.80	2,989,470.39
– Foreign currency translation difference	(282,196.86)	–	(224,609.07)	(506,805.93)
31 December 2025	20,889,396.24	2,745,329.31	10,443,566.76	34,078,292.31
Amount increased/(decreased) in this period	15,044,162.89	–	(323,761.27)	14,720,401.62
30 June 2026	35,933,559.13	2,745,329.31	10,119,805.49	48,798,693.93
II. Accumulated amortization				
31 December 2024	985,942.13	311,498.99	683,362.66	1,980,803.78
Amount increased in this period	413,045.07	49,990.88	632,272.78	1,095,308.73
– Accrual	434,142.21	49,990.88	657,844.63	1,141,977.72
– Foreign currency translation difference	(21,097.14)	–	(25,571.85)	(46,668.99)
31 December 2025	1,398,987.20	361,489.87	1,315,635.44	3,076,112.51
Amount increased in this period	501,801.21	17,202.13	(40,786.05)	478,217.29
– Accrual	213,368.01	17,202.13	325,438.21	556,008.35
– Foreign currency translation difference	288,433.20	–	(366,224.26)	(77,791.06)
30 June 2026	1,900,788.41	378,692.00	1,274,849.39	3,554,329.80
III. Book value				
30 June 2026	34,032,770.72	2,366,637.31	8,844,956.10	45,244,364.13
31 December 2025	19,490,409.04	2,383,839.44	9,127,931.32	31,002,179.80

- (2) As of the end of the current period, the carrying amount of intangible assets for which property right certificates have not yet been obtained amounted to RMB15,430,431.57, and the Group is currently processing the applications.

Notes to Interim Financial Statements (continued)

(Unless otherwise specified, RMB is the monetary unit)

V. NOTES TO THE MAJOR ITEMS IN CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

12. Long-term deferred expenses

Project name	31 December 2025	Increase in current period	Amortization in current period	Foreign currency translation difference	30 June 2026
Off-site road construction projects	1,875,414.36	–	345,681.12	(39,401.35)	1,490,331.89
Ancillary materials pending amortization	8,941,006.23	273,316.82	174,428.18	–	9,039,894.87
Total	10,816,420.59	273,316.82	520,109.30	(39,401.35)	10,530,226.76

Project name	31 December 2024	Transfer-in from construction in progress in current period	Amortization in current period	Foreign currency translation difference	31 December 2025
Off-site road construction projects	1,637,238.83	844,469.68	579,098.17	(27,195.98)	1,875,414.36
Ancillary materials pending amortization	607,519.57	8,952,662.65	615,229.12	(3,946.87)	8,941,006.23
Total	2,244,758.40	9,797,132.33	1,194,327.29	(31,142.85)	10,816,420.59

Notes to Interim Financial Statements (continued)

(Unless otherwise specified, RMB is the monetary unit)

V. NOTES TO THE MAJOR ITEMS IN CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

13. Deferred Tax Assets and Deferred Tax Liabilities

(1) Deferred tax assets not offset

Item	30 June 2026 (Unaudited)		31 December 2025	
	Deductible temporary differences	Deferred tax assets	Deductible temporary differences	Deferred tax assets
Unrealized internal transaction	57,939,993.87	15,132,063.69	42,099,883.33	11,613,551.85
Credit impairment provision	44,023,774.63	13,095,193.26	29,008,679.41	8,637,970.73
Decommissioning obligation	13,613,087.04	4,091,363.37	11,093,690.99	3,335,544.56
Asset impairment losses	3,821,547.09	1,146,464.13	3,948,561.81	1,184,568.54
Deductible losses	3,302,241.93	749,737.56	3,302,241.93	749,737.56
Lease liabilities	368,561.16	108,725.54	17,200.00	1,548.00
Commodity futures contracts	—	—	251,350.00	62,837.50
Total	123,069,205.72	34,323,547.55	89,721,607.47	25,585,758.74

(2) Deferred tax liabilities not offset

Item	30 June 2026 (Unaudited)		31 December 2025	
	Taxable temporary differences	Deferred tax liabilities	Taxable temporary differences	Deferred tax liabilities
Accelerated depreciation of fixed assets	31,150,762.87	9,345,228.86	33,499,058.07	10,049,717.42
Unrealized exchange gains or losses	22,780,207.01	6,834,062.12	16,383,315.77	4,914,995.30
Right-of-use assets	368,561.16	108,725.54	—	—
Commodity futures contracts	210,050.00	52,512.50	—	—
Total	54,509,581.04	16,340,529.02	49,882,373.84	14,964,712.72

Notes to Interim Financial Statements (continued)

(Unless otherwise specified, RMB is the monetary unit)

V. NOTES TO THE MAJOR ITEMS IN CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

13. Deferred Tax Assets and Deferred Tax Liabilities (continued)

(3) Details of unrecognized deferred tax assets at the end of the current period

Item	30 June 2026 (Unaudited)	31 December 2025
Deductible losses	10,652,140.34	8,526,287.19
Provision for devaluation of inventories	26,593,295.26	—
Bad debt provisions	989,760.48	763,426.54
Total	38,235,196.08	9,289,713.73

(4) Deferred tax assets or liabilities presented as net amounts after offsetting

Item	Amount offset between deferred tax assets and liabilities as at 30 June 2026	Balances of deferred tax assets or liabilities after offsetting as at 30 June 2026	Amount offset between deferred tax assets and liabilities as at 31 December 2025	Balances of deferred tax assets or liabilities after offsetting as at 31 December 2025
Deferred tax assets	16,340,529.02	17,983,018.53	11,718,049.47	13,867,709.27
Deferred tax liabilities	16,340,529.02	—	11,718,049.47	3,246,663.25

Notes to Interim Financial Statements (continued)

(Unless otherwise specified, RMB is the monetary unit)

V. NOTES TO THE MAJOR ITEMS IN CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

13. Deferred Tax Assets and Deferred Tax Liabilities (continued)

(5) *Deductible losses from unrecognized deferred tax assets will expire in the following years*

Year	30 June 2026 (Unaudited)	31 December 2025
2027	1,437,982.35	1,437,982.35
2028	217,603.77	217,603.77
2029	1,325,452.82	1,325,452.82
2030	5,545,248.25	5,545,248.25
2031	2,125,853.15	–
Total	10,652,140.34	8,526,287.19

(6) *Unrecognized deferred tax liabilities*

As at 30 June 2026, the temporary differences related to the retained earnings of subsidiaries amounted to RMB615,445,293.67 (2025: RMB450,708,149.60). As the Company is able to control the dividend policies of these subsidiaries and has determined that the relevant profits are unlikely to be distributed in the foreseeable future, no deferred tax liability has been recognized for the income tax payable on the distribution of these retained earnings, amounting to RMB61,544,529.37 (2025: RMB45,070,814.96).

14. Other Non-current Assets

Item	30 June 2026 (Unaudited)	31 December 2025
Refundable taxes receivable from Zambia	128,936,968.93	89,705,844.29
Advance payments for engineering equipment	49,766,569.90	58,534,479.69
Deposit for decommissioning obligations	2,802,272.88	1,235,336.88
Less: Bad debt provisions	40,026,563.04	26,429,051.04
Total	141,479,248.67	123,046,609.82

Notes to Interim Financial Statements (continued)

(Unless otherwise specified, RMB is the monetary unit)

V. NOTES TO THE MAJOR ITEMS IN CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

15. Assets with Restricted Ownership or Usage Rights

Item	30 June 2026 (Unaudited)			Cause for restrictions
	Account balance	Book value	Restriction type	
Fixed assets	441,634,691.99	334,109,403.36	Mortgage	Mortgage borrowings
Land use rights	12,307,582.29	11,445,724.22	Mortgage	Mortgage borrowings

Item	31 December 2025			Cause for restrictions
	Account balance	Book value	Restriction type	
Fixed assets	211,787,171.15	173,280,916.06	Mortgage	Mortgage borrowings
Land use rights	15,273,083.61	14,144,675.87	Mortgage	Mortgage borrowings
Construction in progress	13,706,116.98	13,706,116.98	Mortgage	Mortgage borrowings

16. Short-term Borrowings

(1) Short-term borrowings by type

Item	30 June 2026 (Unaudited)	31 December 2025
Credit borrowings (Note (1))	212,126,510.83	192,750,736.96
Mortgage borrowings (Note (2))	47,676,300.00	32,332,480.00
Interest payable	214,163.27	207,704.44
Total	260,016,974.10	225,290,921.40

Notes: (1) As at 30 June 2026, the Group's credit borrowings of RMB212,126,510.83 and mortgage borrowings of RMB47,676,300.00 were guaranteed by companies within the Group's consolidated scope (31 December 2025: credit borrowings of RMB192,750,736.96 and mortgage borrowings of RMB32,332,480.00).

(2) The above borrowings of the Group are repayable within one year as of 30 June 2026 and 31 December 2025, respectively, with no overdue amounts.

Notes to Interim Financial Statements (continued)

(Unless otherwise specified, RMB is the monetary unit)

V. NOTES TO THE MAJOR ITEMS IN CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

17. Derivative Financial Liabilities

Type	30 June 2026 (Unaudited)	31 December 2025
Commodity futures contracts	–	251,350.00
Total	–	251,350.00

18. Accounts Payable

(1) Presentation of accounts payable

Item	30 June 2026 (Unaudited)	31 December 2025
Accounts payable designated at FVTPL	71,566,190.62	408,156,340.66
Accounts payable at amortized cost	266,459,964.68	201,895,478.49
Total	338,026,155.30	610,051,819.15

Note: Some of the Group's commodity purchase contracts contain provisional priced sales arrangements, and the purchase price is provisionally determined based on the current spot price and the price in the specified future period after shipment is used as the final price for settlement with suppliers. The Group designates such accounts payable as financial liabilities at fair value through profit or loss in its entirety.

