



安徽金岩高嶺土新材料股份有限公司
ANHUI JINYAN KAOLIN NEW MATERIALS CO., LTD.

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

Stock Code: 2693

2026

Interim Report



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Corporate Information

DIRECTORS

Executive Directors

Mr. Zhang Kuang (張礦) (*Chairman of the Board*)
Ms. Wang Yuli (王玉麗) (resigned on 24 July 2026)
Ms. Chen Yan (陳艷)
Mr. Zhu Zejian (朱澤艦) (appointed on 23 September 2026)
Mr. Li Zhanbei (李戰備) (appointed on 23 September 2026)

Non-executive Directors

Mr. Jiao Daojie (焦道傑)
Mr. Yang Chong (楊沖)
Mr. Li Zhuangzhi (李壯志) (resigned on 24 July 2026)
Ms. Zhang Bing (張兵) (appointed on 23 September 2026)
Ms. Liu Jia (劉佳) (appointed on 23 September 2026)

Independent Non-executive Directors

Mr. Jiang Weidong (蔣衛東)
Mr. Li Chenhui (李晨輝)
Mr. Miao Guanghong (繆廣紅)
Mr. Chan Ngai Fan (陳毅奮)

JOINT COMPANY SECRETARIES

Mr. Wang Wei (王巍)
Ms. Sze Suet Ling (施雪玲)
(resigned on 16 January 2026)
Ms. Mak Po Man Cherie (麥寶文) (ACG)
(appointed on 16 January 2026)

AUTHORIZED REPRESENTATIVES

Mr. Zhang Kuang (張礦)
Ms. Sze Suet Ling (施雪玲)
(resigned on 16 January 2026)
Ms. Mak Po Man Cherie (麥寶文) (ACG)
(appointed on 16 January 2026)

AUDIT AND RISK COMMITTEE

Mr. Jiang Weidong (蔣衛東) (*Chairman*)
Mr. Yang Chong (楊沖)
Mr. Chan Ngai Fan (陳毅奮)

REMUNERATION AND APPRAISAL COMMITTEE

Mr. Miao Guanghong (繆廣紅) (*Chairman*)
Mr. Jiang Weidong (蔣衛東)
Mr. Li Zhuangzhi (李壯志) (resigned on 24 July 2026)
Mr. Zhu Zejian (朱澤艦) (appointed on 23 September 2026)

NOMINATION COMMITTEE

Mr. Li Chenhui (李晨輝) (*Chairman*)
Mr. Jiang Weidong (蔣衛東)
Ms. Wang Yuli (王玉麗) (resigned on 24 July 2026)
Ms. Zhang Bing (張兵) (appointed on 23 September 2026)

STRATEGY AND INVESTMENT COMMITTEE

Mr. Zhang Kuang (張礦) (*Chairman*)
Mr. Li Chenhui (李晨輝)
Mr. Miao Guanghong (繆廣紅)

SCIENCE AND TECHNOLOGY INNOVATION COMMITTEE (ESTABLISHED ON 27 AUGUST 2026)

Mr. Zhu Zejian (朱澤艦) (*Chairman*) (appointed on 23 September 2026)
Mr. Li Chenhui (李晨輝)
Mr. Miao Guanghong (繆廣紅)

H SHARE REGISTRAR

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

Corporate Information

REGISTERED OFFICE

50 meters north of Shuobei Road
Shuoli Town, Duji District, Huaibei
Anhui Province, PRC

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

50 meters north of Shuobei Road
Shuoli Town, Duji District, Huaibei
Anhui Province, PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

40/F, Dah Sing Financial Centre
248 Queen's Road East
Wan Chai
Hong Kong

PRINCIPAL BANK

Industrial and Commercial Bank of
China Huaibei Huitong Sub-branch
No. 159, Huili Road, Huaibei
Anhui Province, PRC

LEGAL ADVISORS TO THE COMPANY

As to Hong Kong law:

Clifford Chance
27/F, Jardine House
One Connaught Place
Central
Hong Kong

As to PRC law:

Anhui Tianhe Law Firm
34–35/F, Tower A, Landmark Plaza
No. 288 Huaining Road
Shushan District
Hefei, Anhui Province, PRC

JOINT COMPLIANCE ADVISERS

Guoyuan Capital (Hong Kong) Limited

17/F, Three Exchange Square
8 Connaught Place
Central
Hong Kong

Vast Harbour Corporate Finance Limited

(formerly known as Goldlink Capital
(Corporate Finance) Limited)
28/F, Bank of East Asia Harbour View Centre
56 Gloucester Road
Wanchai
Hong Kong

AUDITORS

Ernst & Young

Certified Public Accountant
Registered Public Interest Entity
Auditor under the Accounting and
Financial Reporting Council Ordinance
27/F, One Taikoo Place
979 King's Road
Quarry Bay
Hong Kong