(2) Accounts payable by type

Item	30 June 2026 (Unaudited)	31 December 2025
Payables for goods	168,779,211.63	507,211,720.63
Payables for engineering equipment and relevant fees	128,476,239.35	75,294,413.94
Transportation charges payable	6,654,558.85	5,669,955.90
Other payables	34,116,145.47	21,875,728.68
Total	338,026,155.30	610,051,819.15

Notes to Interim Financial Statements (continued)

(Unless otherwise specified, RMB is the monetary unit)

V. NOTES TO THE MAJOR ITEMS IN CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

18. Accounts Payable (continued)

(3) Aging of accounts payable at fair value (based on the invoice dates):

Aging	30 June 2026 (Unaudited)		31 December 2025	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year	70,764,977.53	98.88	407,329,494.49	99.80
2-3 years	801,213.09	1.12	826,846.17	0.20
Total	71,566,190.62	100.00	408,156,340.66	100.00

(4) Aging of accounts payable at amortized cost (based on the invoice dates):

Aging	30 June 2026 (Unaudited)		31 December 2025	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year	253,366,652.00	95.09	191,109,347.73	94.66
1-2 years	11,510,859.58	4.32	10,786,130.76	5.34
2-3 years	1,582,453.10	0.59	–	–
Total	266,459,964.68	100.00	201,895,478.49	100.00

(5) Significant accounts payable with an aging of more than one year at the end of the period

Item	30 June 2026	Reasons for non-repayment or non-carry-forward
China National Chemical Engineering Third Construction Co., Ltd. (中國化學工程第三建設有限公司)	8,542,110.35	Unsettled project costs
Total	8,542,110.35	

Notes to Interim Financial Statements (continued)

(Unless otherwise specified, RMB is the monetary unit)

V. NOTES TO THE MAJOR ITEMS IN CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

19. Contract Liabilities

(1) Presentation of contract liabilities

Item	30 June 2026 (Unaudited)	31 December 2025
Advanced from customers	3,231,100.36	58,869,658.71

20. Employee Benefits Payable

(1) Presentation of employee benefits payable

Item	31 December 2025	Increase in current period	Decrease in current period	30 June 2026
I. Short-term benefits	12,553,305.25	71,647,601.94	71,568,800.62	12,632,106.57
II. Post-employment benefits – defined contribution plans	51,330.32	4,110,458.86	4,117,845.27	43,943.91
III. Termination benefits	–	99,325.63	99,325.63	–
Total	12,604,635.57	75,857,386.43	75,785,971.52	12,676,050.48

Item	31 December 2024	Increase in current period	Decrease in current period	31 December 2025
I. Short-term benefits	7,441,553.66	102,597,020.96	97,485,269.37	12,553,305.25
II. Post-employment benefits – defined contribution plans	48,549.31	5,070,565.03	5,067,784.02	51,330.32
III. Termination benefits	–	2,142.51	2,142.51	–
Total	7,490,102.97	107,669,728.50	102,555,195.90	12,604,635.57

Notes to Interim Financial Statements (continued)

(Unless otherwise specified, RMB is the monetary unit)

V. NOTES TO THE MAJOR ITEMS IN CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

20. Employee Benefits Payable (continued)

(2) Presentation of short-term benefits

Item	31 December 2025	Increase in current period	Decrease in current period	30 June 2026
Wages, bonuses, allowances, and subsidies	12,512,201.59	58,648,396.04	58,567,035.95	12,593,561.68
Employee benefits	–	10,917,321.87	10,917,321.87	–
Social insurance premiums	17,438.66	1,549,126.32	1,550,685.09	15,879.89
Including: Medical insurance premiums	17,332.06	933,267.74	934,826.51	15,773.29
Work-related injury insurance premiums	106.60	544,382.87	544,382.87	106.60
Maternity insurance premiums	–	71,475.71	71,475.71	–
Housing provident funds	2,665.00	314,391.30	314,391.30	2,665.00
Labor union dues	21,000.00	110,202.82	111,202.82	20,000.00
Employee education funds	–	108,163.59	108,163.59	–
Total	12,553,305.25	71,647,601.94	71,568,800.62	12,632,106.57

Item	31 December 2024	Increase in current period	Decrease in current period	31 December 2025
Wages, bonuses, allowances, and subsidies	7,423,067.01	88,948,535.63	83,859,401.05	12,512,201.59
Employee benefits	–	10,705,621.66	10,705,621.66	–
Social insurance premiums	16,259.65	2,280,677.82	2,279,498.81	17,438.66
Including: Medical insurance premiums	16,124.17	1,336,090.08	1,334,882.19	17,332.06
Work-related injury insurance premiums	135.48	836,107.71	836,136.59	106.60
Maternity insurance premiums	–	108,480.03	108,480.03	–
Housing provident funds	2,227.00	421,029.83	420,591.83	2,665.00
Labor union dues	–	185,131.93	164,131.93	21,000.00
Employee education funds	–	56,024.09	56,024.09	–
Total	7,441,553.66	102,597,020.96	97,485,269.37	12,553,305.25

Notes to Interim Financial Statements (continued)

(Unless otherwise specified, RMB is the monetary unit)

V. NOTES TO THE MAJOR ITEMS IN CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

20. Employee Benefits Payable (continued)

(3) Presentation of defined contribution plan

Item	31 December 2025	Increase in current period	Decrease in current period	30 June 2026
Basic endowment insurance premiums	24,364.21	3,963,302.44	3,966,408.14	21,258.51
Unemployment insurance premiums	26,966.11	147,156.42	151,437.13	22,685.40
Total	51,330.32	4,110,458.86	4,117,845.27	43,943.91

Item	31 December 2024	Increase in current period	Decrease in current period	31 December 2025
Basic endowment insurance premiums	24,024.07	4,808,643.02	4,808,302.88	24,364.21
Unemployment insurance premiums	24,525.24	261,922.01	259,481.14	26,966.11
Total	48,549.31	5,070,565.03	5,067,784.02	51,330.32

21. Taxes Payable

Item	30 June 2026 (Unaudited)	31 December 2025
Enterprise income tax	143,052,967.61	82,225,129.66
Value-added tax	10,487,465.12	2,554,330.22
Resource tax	9,828,605.74	7,830,354.30
Individual income tax	383,766.80	455,626.37
Others	403,563.69	245,933.58
Total	164,156,368.96	93,311,374.13

Notes to Interim Financial Statements (continued)

(Unless otherwise specified, RMB is the monetary unit)

V. NOTES TO THE MAJOR ITEMS IN CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

22. Other Payables

(1) Presentation by category

Item	30 June 2026 (Unaudited)	31 December 2025
Interest payable	—	—
Dividend payable	13,952,532.00	—
Other payables	46,890,954.78	216,166,030.83
Total	60,843,486.78	216,166,030.83

① Presentation by nature of payment

Item	30 June 2026 (Unaudited)	31 December 2025
Borrowings	—	100,013,869.13
Security deposits and deposits	15,047,633.50	95,413,607.99
Listing expenses	—	10,045,252.73
Others	31,843,321.28	10,693,300.98
Total	46,890,954.78	216,166,030.83

② No significant other payables are aged more than one year at the end of the period.

Notes to Interim Financial Statements (continued)

(Unless otherwise specified, RMB is the monetary unit)

V. NOTES TO THE MAJOR ITEMS IN CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

23. Non-current Liabilities Due within One Year

Item	30 June 2026 (Unaudited)	31 December 2025
Long-term borrowings and interest due within one year	53,148,434.04	25,414,788.31
Lease liabilities due within one year	102,605.73	120,607.98
Total	53,251,039.77	25,535,396.29

24. Other Current Liabilities

Item	30 June 2026 (Unaudited)	31 December 2025
Output VAT to be transferred	217,560.84	575,221.24

25. Long-term Borrowings

(1) Long-term borrowings by type

Item	30 June 2026 (Unaudited)	31 December 2025	Range of interest rates January to June 2026
Credit borrowings (Note)	8,568,957.98	13,329,606.03	10.0%
Mortgage borrowings (Note)	155,790,725.95	98,183,931.62	3.8%~10.5%
Subtotal	164,359,683.93	111,513,537.65	
Less: Long-term borrowings due within one year	53,148,434.04	25,414,788.31	3.8%~10.5%
Total	111,211,249.89	86,098,749.34	3.8%~10.5%

Note: As at 30 June 2026, the Group's credit borrowings amounted to RMB8,568,957.98 and mortgage borrowings amounted to RMB86,419,226.28, which are guaranteed by companies within the Group's consolidated scope (31 December 2025: credit borrowings of RMB13,329,606.03, mortgage borrowings of RMB98,183,931.62).

Notes to Interim Financial Statements (continued)

(Unless otherwise specified, RMB is the monetary unit)

V. NOTES TO THE MAJOR ITEMS IN CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

26. Lease Liabilities

Item	30 June 2026 (Unaudited)	31 December 2025
Lease payment	414,783.81	506,404.48
Less: Unrecognized financing expenses	33,338.47	44,464.34
Subtotal	381,445.34	461,940.14
Less: Lease liabilities due within one year	102,605.73	120,607.98
Total	278,839.61	341,332.16

27. Provisions

Item	30 June 2026 (Unaudited)	31 December 2025
Decommissioning costs	37,482,094.35	37,375,997.62

The Group's decommissioning costs are related to subsidiaries engaged in smelting operations in Zambia and the DRC. This provision is established for the restoration of original sites after project completion, as required by local laws and regulations in Zambia and the DRC. The restoration costs as at 30 June 2026 are discounted at 6.13% to 12.04% (2025: discounted at 6.13% to 12.04%). These amounts will be paid when the restoration is carried out, within a project life of 10 to 15 years.

Notes to Interim Financial Statements (continued)

(Unless otherwise specified, RMB is the monetary unit)

V. NOTES TO THE MAJOR ITEMS IN CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

28. Share Capital

Item	Changes in this period (+, -)					Subtotal	30 June 2026
	31 December 2025	Issue of new shares	Stock dividend	Capitalisation of reserves	Others		
Total number of shares	110,296,643.00	42,280,400.00	-	-	-	42,280,400.00	152,577,043.00

Item	Changes in this period (+, -)					Subtotal	31 December 2025
	31 December 2024	Issue of new shares	Stock dividend	Capitalisation of reserves	Others		
Total number of shares	110,296,643.00	-	-	-	-	-	110,296,643.00

29. Capital Reserve

Item	31 December 2025	Increase in current period	Decrease in current period	30 June 2026
Share premium	40,995,946.61	1,052,174,015.65	-	1,093,169,962.26
Other capital reserve	3,443,655.90	355,285.64	-	3,798,941.54
Total	44,439,602.51	1,052,529,301.29	-	1,096,968,903.80

Item	31 December 2024	Increase in current period	Decrease in current period	31 December 2025
Share premium	40,995,946.61	-	-	40,995,946.61
Other capital reserve	2,728,755.17	714,900.73	-	3,443,655.90
Total	43,724,701.78	714,900.73	-	44,439,602.51

Notes to Interim Financial Statements (continued)

(Unless otherwise specified, RMB is the monetary unit)

V. NOTES TO THE MAJOR ITEMS IN CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

30. Other Comprehensive Income

Item	31 December 2025	Pre-tax income in this period	Amount incurred in the current period		Less: Income tax expenses	Attributable to the parent company after tax	Attributable to non-controlling shareholders after tax	30 June 2026
			Less: Recognized in other comprehensive income in the previous period, and transferred to profit or loss in this period	Less: Recognized in other comprehensive income in the previous period, and transferred to retained earnings in this period				
Other comprehensive income that will be reclassified into profit or loss	(2,622,146.92)	(26,034,731.61)	-	-	-	(26,034,731.61)	-	(28,656,878.53)
Including: Exchange differences arising from the translation of foreign currency financial statements	(2,622,146.92)	(26,034,731.61)	-	-	-	(26,034,731.61)	-	(28,656,878.53)

Item	31 December 2024	Pre-tax income in this period	Amount incurred in the current period		Less: Income tax expenses	Attributable to the parent company after tax	Attributable to non-controlling shareholders after tax	31 December 2025
			Less: Recognized in other comprehensive income in the previous period, and transferred to profit or loss in this period	Less: Recognized in other comprehensive income in the previous period, and transferred to retained earnings in this period				
Other comprehensive income that will be reclassified into profit or loss	7,858,211.50	(10,480,358.42)	-	-	-	(10,480,358.42)	-	(2,622,146.92)
Including: Exchange differences arising from the translation of foreign currency financial statements	7,858,211.50	(10,480,358.42)	-	-	-	(10,480,358.42)	-	(2,622,146.92)

Notes to Interim Financial Statements (continued)

(Unless otherwise specified, RMB is the monetary unit)

V. NOTES TO THE MAJOR ITEMS IN CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31. Surplus Reserve

Item	31 December 2025	Increase in current period	Decrease in current period	30 June 2026
Statutory surplus reserve	27,816,757.83	–	–	27,816,757.83

Item	31 December 2024	Increase in current period	Decrease in current period	31 December 2025
Statutory surplus reserve	22,239,222.28	5,577,535.55	–	27,816,757.83

32. Retained Earnings

Item	30 June 2026 (Unaudited)	31 December 2025
Retained earnings at the beginning of the year	643,224,066.61	350,864,824.15
Add: Net profit attributable to shareholders of the Company for the year	230,203,972.76	328,819,838.05
Less: Appropriation to statutory surplus reserve	–	5,577,535.55
Ordinary share dividends payable	50,350,424.19	30,883,060.04
Retained earnings at the end of the year	823,077,615.18	643,224,066.61

Notes to Interim Financial Statements (continued)

(Unless otherwise specified, RMB is the monetary unit)

V. NOTES TO THE MAJOR ITEMS IN CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

33. Operating Income and Operating Costs

(1) Operating income and operating costs

Item	For the six months ended 30 June 2026		For the six months ended 30 June 2025	
	(Unaudited) Income	(Unaudited) Cost	(Unaudited) Income	(Unaudited) Cost
Main business	1,444,437,776.23	960,354,312.14	963,784,963.19	705,927,911.94
Other businesses	895,674.65	43,538.49	133,611.10	17,866.89
Total	1,445,333,450.88	960,397,850.63	963,918,574.29	705,945,778.83

(2) Main business (by product)

Item	For the six months ended 30 June 2026		For the six months ended 30 June 2025	
	(Unaudited) Income	(Unaudited) Cost	(Unaudited) Income	(Unaudited) Cost
Revenue from production activities	1,169,913,844.03	741,265,619.99	839,938,406.34	589,957,332.68
Revenue from trading activities	274,523,932.20	219,088,692.15	123,846,556.85	115,970,579.26
Total	1,444,437,776.23	960,354,312.14	963,784,963.19	705,927,911.94

Notes to Interim Financial Statements (continued)

(Unless otherwise specified, RMB is the monetary unit)

V. NOTES TO THE MAJOR ITEMS IN CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

34. Taxes and Surcharges

Item	For the six months ended 30 June 2026 (Unaudited)	For the six months ended 30 June 2025 (Unaudited)
Mineral resource tax	32,445,118.03	27,287,474.39
Duties	9,174,284.31	7,889,936.30
Stamp duty	350,291.45	108,143.48
Environmental protection tax	236,782.23	592,246.94
Others	1,671,593.21	2,173,994.51
Total	43,878,069.23	38,051,795.62

35. Selling Expenses

Item	For the six months ended 30 June 2026 (Unaudited)	For the six months ended 30 June 2025 (Unaudited)
Employee benefits	5,202,171.62	4,923,045.87
Travel and transportation expenses	490,003.47	244,263.24
Low-value consumables	390,716.95	164,110.90
Depreciation and amortization	273,790.42	244,014.33
Lease expenses	176,943.32	86,418.14
Business entertainment expenses	172,736.76	120,671.82
Office expenses	148,657.51	192,272.37
Vehicle use fee	122,076.05	54,309.99
Share-based payments	20,181.82	28,831.17
Others	838,001.25	194,043.36
Total	7,835,279.17	6,251,981.19

Notes to Interim Financial Statements (continued)

(Unless otherwise specified, RMB is the monetary unit)

V. NOTES TO THE MAJOR ITEMS IN CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

36. Administrative Expenses

Item	For the six months ended 30 June 2026 (Unaudited)	For the six months ended 30 June 2025 (Unaudited)
Employee benefits	31,248,720.21	15,670,395.85
Business entertainment expenses	9,240,884.35	2,029,475.24
Intermediary fees	5,454,403.09	4,537,474.63
License fees	4,135,177.21	2,309,585.64
Office expenses	3,941,506.89	3,103,733.05
Travel and transportation expenses	2,748,913.98	3,940,378.84
Property insurance premiums	2,539,043.51	1,853,347.44
Community development fund expenses	2,362,281.70	1,813,122.54
Security fees	1,992,410.53	979,199.10
Depreciation and amortization	1,400,673.04	936,684.25
Rent and property management fees	1,145,563.74	814,966.39
Vehicle use fee	907,281.35	639,827.60
Share-based payments	335,103.82	297,847.96
Environmental restoration fees	—	2,472,184.47
Others	3,119,739.65	2,919,876.25
Total	70,571,703.07	44,318,099.25

37. R&D Expenses

Item	For the six months ended 30 June 2026 (Unaudited)	For the six months ended 30 June 2025 (Unaudited)
Material requisition	8,702,984.27	6,051,108.43
Employee benefits	2,320,470.02	2,045,896.68
Depreciation and amortization	268,924.11	158,499.39
Others	34,719.67	41,663.42
Total	11,327,098.07	8,297,167.92

Notes to Interim Financial Statements (continued)

(Unless otherwise specified, RMB is the monetary unit)

V. NOTES TO THE MAJOR ITEMS IN CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

38. Financial Expenses

Item	For the six months ended 30 June 2026 (Unaudited)	For the six months ended 30 June 2025 (Unaudited)
Interest expenses on borrowings and payables	10,407,068.69	8,221,053.35
Interest expenses on decommissioning obligations	1,257,789.53	996,154.20
Interest expenses on lease liabilities	9,874.08	13,880.36
Less: Capitalized interest expenses	4,055,982.54	1,397,602.38
Subtotal of interest expenses	7,618,749.76	7,833,485.53
Less: interest income	7,036,762.96	283,481.28
Net interest expenses	581,986.80	7,550,004.25
Net foreign exchange loss/(gain)	12,654,783.44	(9,327,648.99)
Handling fees and other expenses	5,968,868.09	3,581,830.32
Other financing expenses	—	212,000.00
Total	19,205,638.33	2,016,185.58

39. Other Income

Item	For the six months ended 30 June 2026 (Unaudited)	For the six months ended 30 June 2025 (Unaudited)
Government subsidies	86,624.25	—
Service fees for individual income tax withholding	38,591.90	28,141.40
Additional VAT deduction	—	4,500.00
Total	125,216.15	32,641.40

Notes to Interim Financial Statements (continued)

(Unless otherwise specified, RMB is the monetary unit)

V. NOTES TO THE MAJOR ITEMS IN CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

40. Investment Income

Item	For the six months ended 30 June 2026 (Unaudited)	For the six months ended 30 June 2025 (Unaudited)
Investment income from account receivables and account payables under provisional priced sales arrangements	23,309,717.57	10,576,250.37
Investment income/(loss) from commodity futures contracts	4,225,956.95	(106,595.86)
Total	27,535,674.52	10,469,654.51

41. Gains from Changes in Fair Value

Item	For the six months ended 30 June 2026 (Unaudited)	For the six months ended 30 June 2025 (Unaudited)
Gains from changes in fair value of commodity futures contracts	461,400.00	—
Gains from changes in fair value of account receivables and account payables under provisional priced sales arrangements	1,276,855.40	966,438.74
Total	1,738,255.40	966,438.74

42. Credit Impairment Loss

Item	For the six months ended 30 June 2026 (Unaudited)	For the six months ended 30 June 2025 (Unaudited)
Provision for bad debts on accounts receivable	59,155.20	(98,439.49)
Provision for bad debts on other receivables	(16,411,812.88)	(9,061,061.36)
Total	(16,352,657.68)	(9,159,500.85)

Notes to Interim Financial Statements (continued)

(Unless otherwise specified, RMB is the monetary unit)

V. NOTES TO THE MAJOR ITEMS IN CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

43. Asset Impairment Loss

Item	For the six months ended 30 June 2026 (Unaudited)	For the six months ended 30 June 2025 (Unaudited)
Provision for devaluation of inventories	(26,593,295.26)	–

44. Loss from Disposal of Assets

Item	For the six months ended 30 June 2026 (Unaudited)	For the six months ended 30 June 2025 (Unaudited)
Loss from disposal of fixed assets	(71,074.91)	(48,910.48)

45. Non-operating Income

(1) Detail of non-operating income

Item	For the six months ended 30 June 2026 (Unaudited)	For the six months ended 30 June 2025 (Unaudited)	Amount included in the non-recurring gains and losses of this period
Government subsidies unrelated to ordinary operating activities	3,000.00	331,677.35	3,000.00
Income from fines and forfeitures	24,000.00	12,718.03	24,000.00
Others	196,018.48	23,905.03	196,018.48
Total	223,018.48	368,300.41	223,018.48

Notes to Interim Financial Statements (continued)

(Unless otherwise specified, RMB is the monetary unit)

V. NOTES TO THE MAJOR ITEMS IN CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

46. Non-operating Expenses

Item	For the six months ended 30 June 2026 (Unaudited)	For the six months ended 30 June 2025 (Unaudited)	Amount included in the non-recurring gains and losses of this period
Loss from damage or retirement of non-current assets	285,490.00	110,078.92	285,490.00
Charitable donation expenses	6,875.25	195,660.73	6,875.25
Others	419,554.40	157,351.28	419,554.40
Total	711,919.65	463,090.93	711,919.65

47. Income Tax Expenses

(1) Components of income tax expenses

Item	For the six months ended 30 June 2026 (Unaudited)	For the six months ended 30 June 2025 (Unaudited)
Current income tax expenses	95,160,210.28	25,565,112.59
Deferred income tax expenses	(7,353,153.61)	656,804.61
Total	87,807,056.67	26,221,917.20

Notes to Interim Financial Statements (continued)

(Unless otherwise specified, RMB is the monetary unit)

V. NOTES TO THE MAJOR ITEMS IN CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

47. Income Tax Expenses (continued)

(2) Reconciliation of accounting profits and income tax expenses

Item	For the six months ended 30 June 2026 (Unaudited)	For the six months ended 30 June 2025 (Unaudited)
Total profit	318,011,029.43	161,203,098.70
Income tax expenses calculated at statutory/applicable tax rate	79,502,757.36	40,300,774.68
Effect of different tax rates applicable to subsidiaries	(19,928,314.31)	(1,735,302.17)
Effect of non-taxable income	(2,007,253.59)	(18,175,612.58)
Effect of non-deductible costs, expenses and losses	15,744,089.09	808,787.90
Effect of tax rate changes	—	680.53
Final settlement differences	817,147.33	—
Effect of deductible temporary differences or deductible losses on unrecognised deferred tax assets during the period	9,790,658.83	5,404,193.68
Effect of withholding tax	4,155,084.38	—
Additional deduction for R&D expenses	(267,112.42)	(381,604.84)
Income tax expenses	87,807,056.67	26,221,917.20

Notes to Interim Financial Statements (continued)

(Unless otherwise specified, RMB is the monetary unit)

V. NOTES TO THE MAJOR ITEMS IN CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

48. Calculation of Basic and Diluted Earnings Per Share

(1) Basic earnings per share

Basic earnings per share is calculated by dividing the consolidated net profit attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding of the Company:

	For the six months ended 30 June 2026 (Unaudited)	For the six months ended 30 June 2025 (Unaudited)
Consolidated net profits attributable to ordinary shareholders of the Company	230,203,972.76	134,981,181.50
Weighted average number of ordinary shares issued by the Company	149,717,505.22	110,296,643.00
Basic earnings per share (RMB/share)	1.54	1.22

The Company was listed on The Stock Exchange of Hong Kong Limited on 9 January 2026 under stock code 03636. A total of 33,089,000.00 new H-shares with a par value of RMB1.00 each were issued at a price of HK\$30.00 per share. On 10 February 2026, the over-allotment option for 5,514,800.00 shares was fully exercised. For the period from 1 January 2026 to 30 June 2026, the weighted average number of ordinary shares issued by the Company amounted to 149,717,505.22 shares (1 January 2025 to 30 June 2025: weighted average number of ordinary shares of 110,296,643.00 shares).