COMPANY'S WEBSITE

www.grkaolin.com

STOCK CODE

2693

Mineral Resources and Mining Rights

The Company's business is anchored by its abundant and high-quality mineral resources. In October 2021, the Company entered into an asset transfer agreement with Shuoli Mining, pursuant to which the Company acquired the Shuoli Kaolin Mine. Since 2021, the Company has fully owned the Shuoli Kaolin Mine in Huaibei City, Anhui Province, which is renowned for its rich coal-series kaolin resources. As confirmed by internal experts of the Company, as at 30 June 2026, the Shuoli Kaolin Mine possesses total estimated Mineral Resources of approximately 18,251 kt, comprising 1,969 kt of Measured Resources, 8,990 kt of Indicated Resources and 7,292 kt of Inferred Resources, and total estimated Ore Reserves of approximately 5,725 kt, comprising 768 kt of Proved Reserves and 4,957 kt of Probable Reserves. As at 30 June 2026, at the annual production volume of 400,000 tonnes, the remaining life of mine ("LoM") of the Shuoli Kaolin Mine was estimated to be approximately 15 years.

MINERAL RESOURCE AND ORE RESERVE

The Mineral Resource of the Shuoli Kaolin Mine has been classified as Measured, Indicated and Inferred according to increasing degrees of confidence in the geological continuity, sample density, data quality, surface mapping and drilling spacing; and geological modeling was conducted based on topographic and geological mapping and results of the drilling programs.

The following table sets forth a summary of the Mineral Resource estimate of the Shuoli Kaolin Mine as at 30 June 2026, and reported in accordance with the JORC Code:

Type of Mineral Resources	Tonnes (kt)	Al ₂ O ₃ (%)	Al ₂ O ₃	SiO ₂ (%)	SiO ₂
			Material (kt)		Material (kt)
Measured	1,969	40.35	794	42.83	843
Indicated	8,990	40.28	3,621	41.13	3,698
Measured and Indicated	10,959	40.29	4,415	41.43	4,541
Inferred	7,292	40.30	2,939	41.58	3,032
Total/Overall	18,251	40.30	7,354	41.49	7,573

Notes:

- Any differences between totals and sum of components are due to rounding.
- A 0.7m minimum thickness was applied to the resource block model.
- The models are reported for domains with a thickness greater than 0.7m, which is the minimum mineable thickness using the current mining method (longwall mining).
- Mineral Resources that are not Ore Reserves do not have demonstrated economic viability. The estimate of Mineral Resources may be materially affected by environmental, permitting, legal, title, taxation, sociopolitical, marketing, or other relevant issues.

Mineral Resources and Mining Rights

5. Mineral Resources are reported inclusive of Ore Reserves.
6. The Mineral Resources are effective as at 30 June 2026.
7. The data has been confirmed by the Company's internal experts.

The following table sets forth a summary of the Ore Reserve estimate of the Company's Shuoli Kaolin Mine as at 30 June 2026, and reported in accordance with the JORC Code:

Type of Mineral Resources	Ore Reserve (kt)	Al ₂ O ₃ (%)	Fe ₂ O ₃ (%)	TiO ₂ (%)
Proved	768	38.90	0.66	0.51
Probable	4,957	37.90	1.08	0.49
Total	5,725	38.03	1.02	0.49

Notes:

1. Any differences between totals and sum of components are due to rounding.
2. Cut-offs for ROM to define between ore and waste are Al₂O₃≥30%, Fe₂O₃≤2%, and TiO₂≤0.6%.
3. The minimum mining cutting height is 2m.
4. The Ore Reserves are reported on a metric kiloton basis.
5. The Ore Reserves are reported at the reference point (ROM material as received at the processing plant).
6. The reported reserves or Ore Reserves are inclusive of Mineral Resources.
7. The Mineral Resources are effective as at 30 June 2026.
8. The data has been confirmed by the Company's internal experts.

There had been no material change to the Mineral Resource and Ore Reserve estimates of the Company's Shuoli Kaolin Mine during the Reporting Period.

Mineral Resources and Mining Rights

MINING LICENSE

Under the relevant PRC mineral laws and regulations, all mineral resources in China are owned by the State. Mining companies are required to obtain mining and exploration permits prior to undertaking any mining or exploration activities. The mining and exploration permits are limited to a specific geographic area and a certain time period. Mining enterprises that have, in accordance with the current Mineral Resources Law, applied for and obtained the mining right and are conducting exploration within the designated mining area for the purpose of their own production are not required to separately make an application and registration for the right of exploration. On 8 November 2024, the new Mineral Resources Law of the People's Republic of China (the “**New Mineral Resources Law**”) was deliberated and adopted, which came into force on 1 July 2025. The New Mineral Resources Law mandates that upon establishing a mining right, registration must be filed with the relevant department, which then issues a mining right certificate if conditions are met.

The law distinguishes between the mining right certificate being a property right and exploration/mining licenses being administrative licenses. It introduces separate registration for mining rights and exploration/mining permissions. According to Article 3(3) of the Notice on the Implementation of the New Mineral Resources Law issued by the Ministry of Natural Resources of China in December 2024, mining licenses that have been issued prior to the implementation of the New Mineral Resources Law continue to be valid during the validity period and the replacement with the mining right certificate shall not be mandatory.