(2) Diluted earnings per share

The over-allotment option granted by the Company to the overall coordinator for the H-share listing has a potential dilutive effect. For the period from 1 January 2026 to 30 June 2026, the weighted average number of diluted ordinary shares issued by the Company amounted to 150,697,914 shares (1 January 2025 to 30 June 2025: no potential dilutive effect).

Notes to Interim Financial Statements (continued)

(Unless otherwise specified, RMB is the monetary unit)

V. NOTES TO THE MAJOR ITEMS IN CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

49. Notes to the Cash Flow Statement

(1) Cash related to operating activities

① Other cash received related to operating activities

Item	For the six months ended 30 June 2026 (Unaudited)	For the six months ended 30 June 2025 (Unaudited)
Security deposits received	3,608,765.67	17,970,308.44
Current accounts	—	1,768,000.00
Government subsidies	125,216.15	871,836.00
Others	16,932,919.02	213,046.53
Total	20,666,900.84	20,823,190.97

② Other cash payments related to operating activities

Item	For the six months ended 30 June 2026 (Unaudited)	For the six months ended 30 June 2025 (Unaudited)
Deposits and margins	84,085,829.39	17,498,290.04
Business entertainment expenses	9,413,621.11	2,150,147.06
Intermediary fees	5,454,403.09	3,337,927.58
Bank handling fees	5,968,868.09	3,310,650.98
License fees	4,135,177.21	2,309,585.64
Office expenses	3,941,506.89	3,296,005.42
Travel and transportation expenses	3,238,917.45	8,352,330.86
Property insurance premiums	2,539,043.51	2,648,451.42
Security fees	1,992,410.53	979,199.10
Rent and property management fees	1,145,563.74	901,384.53
Vehicle use fee	907,281.35	1,092,093.49
Current accounts	—	5,523,431.64
Others	14,280,121.72	4,983,796.46
Total	137,102,744.08	56,383,294.22

Notes to Interim Financial Statements (continued)

(Unless otherwise specified, RMB is the monetary unit)

V. NOTES TO THE MAJOR ITEMS IN CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

49. Notes to the Cash Flow Statement (continued)

(2) Cash related to investing activities

① Important cash paid related to investing activities

Item	For the six months ended 30 June 2026 (Unaudited)	For the six months ended 30 June 2025 (Unaudited)
Capital expenditure for plant and equipment	269,534,573.96	72,120,030.09

② Other cash received related to investing activities

Item	For the six months ended 30 June 2026 (Unaudited)	For the six months ended 30 June 2025 (Unaudited)
Interest income	7,036,762.96	283,481.28

(3) Cash related to financing activities

① Cash received from other financing activities

Item	For the six months ended 30 June 2026 (Unaudited)	For the six months ended 30 June 2025 (Unaudited)
Loan advances	—	71,803,000.00
Maturity of pledged time deposits	—	5,000,000.00
Pre-mature discounting of letters of credit	—	1,932,822.00
Total	—	78,735,822.00

Notes to Interim Financial Statements (continued)

(Unless otherwise specified, RMB is the monetary unit)

V. NOTES TO THE MAJOR ITEMS IN CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

49. Notes to the Cash Flow Statement (continued)

(3) Cash related to financing activities (continued)

② Other cash paid relating to financing activities

Item	For the six months ended 30 June 2026 (Unaudited)	For the six months ended 30 June 2025 (Unaudited)
Loan advances	96,591,600.00	102,070,238.69
Pledged time deposits	—	5,000,000.00
Deposit of letters-of-credit margin	—	1,050,000.00
Other financing expenses	—	119,500.00
Payment of rent for lease liabilities	76,454.82	117,585.96
Listing expenses	8,425,738.73	5,726,239.42
Total	105,093,793.55	114,083,564.07

③ Changes in liabilities arising from financing activities

Item	31 December 2025	Increase in current period		Decrease in current period		30 June 2026
		Cash changes	Non-cash changes	Cash changes	Non-cash changes	
Short-term borrowings	225,290,921.41	216,278,165.94	5,488,522.57	184,051,014.36	2,989,621.46	260,016,974.10
Long-term borrowings (including those due within one year)	111,513,537.65	68,109,000.00	4,225,367.33	19,488,221.05	—	164,359,683.93
Lease liabilities (including those due within one year)	461,940.14	—	9,874.08	76,454.82	13,914.06	381,445.34
Other payables	100,013,869.13	—	693,178.79	98,865,795.55	1,841,252.37	—
Dividend payable	—	—	50,350,424.19	36,397,892.19	—	13,952,532.00
Total	437,280,268.33	284,387,165.94	60,767,366.96	338,879,377.97	4,844,787.89	438,710,635.37

Notes to Interim Financial Statements (continued)

(Unless otherwise specified, RMB is the monetary unit)

V. NOTES TO THE MAJOR ITEMS IN CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

50. Supplementary Information on the Cash Flow Statement

(1) Supplementary information on the cash flow statement

1. Reconciliation of net profits to cash flows from operating activities:

Supplementary information	For the six months ended 30 June 2026 (Unaudited)	For the six months ended 30 June 2025 (Unaudited)
Net profit	230,203,972.76	134,981,181.50
Add: Provision for asset impairment	26,593,295.26	–
Credit impairment losses	16,352,657.68	9,159,500.85
Depreciation of fixed assets	30,964,103.03	24,641,011.45
Depreciation of right-of-use assets	53,335.60	113,832.24
Amortization of intangible assets	556,008.35	563,189.60
Amortization of long-term deferred expenses	520,109.30	879,400.56
Loss from the disposal of fixed assets, intangible assets, and other long-term assets	71,074.91	48,910.48
Loss on retirement of fixed assets	285,490.00	110,078.92
Income from changes in fair value	–	(966,438.74)
Financial expenses/(net income)	13,236,770.24	(1,802,124.31)
Investment income	–	(10,469,654.51)
(Increase)/decrease in deferred tax assets	(4,106,490.36)	1,157,606.34
(Decrease)/increase in deferred tax liabilities	(3,246,663.25)	1,814,410.96
(Increase)/decrease in inventories	(3,698,562.98)	8,572,048.65
Increase in operating receivable items	(123,212,068.70)	(15,582,695.21)
Decrease in operating payable items	(379,903,328.63)	(41,924,632.50)
Share-based payment expenses	355,285.64	235,935.06
Special reserves	314,200.72	–
Net cash flows (used in)/generated from operating activities	(194,660,810.43)	111,531,561.34

Notes to Interim Financial Statements (continued)

(Unless otherwise specified, RMB is the monetary unit)

V. NOTES TO THE MAJOR ITEMS IN CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

50. Supplementary Information on the Cash Flow Statement (continued)

(1) Supplementary information on the cash flow statement (continued)

2. Particulars on net changes in cash and cash equivalents:

	For the six months ended 30 June 2026 (Unaudited)	For the six months ended 30 June 2025 (Unaudited)
Cash balance at the end of the year	867,246,009.22	126,510,007.11
Less: Cash balance at the beginning of the year	295,169,837.36	123,901,064.22
Add: Cash equivalents at the end of the year	—	—
Less: Cash equivalents at the beginning of the year	—	—
Net increase in cash and cash equivalents	572,076,171.86	2,608,942.89

(2) Composition of cash and cash equivalents

Item	30 June 2026 (Unaudited)	31 December 2025
Cash	867,246,009.22	295,169,837.36
Including: cash on hand	647,878.35	2,358,341.70
Bank deposits that can be used for payment at any time	866,598,130.87	292,811,495.66
Other cash at bank and on hand available for payment at any time	—	—
Cash equivalents	—	—
Balance of cash and cash equivalents at the end of the year	867,246,009.22	295,169,837.36

Notes to Interim Financial Statements (continued)

(Unless otherwise specified, RMB is the monetary unit)

V. NOTES TO THE MAJOR ITEMS IN CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

51. Foreign Currency Translation

(1) Monetary items in foreign currencies

Item	Balance of foreign currency as at 30 June 2026 (Unaudited)	Translation exchange rate	Balance of translated RMB as at 30 June 2026
Cash at bank and on hand			740,809,641.08
Including: USD	76,178,063.56	6.8109	518,841,173.10
Kwacha	1,162,203.02	0.3768	437,923.84
SGD	571,615.85	5.2605	3,006,985.18
Sol	1,408,315.35	1.9963	2,811,388.42
Congoles franc	33,354,094.01	0.0117	391,485.83
HKD	247,908,220.26	0.8686	215,320,684.71
Accounts receivable			41,780,465.46
Including: USD	6,134,353.09	6.8109	41,780,465.46
Other receivables			69,243,252.22
Including: USD	4,850,519.40	6.8109	33,036,402.58
SGD	41,033.84	5.2605	215,858.52
Kwacha	48,677,508.14	0.3768	18,341,925.50
Sol	8,840,987.54	1.9963	17,649,065.62
Other non-current assets			128,936,968.93
Including: Kwacha	342,184,922.38	0.3768	128,936,968.93
Accounts payable			270,662,246.97
Including: USD	39,270,865.06	6.8109	267,469,934.84
Kwacha	6,060,816.06	0.3768	2,283,745.43
Sol	377,422.47	1.9963	753,440.03
SGD	29,488.96	5.2605	155,126.67
Other payables			23,946,570.07
Including: USD	1,500,455.64	6.8109	10,219,453.32
SGD	7,988.73	1.9963	15,947.72
HKD	15,786,274.86	0.8686	13,711,169.03
Taxes and charges payable			137,670,900.98
Including: USD	1,412,380.04	6.8109	9,619,579.22
Kwacha	119,736,429.35	0.3768	45,117,278.00
Congoles franc	4,475,490,129.89	0.0117	52,530,012.62
SGD	5,779,684.66	5.2605	30,404,031.14
Short-term borrowings			47,702,786.84
Including: USD	7,003,888.89	6.8109	47,702,786.84
Long-term borrowings			37,430,408.47
Including: USD	5,495,662.61	6.8109	37,430,408.47
Non-current liabilities due within one year			40,439,457.01
Including: USD	5,937,461.57	6.8109	40,439,457.01

Notes to Interim Financial Statements (continued)

(Unless otherwise specified, RMB is the monetary unit)

V. NOTES TO THE MAJOR ITEMS IN CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

51. Foreign Currency Translation (continued)

(1) Monetary items in foreign currencies (continued)

Item	Balance of foreign currency as at 31 December 2025	Translation exchange rate	Balance of translated RMB as at 31 December 2025
Cash at bank and on hand			171,352,726.46
Including: USD	23,945,005.62	7.0288	168,304,655.50
Kwacha	3,904,849.01	0.3163	1,234,933.76
SGD	56,246.11	5.4586	307,025.02
Sol	694,820.60	2.0899	1,452,072.38
Congolese franc	4,285,096.30	0.0126	54,039.80
Accounts receivable			35,758,073.01
Including: USD	5,087,365.27	7.0288	35,758,073.01
Other receivables			94,612,262.28
Including: USD	3,184,817.28	7.0288	22,385,443.70
SGD	21,033.84	5.4586	114,815.32
Kwacha	127,281,880.30	0.3163	40,253,717.90
Sol	15,244,276.58	2.0899	31,858,285.36
Other non-current assets			63,155,222.36
Including: Kwacha	199,282,107.68	0.3163	63,024,255.50
Sol	62,668.00	2.0899	130,966.86
Accounts payable			556,521,097.60
Including: USD	79,012,703.91	7.0288	555,364,493.24
Kwacha	104,519.07	0.3163	33,054.83
Sol	537,621.52	2.0899	1,123,549.53
Other payables			106,318,387.00
Including: USD	15,126,107.87	7.0288	106,318,387.00

Notes to Interim Financial Statements (continued)

(Unless otherwise specified, RMB is the monetary unit)

V. NOTES TO THE MAJOR ITEMS IN CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

51. Foreign Currency Translation (continued)

(1) Monetary items in foreign currencies (continued)

Item	Balance of foreign currency as at 31 December 2025	Translation exchange rate	Balance of translated RMB as at 31 December 2025
Taxes and charges payable			77,340,523.74
Including: Kwacha	50,029,604.47	0.3163	15,822,186.00
Congoles franc	2,889,859,382.13	0.0126	36,444,323.36
SGD	4,592,110.18	5.4586	25,066,492.65
Sol	3,599.17	2.0899	7,521.73
Short-term borrowings			52,183,216.96
Including: USD	7,424,200.00	7.0288	52,183,216.96
Long-term borrowings			13,329,606.03
Including: USD	1,896,426.99	7.0288	13,329,606.03
Non-current liabilities due within one year			15,170,310.42
Including: USD	2,158,307.31	7.0288	15,170,310.42

(2) Functional currency

The Company's subsidiaries determine their functional currency based on the currency in which their principal business receipts and payments are denominated and settled. The above-mentioned subsidiaries are principally engaged in copper smelting and trading businesses, with their major receipts, payments and settlements denominated in USD. Accordingly, the overseas subsidiaries of the Company adopt USD as their functional currency.

52. Lease

The Group as the lessee

Current Profit or Loss and Cash Flow Related to Lease

Item	For the six months ended 30 June 2026 (Unaudited)	For the six months ended 30 June 2025 (Unaudited)
Short-term lease expenses recognized in profit or loss for the current period applying the practical expedient	1,855,140.74	901,384.53
Interest expenses on lease liabilities	9,874.08	13,880.36
Total cash outflows related to lease	76,454.82	620,789.45

Notes to Interim Financial Statements (continued)

(Unless otherwise specified, RMB is the monetary unit)

VI. R&D EXPENDITURES

1. Presentation by Nature of Expenses

Item	For the six months ended 30 June 2026 (Unaudited)	For the six months ended 30 June 2025 (Unaudited)
Material requisition	8,702,984.27	6,051,108.43
Wages and salaries	2,320,470.02	2,045,896.68
Depreciation and amortization	268,924.11	158,499.39
Others	34,719.67	41,663.42
Total	11,327,098.07	8,297,167.92
Including: Expensed R&D expenditure	11,327,098.07	8,297,167.92
Capitalized R&D expenditures	—	—

2. Development Expenditure

The Company had no R&D expenditures qualifying for capitalization during the current period.

VII. CHANGE OF CONSOLIDATION SCOPE

1. Business Combination Under Non-Common Control

The Company did not have any business combinations not under common control during the reporting period.

2. Business Combination Under Common Control

The Company did not have any business combinations under common control during the reporting period.

3. Changes in the Combination Scope Due to Other Reasons

The Company had no changes in the scope of consolidation arising from other causes during the reporting period.

Notes to Interim Financial Statements (continued)

(Unless otherwise specified, RMB is the monetary unit)

VIII. EQUITY IN OTHER ENTITIES

1. Equity in Subsidiaries

(1) Composition of enterprise group

Subsidiary name	Principal place of business	Place of registration	Business nature	Shareholding ratio (%)		Method of acquisition
				Direct shareholding	Indirect shareholding	
Shanghai Jinxun New Energy Co., Ltd. (上海金濤新能源有限公司)	Shanghai	Shanghai	E-commerce and mineral product trading	100.00	–	Establishment
Rong Xing Investments Limited	Zambia	Zambia	Mining and related industries	99.00	1.00	Establishment
Tibet Huiyi Information Technology Co., Ltd. (西藏匯益信息科技有限公司)	Lhasa	Lhasa	Mineral product trading	100.00	–	Establishment
Jinxun (Singapore) International Trade Pte. Ltd.	Singapore	Singapore	Mineral product trading	100.00	–	Establishment
Jinxun Congo (DRC) Mining Co., Ltd. (金濤剛果(金)礦業有限責任公司)	DRC	DRC	Mining and related industries	–	100.00	Establishment
Jinxun Peru Mining Co., Ltd.	Peru	Peru	Mineral product trading	1.00	99.00	Establishment
Anhui Jinxun New Energy Material Co., Ltd. (安徽金濤新能源材料有限公司)	Hefei	Hefei	Manufacture of chemical raw materials and chemical products	–	100.00	Establishment

2. Interests in Joint Ventures or Associates

(1) Important joint ventures or associates

Subsidiary name	Principal place of business	Place of registration	Business nature	Shareholding ratio (%)		Accounting treatment for investments in associates
				Direct shareholding	Indirect shareholding	
Associates						
Jiangxi Tungsten Jinxun Resources Africa SAS	DRC	DRC	Mineral product trading	–	49.00	Equity method

Notes to Interim Financial Statements (continued)

(Unless otherwise specified, RMB is the monetary unit)

IX. GOVERNMENT SUBSIDIES

1. Government Subsidies Recognized Based on Receivable Amounts at the End of the Reporting Period

As of 30 June 2026, the Company had no government subsidy receivables.

2. Government Subsidies Included in Current Profit and Loss

Profit or loss statement line items	For the six months ended 30 June 2026 (Unaudited)	For the six months ended 30 June 2025 (Unaudited)
Other income	86,624.25	32,641.40
Non-operating income	3,000.00	331,677.35
Total	89,624.25	364,318.75

X. RISKS RELATED TO FINANCIAL INSTRUMENTS

The Company is exposed to various financial risks in the course of its operations: credit risk, liquidity risk and market risk. The Company's management is fully responsible for setting the risk management objectives and policies and bears ultimate responsibility for such risk management objectives and policies. The Company's risk management objectives are to promote the sustained and sound development of the Company's business operations, ensure that various businesses operate in an orderly manner within tolerable risk limits, safeguard the safety and integrity of the Company's assets, and achieve measurable, controllable and tolerable overall risks in the Company's operations, so as to ultimately realize the Company's business strategies and development goals.

1. Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's credit risk mainly arises from cash at bank and on hand, accounts receivable, other receivables and other current assets. The Company holds cash at bank and on hand mainly deposited with financial institutions such as commercial banks. These commercial banks possess high-credit standing and sound asset positions, resulting in low exposure to credit risk. The Company transacts only with customers of good credit standing and continuously monitors trade receivable balances to ensure that the Company avoids the risk of material bad-debt losses. The maximum credit-risk exposure borne by the Company represents the book values of each financial asset (including derivative financial instruments) presented in the statement of financial position, and the overall credit risk is assessed to be low.

For accounts receivable and other receivables, the Company sets relevant policies to control credit risk exposure. The Company assesses customers' creditworthiness based on their financial condition, the possibility of obtaining third-party guarantees, credit history, and other factors such as current market conditions, and sets appropriate credit terms. The Company regularly monitors customer credit records. For customers with poor credit records, the Company uses methods such as written dunning, shortening credit periods, or controlling shipment volumes to ensure that the Company's overall credit risk remains within a controllable range.

Notes to Interim Financial Statements (continued)

(Unless otherwise specified, RMB is the monetary unit)

X. RISKS RELATED TO FINANCIAL INSTRUMENTS (CONTINUED)

1. Credit Risk (continued)

The Group enters into derivative contracts with counterparties such as banks and financial institutions, which are required to have good credit ratings and to have entered into master netting agreements with the Group. In view of the counterparties' good credit ratings, the management of the Group does not expect the counterparties to be unable to fulfill their obligations.

(1) *Criteria for assessing a significant increase in credit risk*

The Company, on each balance sheet date, assesses whether the credit risk of relevant financial instruments has increased significantly since initial recognition. In determining whether the credit risk has increased significantly since initial recognition, the Company takes into account the reasonable and well-founded information available without unnecessary additional costs or efforts, including qualitative and quantitative analyses based on the Company's historical data, external credit risk rating and forward-looking information. The Company determines the changes that may result in default risk of financial instruments within their expected duration by comparing the default risk of the financial instruments on the balance sheet date and the initial recognition date based on an individual financial instrument or combined financial instruments with similar credit risk characteristics.

The Company considers that there has been a significant increase in the credit risk of a financial instrument when one or more of the following quantitative and qualitative criteria are triggered. The quantitative criteria mainly include a rise in the probability of default over the remaining lifetime at the reporting date exceeding a certain proportion compared with that at initial recognition. The qualitative criteria mainly include a material adverse change in the business or financial condition of the principal debtor and the early-warning customer list.

(2) *Definitions of assets with credit impairment*

The Company's criteria used to determine whether credit impairment has occurred are consistent with its internal credit risk management objectives for the relevant financial instruments, taking both quantitative and qualitative indicators into account.

The Company considers the following main factors when assessing whether a debtor is credit-impaired: The issuer or debtor experiences significant financial difficulty; the debtor breaches the contract, such as defaulting on or being past due in the payment of interest or principal; the creditor grants concessions to the debtor that would not otherwise be made for economic or contractual reasons relating to the debtor's financial difficulty; the debtor is likely to enter bankruptcy or undergo other financial reorganizations; the active market for the financial asset disappears as a result of the issuer's or debtor's financial difficulty; and a financial asset is purchased or originated at a substantial discount that reflects the existence of credit losses.

Credit impairment of financial assets may be caused by the combined effect of multiple events, and not necessarily by a single identifiable event.

Notes to Interim Financial Statements (continued)

(Unless otherwise specified, RMB is the monetary unit)

X. RISKS RELATED TO FINANCIAL INSTRUMENTS (CONTINUED)

1. Credit Risk (continued)

(3) *Parameters for measuring expected credit losses*

Depending on whether credit risk has significantly increased and whether credit impairment has occurred, the Company measures impairment provisions for different assets based on expected credit losses over 12 months or the entire lifetime, respectively. The key parameters for measurement of expected credit loss include the probability of default, loss given default and default risk exposure. The Company builds the models of probability of default, loss given default and default risk exposure considering the quantitative analysis of historical statistical data (such as counterparty rating, guarantee type, category of collateral and pledge, repayment method) and forward-looking information.

Relevant definitions are as follows:

The probability of default represents the likelihood that a debtor will fail to meet its payment obligations over the next 12-month period or over the entire remaining lifetime.