Since 2021, the Company has owned the mining rights of the Shuoli Kaolin Mine granted by the Huaibei Municipal Bureau of Natural Resources and Planning. The material terms of the Company's mining license are set out below:

- Issuing authority: Huaibei Municipal Bureau of Natural Resources and Planning
- Holder of mining license: The Company
- Name of mine: Huaibei City Shuoli Kaolin Mine
- License number: C3400002019117120148949
- Mining method allowed: Underground mining
- Production volume allowed: 500.0 thousand tonnes per year
- Area of mine allowed: 17.9955 square kilometers
- Mining elevations allowed: 50–240 meters below the surface
- Period of validity: From 19 November 2021 to 19 November 2024 and extended to 20 November 2039 after the renewal on 6 March 2024
- Applicable natural resources: Kaolin

Mineral Resources and Mining Rights

- **Renewal:** The mining right holder shall apply for renewal no later than 30 days before the expiration date of the mining license. If the application is not submitted by that date, the mining right shall lapse automatically.
- **Restrictions:** The mining license should not be lent, transferred or traded. If a mining right holder suspends or shuts down mining operation within the term of the mining license, it should comply with the cancellation procedures of the mining license in accordance with applicable laws and regulations.
- **Modification:** If the mining right holder alters the range of mining area, main types of mineral being mined, mining method, company name, or transfers such license within the term of the mining license, it should apply for the relevant modification in accordance with applicable regulations.

As advised by the PRC Legal Advisers, no separate exploration license is required to be obtained as long as the Company conducts exploration within the designated mining area under the mining license for its own production. In addition, the Company's PRC Legal Advisers are of the view that after the New Mineral Resources Law comes into force, the Company's mining license will continue to be valid within its validity period. The Company does not need to apply for a mining right certificate before the expiry of the mining license, and the implementation of the New Mineral Resources Law will not adversely affect the Company's operation and financial performance. The Company plans to renew the mining license before its expiry date. As advised by the PRC Legal Advisers, there are no explicit regulations limiting the number of times a mining license may be renewed in the PRC. During the Reporting Period, the Company did not pledge any mining rights to secure any banking facilities.

MINERAL EXPLORATION, DEVELOPMENT AND MINING ACTIVITIES

Exploration

During the Reporting Period, the Company was not engaged in the exploration of kaolin.

Development

During the Reporting Period, the Company was not engaged in the development of kaolin.

Mining

The Company formulates monthly mining plans according to the demand for the Company's products. For the six months ended 30 June 2025 and 30 June 2026, the Company extracted approximately 211.3 kt and 172.5 kt of kaolin ore, respectively. The actual production volume of kaolin ore decreased during the Reporting Period, primarily because (1) we precisely plan our mining schedule based on the order volume from downstream partner clients, mining according to sales; and (2) we scale back external sales channels and prioritize internal use.

For the six months ended 30 June 2026, the Company's total expenses on the mining of kaolin ore were approximately RMB19,876,980.

Management Discussion and Analysis

BUSINESS REVIEW

We specialize in coal-series kaolin in China and operate an integrated model spanning mining, R&D, processing, manufacturing and sales of precision casting mullite products, refractory mullite products, raw coke and raw powder, and ceramic fibers. Our business is anchored by abundant, high-quality coal-series kaolin mineral assets, which support stable production and consistent product performance.

Our principal products are precision casting mullite products and refractory mullite products. Precision casting mullite products are used in shell mold-making for precision casting, supporting high-precision components in industries such as automotive, aviation, healthcare and general equipment. Refractory mullite products are used to manufacture refractory materials serving industries such as metallurgy and construction materials. We also sell raw coke and raw powder to customers for further processing to meet different customer needs. In addition, our newly launched ceramic fibers are suitable for the production of the engineering ceramic environmental protection filter tube and automobile liners, and can be used for desulfurization and denitrification in metallurgy, electric power, thermal kiln, petrochemical, building materials and other environmental protection fields.

Our integrated model is anchored by mineral resource strength. Since 2021, we have fully owned the Shuoli Kaolin Mine in Huaibei City, Anhui Province, which is recognized for its coal-series kaolin resources. The geological characteristics of the kaolin deposits also provide operational advantages: ore from the Shuoli Kaolin Mine can proceed to processing after classification by type and specification with only a relatively simple purification process, supporting streamlined production, improved efficiency and stable quality. According to Frost & Sullivan, our kaolin ore demonstrates refractoriness, hardness and chemical stability above the industry average, which supports its suitability for producing both precision casting mullite products and refractory mullite products.

Looking ahead, industry fundamentals support continued development of our key end markets. Frost & Sullivan forecasts that the market size of precision casting mullite products in China will grow from RMB971.9 million in 2024 to RMB1,362.0 million in 2029, representing a CAGR of 7.0%, while the refractory mullite products market is expected to expand from RMB5,525.8 million in 2024 to RMB6,430.9 million in 2029, representing a CAGR of 3.1%. These trends reinforce our focus on scaling and upgrading precision casting mullite products while consolidating our market-leading position in precision casting mullite products. In addition, we further diversify our offerings to capture the untapped market opportunities brought by raw coke and raw powder, as well as ceramic fibers, thereby bringing additional revenue streams to sustain our growth.