The loss given default represents the Company's expectation of the extent of loss arising from a default exposure. The loss given default also varies depending on the type of counterparty, the method and priority of recourse, and the nature of the collateral. The loss given default is the percentage of loss on the exposure at default, calculated based on the next 12-month period or the entire lifetime;

The exposure at default represents the amount that the Company is entitled to be repaid in the event of a default over the next 12-month period or over the entire remaining lifetime. Both the assessment of a significant increase in credit risk for forward-looking information and the calculation of expected credit losses involve forward-looking information. By performing historical data analysis, the Company identifies key economic indicators that affect the credit risk and expected credit losses for each business type.

The maximum credit risk exposure of the Company is the carrying amount of each financial asset in the balance sheet. The Company has not provided any other guarantees that may expose it to credit risks.

Among the Company's accounts receivable, the top-five customers' accounts receivable account for 89.69% of the Company's total accounts receivable (82.88% at the beginning of the period); among the Company's other receivables, other receivables from the top-five companies with outstanding amounts account for 93.87% of the Company's total other receivables (96.44% at the beginning of the period).

Notes to Interim Financial Statements (continued)

(Unless otherwise specified, RMB is the monetary unit)

X. RISKS RELATED TO FINANCIAL INSTRUMENTS (CONTINUED)

2. Liquidity Risk

Liquidity risk refers to the risk of a shortage of funds when the Company is performing its obligation to settle in the form of delivery of cash or other financial assets. The Company's policy is to ensure it has sufficient cash to repay debts when they fall due. Liquidity risk is centrally controlled by its finance department. The finance department monitors cash balances and readily marketable securities to ensure the Company has sufficient funds to meet its obligations under all reasonably foreseeable circumstances.

As of 30 June 2026, the maturity profile of the Company's financial liabilities is as follows:

Item	30 June 2026 (Unaudited)				Total	Book value
	Within 1 year	1-2 years	2-5 years	Above 5 years		
Short-term borrowings	268,747,715.78	-	-	-	268,747,715.78	260,016,974.10
Accounts payable	338,026,155.30	-	-	-	338,026,155.30	338,026,155.30
Other payables	46,890,954.78	-	-	-	46,890,954.78	46,890,954.78
Dividend payable	13,952,532.00	-	-	-	13,952,532.00	13,952,532.00
Long-term borrowings (including long-term borrowings due within one year)	61,442,771.93	48,578,550.29	56,564,212.10	21,972,427.13	188,557,961.45	164,359,683.93
Lease liabilities (including lease liabilities due within one year)	118,509.66	118,509.66	177,764.49	-	414,783.81	381,445.34

Item	31 December 2025				Total	Book value
	Within 1 year	1-2 years	2-5 years	Above 5 years		
Short-term borrowings	232,879,684.14	-	-	-	232,879,684.14	225,290,921.40
Accounts payable	610,051,819.15	-	-	-	610,051,819.15	610,051,819.15
Other payables	216,166,030.83	-	-	-	216,166,030.83	216,166,030.83
Long-term borrowings (including long-term borrowings due within one year)	30,076,959.38	27,646,876.92	66,746,801.33	-	124,470,637.63	111,513,537.65
Lease liabilities (including lease liabilities due within one year)	139,501.12	122,301.12	244,602.24	-	506,404.48	461,940.14

Notes to Interim Financial Statements (continued)

(Unless otherwise specified, RMB is the monetary unit)

X. RISKS RELATED TO FINANCIAL INSTRUMENTS (CONTINUED)

3. Market Risk

The market risk of a financial instrument is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, including price risk, interest-rate risk and foreign-exchange risk.

(1) Interest rate risk

The Company's interest rate risk primarily arises from long-term interest-bearing debts, such as long-term bank borrowings. Floating-rate financial liabilities expose the Company to cash flow interest rate risk, while fixed-rate financial liabilities expose the Company to fair value interest rate risk. The Company determines the relative proportion of fixed-rate and floating-rate contracts based on prevailing market conditions.

The Company's head office finance department continuously monitors the Group's interest-rate levels. An increase in interest rates would raise the cost of new interest-bearing debt and the interest expense on the Company's outstanding floating-rate interest-bearing debt, which could have a significant adverse impact on the Company's financial performance. The management makes timely adjustments based on the latest market conditions.

(2) Foreign exchange risk

For foreign currency assets and liabilities such as cash at bank and on hand, accounts receivables, accounts payables and short-term borrowings that are not denominated in the functional currency, in the event of short-term imbalances, the Group buys and sells foreign currencies at market exchange rates where necessary to ensure that net risk exposure is maintained at an acceptable level. As the proportion of foreign currencies in the Company's balance sheet and revenue structures has increased year-on-year, foreign-currency monetary asset items not denominated in the functional currency amounted to RMB1,039,177,847.30 at the end of the period, representing 33.38% of total assets. Foreign-currency monetary liability items not denominated in the functional currency amounted to RMB380,947,320.43, representing 36.58% of total liabilities.

The Company closely monitors the impact of exchange rate fluctuations on its exchange rate risk. The Company continuously monitors the scale of its foreign currency transactions and foreign currency assets and liabilities to minimize foreign exchange risk. To achieve this, the Company may enter into forward foreign exchange contracts or currency swap contracts to hedge against foreign exchange risk.

Assuming other risk variables remain constant except for exchange rates, a 5% appreciation of the RMB against the USD, Kwacha, SGD, Sol, and Congolese franc on 30 June would result in a decrease of RMB24,683,644.76 in shareholders' equity and net profit for 2026 (a decrease of RMB9,782,803.04 in 2025).

Notes to Interim Financial Statements (continued)

(Unless otherwise specified, RMB is the monetary unit)

X. RISKS RELATED TO FINANCIAL INSTRUMENTS (CONTINUED)

3. Market Risk (continued)

(3) Commodity price risk

The Group's commodity price risk mainly arises from fluctuations in the copper market price, as copper is the principal commodity purchased, produced and sold by the Group. To mitigate this risk, the Group manages hedging by entering into copper futures contracts and deferred pricing arrangements for estimated sales of copper products, estimated purchases of copper concentrates, inventory, and confirmed copper product sales orders.

Among the Group's financial assets and liabilities, the portion whose fair value fluctuates with spot copper market prices primarily includes copper futures contracts and deferred pricing arrangements. If copper prices increase by 10% (with other variables remaining constant), it would result in an increase of RMB13,265,231.54 in shareholders' equity and net profit for 2026 (an increase of RMB15,210,320.79 in 2025).

XI. DISCLOSURE OF FAIR VALUE

The level into which a fair-value measurement is categorized is determined by the lowest level of inputs that are significant to the fair-value measurement as a whole.

Level 1: inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly;

Level 3: inputs are unobservable inputs of relevant assets or liabilities.

1. Fair Value of Assets and Liabilities Measured at Fair Value as at 30 June 2026

Item	Fair value as at 30 June 2026 (Unaudited)			Total
	Fair value measurement at Level 1	Fair value measurement at Level 2	Fair value measurement at Level 3	
I. Continuous fair value measurement				
(I) Accounts receivable at FVTPL	-	92,964,309.50	-	92,964,309.50
(II) Accounts payable at FVTPL	-	71,566,190.62	-	71,566,190.62
(III) Derivative financial assets	210,050.00	-	-	210,050.00
(IV) Receivable financing (Note)	-	-	8,716,000.00	8,716,000.00

Note: The Group uses a discounted cash flow model to determine the fair value of bank acceptance bills. Unobservable inputs mainly include the discount rate. The discount rate is determined based on market interest rates and adjusted for counterparty credit risk.

Notes to Interim Financial Statements (continued)

(Unless otherwise specified, RMB is the monetary unit)

XI. DISCLOSURE OF FAIR VALUE (CONTINUED)

1. Fair Value of Assets and Liabilities Measured at Fair Value as at 30 June 2026 (continued)

Item	Fair value as at 31 December 2025			Total
	Fair value measurement at Level 1	Fair value measurement at Level 2	Fair value measurement at Level 3	
I. Continuous fair value measurement				
(I) Accounts receivable at FVTPL	–	37,353,008.19	–	37,353,008.19
(II) Accounts payable at FVTPL	–	408,156,340.66	–	408,156,340.66
(III) Derivative financial liabilities	251,350.00	–	–	251,350.00

2. Basis for Determining Market Prices for Recurring and Non-Recurring Level 1 Fair Value Measurement Items

Determined by market value in an active market.

3. Qualitative and Quantitative Information on the Valuation Techniques and Significant Parameters Used for Recurring and Non-Recurring Level 2 Fair Value Measurement Items

Based on quoted prices in active markets and taking into account the estimated grades of copper, gold and silver contained in the Group's copper products.

XII. RELATED-PARTY RELATIONSHIPS AND TRANSACTIONS

The criteria for identifying related parties: A party is a related party if it controls, jointly controls or exercises significant influence over another party, or if two or more parties are subject to common control, joint control or significant influence by the same party.

1. Actual Controllers of the Company

Yuan Rong directly holds 101,230,612 shares of the Company and indirectly holds 8,973,467 shares of the Company through Ji'an County Heli Investment Management Center (Limited Partnership), collectively controlling 72.23% of the Company's voting rights, making him the Company's actual controller.

2. Subsidiaries of the Company

See Note VIII.1 for details of the Company's subsidiaries.

3. Associates of the Company

Important associates of the Company

See Note VIII.2 for details on the Company's important joint ventures or associates.

Notes to Interim Financial Statements (continued)

(Unless otherwise specified, RMB is the monetary unit)

XII. RELATED-PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

4. Other Related Parties of the Company

Name of other related parties	Relationship between other related parties and the Company	Organization Code or Unified Social Credit Code
Yuan Mei	Director and the Secretary to the Board	–
Yang Yongchang	Director, CFO	–
Li Mengtao	Former Director	–
Wong Hok Bun Mario	Independent Director	–
Zheng Dongyu	Independent Director	–
Yao Ronghui	Former Independent Director	–
Xia Hongying	Independent Director	–
Yan Lei	Former Chairman of the Board of Supervisors	–
Zhu Zhiming	Former Employee Representative Supervisor	–
Wang Xiuxuan	Former Supervisor	–
Gao Chang	Former Supervisor	–
Glencore International AG	The shareholder holding 5% or more of the Company's equity as of 9 January 2026	–
Shanghai Yisimai Industrial Co., Ltd. (上海益斯麥實業有限公司)	Controlled by the spouse of the controlling shareholder	91310230MA1K2AHJ9M
Ji'an County Heli Investment Management Center (Limited Partnership)	Under common control of the controlling shareholder	91360821MA35HBJJ68

Note: The related parties listed above include the Company's directors, supervisors, senior management, and shareholders holding 5% or more of the shares.

Notes to Interim Financial Statements (continued)

(Unless otherwise specified, RMB is the monetary unit)

XII. RELATED-PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

5. Related-Party Transactions

(1) Product sales and service provision

Related party	Related transaction content	For the six months ended 30 June 2026 (Note) (Unaudited)	For the six months ended 30 June 2025 (Unaudited)
Glencore International AG	Sales of goods	811,052,354.88	–

Note: Sales of cathode copper for the current period include a revenue of RMB14,840,936.49 arising from provisional pricing arrangements.

(2) Related-party guarantee

As at 30 June 2026, the Group had no guarantees to related parties.