Management Discussion and Analysis

STRATEGIES AND PROSPECTS

We intend to use our own funds to expand production scale and upgrade processes to capture the sizeable and steadily growing refractory mullite products market. Specifically, we plan to construct a new production line with an annual designed capacity of 40,000 tonnes, which is expected to go into operation after commissioning in the second half of 2026. The planned expansion includes building a new shaft kiln calcination workshop equipped with four shaft kilns, a processing workshop for refractory mullite granules, a finished goods warehouse and supporting facilities. This capacity expansion and increase is designed not only to increase throughput, but also to improve the consistency and specification control of refractory mullite granules so that we can better match customers' requirements for particle size ranges and proportions. By producing more uniform, gradable refractory mullite granules, we expect to strengthen competitiveness, support margin improvement and grow market share.

Alongside physical expansion, we plan to enhance automation and product purity through equipment upgrades and process optimization. We plan to procure advanced equipment such as intelligent sorting machines and automatic color sorting machines to refine and automate raw material classification. We also plan to upgrade our shaft kiln operations, install high-gradient magnetic separation equipment and implement additional automation technologies to raise purity, strengthen quality stability and improve production efficiency. These initiatives are intended to increase the degree of control over critical quality parameters that matter to refractory manufacturers and to support scalable, repeatable production at higher utilization levels.

Moreover, we are broadening our product portfolio by developing kaolin fine powder capacity using fine materials generated during ore screening. In the planned fine powder processing workshop, we aim to produce kaolin fine powder with an annual designed capacity of 60,000 tonnes. This product expansion is intended to open additional application scenarios, including uses in glass fiber and electrical porcelain products, thereby diversifying our revenue sources and creating new avenues for profit growth beyond our current focus on mullite products. We will strengthen our core competitiveness by enhancing R&D capabilities, with a focus on both product innovation and production technology. Our R&D priorities include developing higher-end precision casting surface materials, improving processing technology to raise the quality and purity of kaolin fine powder, advancing intelligent sorting processes for kaolin ore, exploring intelligent mining techniques, and developing higher-end synthetic materials and engineering fiber materials. Through these efforts, we aim to consolidate our leadership in precision casting shell materials, expand share in the refractory materials market and build the technical foundation to enter adjacent synthetic materials fields. We also intend to use technological innovation to improve production automation and interconnection between stages, promoting intelligent production systems that can increase efficiency and quality while reducing production costs and carbon emissions.

Leveraging these strategies and our competitive strengths, we expect to further amplify our market presence and expand customer base. As our addressable markets of precision casting mullite products and refractory mullite products are continuously growing, we aim to seize the growth momentum by dedicating to our strategies.

Management Discussion and Analysis

FINANCIAL REVIEW

The table below sets forth the key items from our profit or loss for the periods indicated:

	Six months ended 30 June	
	2026 (unaudited)	2025 (unaudited)
<i>RMB in million (except for percentages)</i>		
Revenue	103.9	128.5
Cost of sales	(70.4)	(82.7)
Gross profit	33.5	45.8
Selling and distribution expenses	(1.7)	(1.7)
Administrative expenses	(15.0)	(10.8)
Research expenses	(5.5)	(5.4)
Provision for impairment losses on financial assets, net	(0.2)	(0.2)
Other income and gains	0.7	1.1
Other expenses	(0.1)	–
Operating profit	11.7	28.8
Finance costs	(3.3)	(3.0)
Profit before tax	8.4	25.8
Income tax expenses	(0.4)	(3.1)
Profit for the period	8.0	22.7

Management Discussion and Analysis

REVENUE

The table below sets forth our revenue by product category for the periods indicated:

	Six months ended 30 June			
	2026 (unaudited)		2025 (unaudited)	
RMB in million (except for percentages)				
Precision casting mullite products	73.9	71%	81.9	64%
Refractory mullite products	24.4	23%	30.3	24%
Raw coke, raw powder and others	2.7	3%	13.1	10%
Ceramic fiber	2.9	3%	3.2	2%
Total	103.9	100%	128.5	100%

Our revenue decreased by approximately 19.1% from approximately RMB128.5 million for the six months ended 30 June 2025 to approximately RMB103.9 million for the six months ended 30 June 2026, primarily because weak demand in downstream industries and intensified market competition have put pressure on our product orders and prices, leading to a drop in sales revenue.

- Revenue generated from the sales of precision casting mullite products

Our revenue generated from the sales of precision casting mullite products decreased by approximately 9.8% from approximately RMB81.9 million for the six months ended 30 June 2025 to approximately RMB73.9 million for the six months ended 30 June 2026. This decrease is mainly due to weak downstream demand, declined terminal industry prosperity of the products, shrunk customer orders, and slightly decreased procurement volume, as well as the overall market demand has shrunk, directly leading to a decline in product sales and revenue during the period.