(3) Compensation of key management personnel

Item	For the six months ended 30 June 2026 (Unaudited)	For the six months ended 30 June 2025 (Unaudited)
Remuneration of key management personnel	1,787,960.99	1,339,371.97

6. Receivables and Payables with Related Parties

Project name	Related party	30 June 2026 (Unaudited) Account balance	Bad debt provision	31 December 2025 Account balance	Bad debt provision
Accounts receivable	Glencore International AG	5,013,811.74	–	8,405,505.82	–

Notes to Interim Financial Statements (continued)

(Unless otherwise specified, RMB is the monetary unit)

XIII. SHARE-BASED PAYMENTS

1. Overall Situation of Share-based Payments

Category of grantees	Granted during the period		Exercised during the period		Unlocked during the period		Lapsed during the period	
	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount
Management	-	-	-	-	-	-	-	-
Category of grantees	Outstanding stock options at the end of the period				Outstanding other equity instruments at the end of the period			
	Range of strike prices		Remaining term of the contract		Range of strike prices		Remaining term of the contract	
Management			-		3.10/8.24		35 months/50 months /54 months	
Salesperson			-		3.10		35 months/41 months	

2. Overall Situation of Share-based Payments

Ji'an County Heli Investment Management Center (Limited Partnership) (hereinafter referred to as "Heli Investment") was established as an investment platform for implementing employee equity incentives. The general partner of Heli Investment is Mr. Yuan Rong, who held a 10% interest in Heli Investment, while the remaining interest was primarily held by Ms. Yuan Mei.

In January 2023, Ms. Yuan Mei transferred 1,230,000 shares of the Company, held by Heli Investment, to some employees of the Company at a transfer price of RMB3.10 per share. This was aimed at incentivizing employees to contribute to the Group's long-term growth, and the transaction constituted an equity-settled share-based payment. The fair value of the transferred shares was RMB6.80 per share, which was determined by reference to the price at which an independent external investor made capital contributions in December 2022. The difference between the grant price and the transfer price was recognized as employee costs over the vesting period from January 2023 to June 2029.

In March and July 2025, Ms. Yuan Mei transferred 445,719.28 shares of the Company, held by Heli Investment, to certain employees of the Company at a transfer price of RMB8.24 per share. This was aimed at incentivizing employees to contribute to the Group's long-term growth, and the transaction constituted an equity-settled share-based payment. The fair value of the transferred shares was RMB12.00 per share, which was determined by reference to the lower end of the proposed offer price for the Hong Kong IPO. The difference between the grant price and the transfer price will be recognized as employee costs over the vesting periods from March 2025 to March 2030 and from July 2025 to July 2030, respectively.

Notes to Interim Financial Statements (continued)

(Unless otherwise specified, RMB is the monetary unit)

XIII. SHARE-BASED PAYMENTS (CONTINUED)

3. Overall Situation of Share-based Payments

Category of grantees	Equity-settled share-based payment (Unaudited)	Cash-settled share-based payment (Unaudited)
Management	335,103.82	–
Salesperson	20,181.82	–
Total	355,285.64	–

XIV. COMMITMENTS AND CONTINGENCIES

1. Significant Commitments

As of 30 June 2026, there were no significant commitments that need to be disclosed by the Company.

2. Contingencies

As of 30 June 2026, the Company had no other contingencies requiring disclosure.

XV. EVENTS AFTER THE BALANCE SHEET DATE

(1) Treasury stocks repurchased

As of 26 August 2026, the Company repurchased 262,400.00 of its own shares for a consideration of RMB2,840,729.12.

(2) Ordinary share dividends proposed for distribution after the balance sheet date

The Board of Directors proposed on 26 August 2026 that the Company distribute cash dividends to ordinary shareholders. The proposed profit distribution plan for the first half of 2026 suggests a dividend of RMB0.30 per share (30 June 2025: RMB0.28 per share), totaling RMB45,694,392.90 (30 June 2025: RMB30,883,060.40).

XVI. COMMITMENTS

Capital commitments

Item	30 June 2026 (Unaudited)	31 December 2025
Construction contracts signed but not yet recognized	36,076,378.45	80,449,740.72

Notes to Interim Financial Statements (continued)

(Unless otherwise specified, RMB is the monetary unit)

XVII. NOTES ON MAIN ITEMS OF THE FINANCIAL STATEMENTS OF THE PARENT COMPANY

1. Accounts Receivable

(1) Classification of accounts receivable

Item	30 June 2026 (Unaudited)	31 December 2025
Accounts receivable at FVTPL	22,849,653.43	43,055.43
Accounts receivable measured at amortized cost	245,253,708.43	169,235,439.95
Total	268,103,361.86	169,278,495.38

(2) Aging of accounts receivable measured at amortized cost (based on the invoice dates):

Aging	30 June 2026 (Unaudited)	31 December 2025
Within 1 year	225,270,296.78	128,367,741.80
1-2 years	92,745.28	21,019,343.56
2-3 years	571,324.80	7,394,875.22
3-4 years	7,393,577.84	8,429,760.18
4-5 years	8,429,760.18	4,140,661.21
Above 5 years	3,502,427.09	—
Subtotal	245,260,131.97	169,352,381.97
Less: Bad debt provisions	6,423.54	116,942.02
Total	245,253,708.43	169,235,439.95

Notes to Interim Financial Statements (continued)

(Unless otherwise specified, RMB is the monetary unit)

XVII. NOTES ON MAIN ITEMS OF THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (CONTINUED)

1. Accounts Receivable (continued)

(3) Disclosure by bad debt provision method

Category	30 June 2026 (Unaudited)				
	Account balance		Bad debt provision		Book value
	Amount	Proportion (%)	Amount	Accrual ratio (%)	
Bad debt provisions accrued by portfolio	245,260,131.97	91.48	6,423.54	0.00	245,253,708.43
Including: Trade receivables from customers within the scope of consolidation measured at amortized cost	245,131,660.88	91.43	—	—	245,131,660.88
Trade receivables from customers outside the scope of consolidation measured at amortized cost	128,471.09	0.05	6,423.54	5.00	122,047.55
Total	245,260,131.97	91.48	6,423.54	0.00	245,253,708.43

Category	31 December 2025				
	Account balance		Bad debt provision		Book value
	Amount	Proportion (%)	Amount	Accrual ratio (%)	
Bad debt provisions accrued by portfolio	169,352,381.97	99.97	116,942.02	0.07	169,235,439.95
Including: Trade receivables from customers within the scope of consolidation measured at amortized cost	167,013,541.53	98.59	—	—	167,013,541.53
Trade receivables from customers outside the scope of consolidation measured at amortized cost	2,338,840.44	1.38	116,942.02	5.00	2,221,898.42
Total	169,352,381.97	99.97	116,942.02	0.07	169,235,439.95

Notes to Interim Financial Statements (continued)

(Unless otherwise specified, RMB is the monetary unit)

XVII. NOTES ON MAIN ITEMS OF THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (CONTINUED)

1. Accounts Receivable (continued)

(4) Changes in provisions for bad debts for the current period

Item	31 December 2025	Change in this period			30 June 2026
		Accrual	Reversal	Write-offs	
Provision for bad debts on accounts receivable	116,942.02	6,423.54	(116,942.02)	–	6,423.54

Item	31 December 2024	Change in this period			31 December 2025
		Accrual	Reversal	Write-offs	
Provision for bad debts on accounts receivable	–	116,942.02	–	–	116,942.02

(5) No accounts receivable were actually written off during the period.

(6) Top five accounts receivable by debtor based on ending balances

Name of organization	Balance	Proportion of total balance of accounts receivable at the end of the period (%)	Provision for bad debts on accounts receivable
Jinxun (Singapore) International Trade Pte. Ltd.	214,170,060.51	79.88	–
Rong Xing Investments Limited	19,949,283.09	7.44	–
Customer S	14,723,190.18	5.49	–
Tibet Huiyi Information Technology Co., Ltd.	10,971,765.18	4.09	–
Customer T	4,112,182.26	1.53	–
Total	263,926,481.22	98.43	–

Notes to Interim Financial Statements (continued)

(Unless otherwise specified, RMB is the monetary unit)

XVII. NOTES ON MAIN ITEMS OF THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (CONTINUED)

2. Other Receivables

(1) Presentation by category

Item	30 June 2026 (Unaudited)	31 December 2025
Interest receivable	—	—
Dividend receivable	37,127,059.26	—
Other receivables	142,158,559.63	19,774,682.69
Total	179,285,618.89	19,774,682.69

(2) Other receivables

① Disclosure by aging

Aging	30 June 2026 (Unaudited)	31 December 2025
Within 1 year	140,716,572.57	17,871,999.98
1-2 years	1,282,810.00	1,124,975.76
2-3 years	30,208.61	545,841.65
3-4 years	545,841.65	513,914.66
4-5 years	513,914.66	53,554.49
Above 5 years	19,131.66	—
Subtotal	143,108,479.15	20,110,286.54
Less: Bad debt provisions	949,919.52	335,603.85
Total	142,158,559.63	19,774,682.69

Notes to Interim Financial Statements (continued)

(Unless otherwise specified, RMB is the monetary unit)

XVII. NOTES ON MAIN ITEMS OF THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (CONTINUED)

2. Other Receivables (continued)

(2) Other receivables (continued)

② Disclosure by nature

	30 June 2026 (Unaudited)	31 December 2025
Nature of amounts		
Current accounts with related parties	126,001,600.63	13,557,920.58
Export tax refund	7,887,688.46	4,295,109.73
Deposits and margins	8,902,582.38	2,167,216.06
Others	316,607.68	90,040.17
Subtotal	143,108,479.15	20,110,286.54
Less: Bad debt provisions	949,919.52	335,603.85
Total	142,158,559.63	19,774,682.69

③ Disclosed by the classification of bad debt provision method

- A. As of 30 June 2026, provisions for bad debts are accrued under the three-phase model as follows:

Phase	Account balance	Bad debt provision	Book value
Phase I	143,108,479.15	949,919.52	142,158,559.63
Phase II	—	—	—
Phase III	—	—	—
Total	143,108,479.15	949,919.52	142,158,559.63

Notes to Interim Financial Statements (continued)

(Unless otherwise specified, RMB is the monetary unit)

XVII. NOTES ON MAIN ITEMS OF THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (CONTINUED)

2. Other Receivables (continued)

(2) Other receivables (continued)

③ Disclosed by the classification of bad debt provision method (continued)

- A. As of 30 June 2026, provisions for bad debts are accrued under the three-phase model as follows: (continued)

Provisions for bad debts in Phase I as of 30 June 2026:

Category	Account balance	Accrual ratio (%)	Bad debt provision	Book value
Bad debt provisions accrued by portfolio	143,108,479.15	0.66	949,919.52	142,158,559.63
Including: Amounts receivable from customers within the consolidation scope	126,001,600.63	—	—	126,001,600.63
Including: Other receivables	17,106,878.52	5.55	949,919.52	16,156,959.00
Total	143,108,479.15	0.66	949,919.52	142,158,559.63

- B. As of 31 December 2025, provisions for bad debts are accrued under the three-phase model as follows:

Phase	Account balance	Bad debt provision	Book value
Phase I	20,110,286.54	335,603.85	19,774,682.69
Phase II	—	—	—
Phase III	—	—	—
Total	20,110,286.54	335,603.85	19,774,682.69