- Revenue generated from the sales of refractory mullite products

Our revenue generated from the sales of refractory mullite products decreased by 19.5% from approximately RMB30.3 million for the six months ended 30 June 2025 to approximately RMB24.4 million for the six months ended 30 June 2026. This decrease was primarily because the original outsourcing contract expired, leading to fewer customers within the outsourcing factory's coverage and thus lower related revenue; the new production line is still in the stage of equipment testing, process adjustment, and parameter optimization, so it has not been able to meet customers' supply demands, resulting in a drop in revenue during the period.

Management Discussion and Analysis

- **Revenue generated from the sales of raw coke and raw powder**

Our revenue generated from the sales of raw coke and raw powder significantly decreased by 79.4% from approximately RMB13.1 million for the six months ended 30 June 2025 to approximately RMB2.7 million for the six months ended 30 June 2026, primarily because (1) we precisely planned our mining schedule based on the order volume from downstream partner clients, mining according to sales; and (2) we scaled back external sales channels and prioritized internal use, leading to a drop in revenue of raw coke.

- **Revenue generated from the sales of ceramic fiber**

Our revenue generated from the sales of ceramic fiber decreased by 9.4% from approximately RMB3.2 million for the six months ended 30 June 2025 to approximately RMB2.9 million for the six months ended 30 June 2026, mainly due to a drop in demand from downstream customers.

COST OF SALES

Our cost of sales decreased by 14.9% from approximately RMB82.7 million for the six months ended 30 June 2025 to approximately RMB70.4 million for the six months ended 30 June 2026, primarily because (1) the outsourcing contracts expired, so expenses on outsourced production went down; (2) overall product sales dropped during the period, so the carried-over operating costs also decreased; and (3) we adjusted our sales strategy and cut back on low-priced bulk orders.

GROSS PROFIT AND GROSS PROFIT MARGIN

As a result of the foregoing, our gross profit decreased from approximately RMB45.8 million for the six months ended 30 June 2025 to approximately RMB33.5 million for the six months ended 30 June 2026. Our gross profit margin decreased from approximately 35.7% to 32.2% during the same period.

- **Gross profit and gross profit margin from the sales of precision casting mullite products**

Gross profit from our sales of precision casting mullite products decreased from approximately RMB31.4 million for the six months ended 30 June 2025 to approximately RMB26.6 million for the six months ended 30 June 2026. The decrease in gross profit margin of this segment during the period is primarily because we strategically adjusted prices to better align with market dynamics and improve market penetration.

- **Gross profit and gross profit margin from the sales of refractory mullite products**

Gross profit from our sales of refractory mullite products decreased from approximately RMB5.7 million for the six months ended 30 June 2025 to approximately RMB4.5 million for the six months ended 30 June 2026. The decrease in gross profit margin of this segment during the period is mainly because the new production line is still in the trial production and debugging phase, which has reduced revenue and led to a drop in total gross profit.

Management Discussion and Analysis

- **Gross profit and gross profit margin from the sales of raw coke and raw powder**

Gross profit from our sales of raw coke and raw powder decreased from approximately RMB7.9 million for the six months ended 30 June 2025 to approximately RMB1.0 million for the six months ended 30 June 2026. The decrease in gross profit margin of this segment during the period is primarily because (1) we precisely plan our mining schedule based on the order volume from downstream partner clients, mining according to sales; and (2) we scale back external sales channels and prioritize internal use, leading to a drop in revenue of raw coke and raw powder.

- **Gross profit and gross profit margin from the sales of ceramic fiber**

Gross profit from our sales of ceramic fiber increased from approximately RMB0.8 million for the six months ended 30 June 2025 to approximately RMB1.4 million for the six months ended 30 June 2026. The increase in gross profit margin of this segment during the period is primarily due to the higher production efficiency spreading out fixed costs and expenses, and stricter control over losses.

OTHER INCOME AND GAINS

Our other income and gains decreased from approximately RMB1.1 million for the six months ended 30 June 2025 to approximately RMB0.7 million for the six months ended 30 June 2026, mainly due to the decrease in the income from scrap sales and the VAT credit reduction.

RESEARCH EXPENSES

Our research expenses increased from approximately RMB5.4 million for the six months ended 30 June 2025 to approximately RMB5.5 million for the six months ended 30 June 2026, mainly due to the increased research material costs from certain research projects.

SELLING AND DISTRIBUTION EXPENSES

Our selling and distribution expenses were approximately RMB1.7 million for the six months ended 30 June 2025, and approximately RMB1.7 million for the six months ended 30 June 2026, basically the same as the corresponding period last year.

ADMINISTRATIVE EXPENSES

Our administrative expenses increased from approximately RMB10.8 million for the six months ended 30 June 2025 to approximately RMB15.0 million for the six months ended 30 June 2026, mainly due to the increase in salary and agency fees.

Management Discussion and Analysis

FINANCE COSTS

Our finance costs increased from approximately RMB3.0 million for the six months ended 30 June 2025 to approximately RMB3.3 million for the six months ended 30 June 2026.

PROVISION FOR IMPAIRMENT LOSSES ON FINANCIAL ASSETS, NET

Our provision for impairment losses on financial assets, net, was approximately RMB0.2 million for the six months ended 30 June 2025, and approximately RMB0.2 million for the six months ended 30 June 2026, basically the same as the corresponding period last year.

INCOME TAX EXPENSE

Our income tax expenses decreased by approximately 87.1% from approximately RMB3.1 million for the six months ended 30 June 2025 to approximately RMB0.4 million for the six months ended 30 June 2026, in line with our decreased taxable profits.

PROFIT FOR THE PERIOD

As a result of the foregoing, our profit for the period decreased by 64.8% from approximately RMB22.7 million for the six months ended 30 June 2025 to approximately RMB8.0 million for the six months ended 30 June 2026, mainly due to the sluggish demand in downstream industries and intensified market competition, the order volume and selling price of our products have been under pressure, resulting in a decrease in product sales revenue; in addition, the daily operating and management expenses of the Company increased.

TOTAL ASSETS

Our total assets decreased by 3.6% from approximately RMB1,064.1 million as at 31 December 2025 to approximately RMB1,025.8 million as at 30 June 2026.

LIQUIDITY AND FINANCIAL RESOURCES

Cash and Cash Equivalents

As at 30 June 2026, our cash and cash equivalents amounted to approximately RMB148.9 million, representing a decrease of approximately 27.6% from approximately RMB205.6 million as at 31 December 2025. The decrease was primarily attributable to the decrease in revenue and payment for the new production line. Our cash and cash equivalents are primarily denominated in Renminbi.

Management Discussion and Analysis

Net Current Assets

We had net current assets of approximately RMB152.9 million as at 30 June 2026, compared to net current assets of approximately RMB182.8 million as at 31 December 2025. The decrease was mainly due to the decrease in revenue and payment for the new production line.

Borrowings

As at 30 June 2026, our total interest-bearing bank and other borrowings amounted to approximately RMB253.1 million, and our unutilized bank facilities amounted to approximately RMB150 million. The borrowings were primarily used to finance our working capital and capital expenditure needs.

CAPITAL STRUCTURE

We manage our capital structure with the objective of maintaining a healthy balance between equity and debt to support our business expansion while minimizing financing costs. As at 30 June 2026, our total interest-bearing borrowings stood at RMB253.1 million. We did not have any corporate bonds, convertible instruments or other capital instruments with debt features. The maturity profile of our borrowings and obligations as at 30 June 2026 is as follows:

Maturity	RMB million (unaudited)	% of total
Within 1 year	22.3	8.8%
1–2 years	33.0	13.0%
2–5 years	117.8	46.5%
Over 5 years	80.0	31.6%
Total	253.1	100%

All of our borrowings are denominated in RMB, which is our functional currency, and our cash and cash equivalents are also held predominantly in RMB. This natural matching significantly reduces foreign-exchange exposure.

All borrowings are at floating rates linked to the People's Bank of China benchmark rates plus a margin (range: 2.2% to 2.65% per annum). Our weighted-average effective interest rate for the six months ended 30 June 2026 was 2.3%. We did not use any interest-rate swaps or other derivative instruments for hedging purposes.

Management Discussion and Analysis

FUNDING AND TREASURY POLICIES

Our treasury activities are centrally controlled by the finance department under policies approved by the Board. The objectives are to maintain sufficient liquidity for operations and expansion projects, minimize financing costs, and manage interest-rate and refinancing risks. We monitor the maturity profile regularly and have arranged RMB150 million of unutilized banking facilities as of 30 June 2026 to ensure flexibility. We have no foreign-currency net investment hedging as our operations are substantially domestic.

CAPITAL EXPENDITURE

Our capital expenditure primarily consists of payments for the purchase of property, plant and equipment and intangible assets. For the six months ended 30 June 2026, our total capital expenditures amounted to approximately RMB24.6 million.

The capital expenditure for the Reporting Period was mainly related to the upgrading of existing machinery and equipment to improve production efficiency and environmental compliance.

MATERIAL ACQUISITIONS AND FUTURE PLANS OF MAJOR INVESTMENTS

Save as disclosed in the Prospectus, as at 30 June 2026, the Company did not have any plans for major investments and capital assets. During the six months ended 30 June 2026, we did not have any material acquisitions or disposals related to subsidiaries, associates, or joint ventures.

SIGNIFICANT INVESTMENTS HELD

As at 30 June 2026, the Company did not hold any significant investments.

FOREIGN EXCHANGE RISK MANAGEMENT

Our business is conducted primarily in Renminbi (RMB). As a result, we are exposed to foreign currency risk in connection with transactions denominated in currencies other than RMB. Foreign exchange risk may arise from recognized assets and liabilities and from net investments in foreign operations. We manage this risk through regular reviews of our foreign currency exposures and seek to reduce such exposures through natural hedges where practicable. When appropriate, we may also enter into forward foreign exchange contracts. We did not enter into any forward contracts or other financial instruments to hedge our foreign currency exposure in the Reporting Period.

Management Discussion and Analysis

GEARING RATIO

As at 31 December 2025 and 30 June 2026, our gearing ratio (i.e., net debt divided by total capital plus net debt) was 24% and 27%, respectively.