Notes to Interim Financial Statements (continued)

(Unless otherwise specified, RMB is the monetary unit)

XVII. NOTES ON MAIN ITEMS OF THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (CONTINUED)

2. Other Receivables (continued)

(2) Other receivables (continued)

③ Disclosed by the classification of bad debt provision method (continued)

B. As of 31 December 2025, provisions for bad debts are accrued under the three-phase model as follows: (continued)

Provisions for bad debts in Phase I as of 31 December 2025:

Category	Account balance	Accrual ratio (%)	Bad debt provision	Book value	Reason
Bad debt provisions accrued by portfolio	20,110,286.54	1.67	335,603.85	19,774,682.69	–
Including: Amounts receivable from customers within the consolidation scope	13,557,920.58	–	–	13,557,920.58	–
Including: Other receivables	6,552,365.96	5.12	335,603.85	6,216,762.11	–
Total	20,110,286.54	1.67	335,603.85	19,774,682.69	–

④ Changes in provisions for bad debts

Item	31 December 2025	Change in this period			30 June 2026
		Accrual	Reversal	Other changes	
Bad debt provisions on other receivables	335,603.85	661,195.13	46,879.46	–	949,919.52

Item	31 December 2024	Change in this period			31 December 2025
		Accrual	Reversal	Other changes	
Bad debt provisions on other receivables	81,666.68	115,346.25	6,525.26	145,116.18	335,603.85

Notes to Interim Financial Statements (continued)

(Unless otherwise specified, RMB is the monetary unit)

XVII. NOTES ON MAIN ITEMS OF THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (CONTINUED)

2. Other Receivables (continued)

(2) Other receivables (continued)

⑤ Other receivables of the top five ending balances collected by debtor

Name of organization	Nature of amounts	Balance	Aging	Percentage of the total ending balance of other receivables (%)	Bad debt provision
Anhui Jinxun New Energy Material Co., Ltd.	Current accounts with related parties	116,618,288.16	Within 1 year	81.49	–
Supplier U	Security deposits and deposits	8,896,702.38	Within 1 year, 1-2 years	6.22	508,407.36
Shanghai Jinxun New Energy Co., Ltd.	Current accounts with related parties	8,307,358.09	Within 1 year	5.80	–
Export tax rebates receivable	Export tax refund	7,887,688.46	Within 1 year	5.51	394,384.42
Jinxun Congo (DRC) Mining Co., Ltd.	Current accounts with related parties	1,075,954.38	2-3 years, 3-4 years, 4-5 years, over 5 years	0.75	–
Total		142,785,991.47		99.77	902,791.78

Notes to Interim Financial Statements (continued)

(Unless otherwise specified, RMB is the monetary unit)

XVII. NOTES ON MAIN ITEMS OF THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (CONTINUED)

3. Long-term Equity Investments

Item	30 June 2026 (Unaudited)			31 December 2025		
	Account balance	Impairment provision	Book value	Account balance	Impairment provision	Book value
Investments in subsidiaries	569,539,795.36	-	569,539,795.36	183,985,662.66	-	183,985,662.66
Total	569,539,795.36	-	569,539,795.36	183,985,662.66	-	183,985,662.66

(1) Investment in subsidiaries

Investee	31 December 2025	Increase in current period	Decrease in current period	30 June 2026	Impairment provision accrued in the current period	Impairment provision balance as at 30 June 2026
Shanghai Jinxun New Energy Co., Ltd.	10,000,000.00	-	-	10,000,000.00	-	-
Rong Xing Investments Limited	64,387,104.47	-	-	64,387,104.47	-	-
Tibet Huiyi Information Technology Co., Ltd.	20,000,000.00	-	-	20,000,000.00	-	-
Jinxun (Singapore) International Trade Pte. Ltd.	89,579,005.70	385,554,132.70	-	475,133,138.40	-	-
Jinxun Peru Mining Co., Ltd.	19,552.49	-	-	19,552.49	-	-
Total	183,985,662.66	385,554,132.70	-	569,539,795.36	-	-

Investee	31 December 2024	Increase in current period	Decrease in current period	31 December 2025	Impairment provision accrued in the current period	Impairment provision balance as at 31 December 2025
Shanghai Jinxun New Energy Co., Ltd.	10,000,000.00	-	-	10,000,000.00	-	-
Rong Xing Investments Limited	64,387,104.47	-	-	64,387,104.47	-	-
Tibet Huiyi Information Technology Co., Ltd.	20,000,000.00	-	-	20,000,000.00	-	-
Jinxun (Singapore) International Trade Pte. Ltd.	82,407,305.70	7,171,700.00	-	89,579,005.70	-	-
Jinxun Peru Mining Co., Ltd.	19,552.49	-	-	19,552.49	-	-
Total	176,813,962.66	7,171,700.00	-	183,985,662.66	-	-

Notes to Interim Financial Statements (continued)

(Unless otherwise specified, RMB is the monetary unit)

XVII. NOTES ON MAIN ITEMS OF THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (CONTINUED)

4. Operating Income and Operating Costs

(1) Operating income and operating costs

Item	For the six months ended 30 June 2026		For the six months ended 30 June 2025	
	Income (Unaudited)	Cost (Unaudited)	Income (Unaudited)	Cost (Unaudited)
Main business	281,772,100.06	217,494,708.13	47,460,827.34	42,135,707.30
Other businesses	15,818,861.27	15,818,861.27	41,902,773.55	10,784,086.42
Total	297,590,961.33	233,313,569.40	89,363,600.89	52,919,793.72

(2) Main business (by product)

Name of product	For the six months ended 30 June 2026		For the six months ended 30 June 2025	
	Income (Unaudited)	Cost (Unaudited)	Income (Unaudited)	Cost (Unaudited)
Revenue from trading activities	281,772,100.06	217,494,708.13	47,460,827.34	42,135,707.30
Total	281,772,100.06	217,494,708.13	47,460,827.34	42,135,707.30

5. Investment Income

Item	For the six months ended 30 June 2026 (Unaudited)	For the six months ended 30 June 2025 (Unaudited)
Dividends from subsidiaries	97,127,059.26	45,000,000.00
Investment income from account receivables and account payables under provisional priced sales arrangements	(978,061.02)	(6,831.01)
Investment income/(loss) from commodity futures contracts	4,225,956.95	(106,595.86)
Total	100,374,955.19	44,886,573.13

Notes to Interim Financial Statements (continued)

(Unless otherwise specified, RMB is the monetary unit)

XVIII. OTHER IMPORTANT MATTERS

1. Segment Report

The Group has a total of two reportable segments: metal production and processing, and trading. Its business is managed by segment, with each reportable segment being a separate business unit providing different products and services, requiring separate management for the purposes of resource allocation and performance assessment.

The Group operates as an integrated entity with a unified internal organizational structure, management requirements, and internal reporting system. The Group's top management monitors the Group's assets and liabilities as a whole; therefore, no segment assets and liabilities are reported. The management allocates resources and evaluates performance by regularly reviewing Group-level financial information. Other operating income and expenses of the Group are not measured at the segment level. The key indicators used for reporting segment results are principal operating revenue and principal operating costs. Information regarding reportable segments provided to the management of the Group is detailed in Note V.33(2).

2. Geographical Information

Information on external transaction revenue generated and non-current assets (excluding financial assets, separate account assets, and deferred tax assets) of the Group by geographical region is presented in the table below. The location of external transaction revenue is classified by the location of delivery, and the physical location of non-current assets (for fixed assets) or the location assigned to the relevant business (for intangible assets) is used for classification.

Country/Region	Total external transaction revenue		Total non-current assets	
	For the six months ended 30 June 2026 (Unaudited)	For the six months ended 30 June 2025 (Unaudited)	30 June 2026 (Unaudited)	31 December 2025
Chinese Mainland	281,974,380.25	84,028,411.30	214,011,053.32	239,293,958.07
DRC	947,748,802.35	699,761,240.98	651,600,071.33	456,282,199.47
Zambia	214,521,112.51	127,774,514.90	350,161,904.97	220,691,689.72
Peru	1,089,155.77	52,354,407.11	1,568,549.52	1,579,161.48
Singapore	—	—	32,369.48	37,747.19
Total	1,445,333,450.88	963,918,574.29	1,217,373,948.62	917,884,755.93

Notes to Interim Financial Statements (continued)

(Unless otherwise specified, RMB is the monetary unit)

XIX. SUPPLEMENTARY INFORMATION

1. Statement of Non-Recurring Gains and Losses

Item	For the six months ended 30 June 2026 (Unaudited)	For the six months ended 30 June 2025 (Unaudited)
Gain or loss on disposal of non-current assets	(356,564.91)	—
Government subsidies included in the current profit or loss (except those that are closely related to the enterprise's business and granted on a basis of quota or quantitative amount in accordance with the national unified standards)	89,624.25	32,641.40
Capital occupation fees charged to the non-financial enterprises and included in profit or loss for the current period	—	—
Current net gains or losses of subsidiaries established by business combination under common control from the beginning of the period to the combination date	—	—
Except for effective hedging transactions related to the Company's ordinary business operations, the gains or losses from changes in fair value arising from holding trading financial assets and trading financial liabilities, as well as investment gains obtained from disposing of trading financial assets, trading financial liabilities and available-for-sale financial assets	—	(106,641.05)
Reversal of impairment provisions for receivables subject to individual impairment test	—	—
Effect of one-time adjustments on the current profit and loss according to the requirements of tax and accounting laws and regulations	—	—
Other non-operating income and expenses except the above items	(206,411.17)	(121,261.69)
Subtotal	(473,351.83)	(195,261.34)
Less: Effect of income tax	(107,944.62)	—
Effect of minority interests (after tax)	—	—
Total	(365,407.21)	(195,261.34)

Notes to Interim Financial Statements (continued)

(Unless otherwise specified, RMB is the monetary unit)

XIX. SUPPLEMENTARY INFORMATION (CONTINUED)

1. Statement of Non-Recurring Gains and Losses (continued)

The Group presents gains and losses from commodity futures contracts and deferred pricing arising from investment income and the gains or losses from changes in fair value as recurring profit or loss. The Group is primarily engaged in non-ferrous metal production and trading. Commodity futures contracts and deferred pricing are closely related to the Group's normal mode of non-ferrous metal production and trading operations and its price risk management, as well as its daily procurement and sales. Classifying these as recurring profit or loss more truthfully and fairly reflects the Group's normal profitability within its overall non-ferrous metal production and trading businesses, thus the Group presents them as recurring profit or loss.

2. Return on Equity and Earnings Per Share

For the six months ended 30 June 2026 (Unaudited)	Weighted average ROE (%)	Earnings per share Basic earnings per share	Diluted earnings per share
Net profits attributable to ordinary shareholders of the Company	12.70	1.54	1.54
Net profit attributable to the Company's ordinary shareholders after deducting non-recurring gains and losses	12.72	1.54	1.54
For the six months ended 30 June 2025 (Unaudited)	Weighted average ROE (%)	Earnings per share Basic earnings per share	Diluted earnings per share
Net profits attributable to ordinary shareholders of the Company	22.40	1.22	1.22
Net profit attributable to the Company's ordinary shareholders after deducting non-recurring gains and losses	22.44	1.23	1.23



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