CONTINGENT LIABILITIES

As at 30 June 2026, we have no significant contingent liabilities, guarantees, or any material litigation or claim pending or threatened against the Company or any member of the Company that could have a material adverse effect on our business, financial condition, or operating results.

PLEDGES OF ASSETS

As at 30 June 2026, we have not pledged any assets.

COMMITMENT

As at 30 June 2026, the Company's total capital commitments in respect of the contracted costs which were not provided for in the financial statements were RMB6,951,000 (31 December 2025: RMB30,075,000).

EMPLOYEES, TRAINING AND REMUNERATION POLICY

As at 30 June 2026, we had 342 full-time employees, all of whom were based in China, primarily at our headquarter in Huaibei, Anhui. During the Reporting Period, the total employee compensation expenses were approximately RMB28.2 million.

We are committed to maintaining a competitive and equitable compensation and benefits system. We continually refine our compensation and incentive policies through market research and benchmarking against peers to help ensure that our employees receive competitive total compensation packages. In accordance with PRC regulations, we participate in the housing provident fund and various employee social security programs organized by the relevant local municipal and provincial governments. We provide regular and specialized training tailored to the needs of employees across different departments so that they can remain current on industry developments and technological advancements.

We generally pay the employees a fixed salary and other allowances based on their respective positions and responsibilities. We also enter into individual employment contracts with the employees covering matters such as wages, employee benefits, employment scope and grounds for termination. The employees do not negotiate their terms of employment through any labor union or by way of collective bargaining agreements.

Other Information

DIVIDEND

The Board has resolved not to declare an interim dividend for the six months ended 30 June 2026.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the six months ended 30 June 2026, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including sales of treasury shares).

As at 30 June 2026, the Company did not hold any treasury shares.

USE OF PROCEEDS FROM THE GLOBAL OFFERING

On 3 December 2025, the Company was listed on the Main Board of the Hong Kong Stock Exchange. The number of Shares under the Global Offering was 24,300,000 H Shares, comprising the 2,430,000 H Shares offered under the Hong Kong Public Offering and 21,870,000 H Shares offered under the International Offering, at a nominal value of RMB1.00 per Share. Therefore, the total nominal value of the Shares under the Global Offering was RMB24,300,000. Based on the final Offer Price of HK\$7.30 per Offer Share, the net proceeds received by the Company from the Global Offering, after deducting the underwriting commissions and other estimated expenses in connection with the Global Offering, amounted to approximately HK\$124.30 million, which will be utilized in accordance with the use of proceeds as disclosed in the Prospectus as follows:

Usage	Use of proceeds percentage	Net amount of Proceeds (HK\$ million)	Utilized proceeds during the Reporting Period (HK\$ million)	Unutilized proceeds as of the end of the Reporting Period (HK\$ million)	Expected timetable for the full utilization of unutilized proceeds ⁽¹⁾	Expected timetable as disclosed in the Prospectus
Deep processing project of mullite-based aluminosilicate materials ⁽²⁾	70.8%	88.0	42.22	45.78	Within two years after Listing	Within two years after Listing
Establishment of new aluminosilicate material engineering and technology research center ⁽³⁾	20.6%	25.6	0	25.6	Within two years after Listing	Within two years after Listing
Repayment of the aggregate principal amount of several bank loans of the Company together with accrued interest thereon	0.6%	0.8	0.8	0	-	-
Working capital and general corporate purposes	8.0%	9.9	0	9.9	-	-
Total	100%	124.3	43.02	81.28		

Other Information

Notes:

- (1) The expected timetable for the full utilization of unutilized proceeds was based on the estimate of the Company, which is subject to the current and future development of the market conditions.
- (2) The unutilized proceeds will be used as originally planned. Since the project requires defect correction services and subsequent formal acceptance after preliminary inspection, the timing for using the proceeds for testing, completion, and acceptance will be later than originally planned.
- (3) The unutilized proceeds will be used as originally planned. However, because the actual project research and approval took longer than expected, the use of the related proceeds has been slightly delayed compared to the original plan. As of the date of this report, the Company has completed the project approval and started the equipment procurement, and is continuing to work on building the new aluminosilicate material engineering and technology research center.

The unutilized balance of net proceeds from the Global Offering will continue to be utilized in accordance with the purposes and proportions disclosed in the Prospectus. The Company has placed the net proceeds that have not yet been utilized in short-term interest-bearing accounts with licensed commercial banks and/or other authorized financial institutions. The Company will comply with the PRC laws in respect of foreign exchange registration and proceeds remittance.

INTERESTS AND/OR SHORT POSITIONS OF THE DIRECTORS OR CHIEF EXECUTIVE IN THE SHARE CAPITAL OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As of 30 June 2026, none of the Directors or the chief executive of the Company has any interests and/or short positions in the Shares, underlying Shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), which are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO), or which are required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein, or which are required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules.

Other Information

INTERESTS AND/OR SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

To the knowledge of the Directors, as of 30 June 2026, the following persons (other than Directors and chief executives of the Company) had interests and/or short positions in the Shares or underlying Shares of the Company which would fall to be disclosed pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or to be recorded in the register required to be kept by the Company under Section 336 of the SFO:

Name of Shareholders	Nature of interests	Class of Shares	Number of Shares held ¹	Approximate percentage of interest in the Company as of 30 June 2026 ²	Approximate percentage to relevant Share class as of 30 June 2026
Huaibei Mining Group ¹	Beneficial interest	Domestic Shares	41,820,759	43.03%	57.37%
	Interest in a controlled corporation	Domestic Shares	2,007,299	2.07%	2.75%
Anhui Energy Group ²	Interest in a controlled corporation	Domestic Shares	43,828,058	45.09%	60.13%
Huaibei Jiaotou	Beneficial interest	Domestic Shares	29,066,258	29.91%	39.87%
Huaibei Jiantou Holding ³	Interest in a controlled corporation	Domestic Shares	29,066,258	29.91%	39.87%
Gao Jie (高潔) ⁴	Interest in a controlled corporation	H Shares	1,491,500	1.53%	6.14%
Degao Mining Technology Limited (德高礦山科技有限公司) ⁴	Beneficial interest	H Shares	1,491,500	1.53%	6.14%
Anhui Degao Mining Technology Limited (安徽德高礦山科技有限公司) ⁴	Interest in a controlled corporation	H Shares	1,491,500	1.53%	6.14%
Gao Qixing (高岐行) ⁵	Interest in a controlled corporation	H Shares	1,491,500	1.53%	6.14%

Other Information

Name of Shareholders	Nature of interests	Class of Shares	Number of Shares held ¹	Approximate percentage of interest in the Company as of 30 June 2026 ²	Approximate percentage to relevant Share class as of 30 June 2026
Sun Jinrong (孫進榮) ⁵	Interest in a controlled corporation	H Shares	1,491,500	1.53%	6.14%
Hong Kong Jinyuan Industry and Trade Limited (香港金源工貿有限公司) ⁵	Beneficial interest	H Shares	1,491,500	1.53%	6.14%
Huaibei Jinyuan Industry and Trade Limited (淮北金源工貿有限責任公司) ⁵	Interest in a controlled corporation	H Shares	1,491,500	1.53%	6.14%
Shanghai Chuangli Group Co., Ltd. (上海創力集團股份有限公司) ⁶	Interest in a controlled corporation	H Shares	3,390,000	3.49%	13.95%
Chuangli (Anhui) Mining Mechanics Manufacturing Co., Ltd. (創力(安徽)礦山機械製造有限公司) ⁶	Interest in a controlled corporation	H Shares	3,390,000	3.49%	13.95%
Hong Kong Chuangli Yingtai Investment Limited (香港創力贏泰投資有限公司) ⁶	Beneficial interest	H Shares	3,390,000	3.49%	13.95%
China Pingmei Shenma Holding Group Co., Ltd. (中國平煤神馬控股集團有限公司) ⁷	Interest in a controlled corporation	H Shares	4,068,000	4.19%	16.74%
Pingmei Shenma (Hong Kong) International Investment Limited (平煤神馬(香港)國際投資有限公司) ⁷	Beneficial interest	H Shares	4,068,000	4.19%	16.74%

Other Information

Notes:

1. As of 30 June 2026, Wanhui Investment holds approximately 2.07% of equity interest in the Company, and Huaibei Mining Group holds 100% of the equity interest in Wanhui Investment. Therefore, Huaibei Mining Group is deemed to be interested in the Shares held by Wanhui Investment in the Company under the SFO.
2. As of 30 June 2026, Huaibei Mining Group is directly owned by Anhui Energy Group as to 37.04%. Therefore, Anhui Energy Group is deemed to be interested in the Shares held by Huaibei Mining Group in the Company under the SFO.
3. As of 30 June 2026, Huaibei Jiaotou is wholly owned by Huaibei Jiantou Holding. Therefore, Huaibei Jiantou Holding is deemed to be interested in the Shares held by Huaibei Jiaotou in the Company under the SFO.
4. As of 30 June 2026, Degao Mining Technology Limited holds 1,491,500 H Shares of the Company, which is wholly owned by Anhui Degao Mining Technology Limited, which in turn is owned by Gao Jie as to 95%.
5. As of 30 June 2026, Hong Kong Jinyuan Industry and Trade Limited holds 1,491,500 H Shares of the Company, which is wholly owned by Huaibei Jinyuan Industry and Trade Limited, which is in turn owned by Gao Qixing as to 54.68% and owned by Sun Jinrong as to 45.32%.
6. As of 30 June 2026, Hong Kong Chuangli Yingtai Investment Limited holds 3,390,000 H Shares of the Company, which is wholly owned by Chuangli (Anhui) Mining Mechanics Manufacturing Co., Ltd., which in turn is wholly owned by Shanghai Chuangli Group Co., Ltd.
7. As of 30 June 2026, Pingmei Shenma (Hong Kong) International Investment Limited holds 4,068,000 H Shares of the Company, which is wholly owned by China Pingmei Shenma Holding Group Co., Ltd.

Save as disclosed above, as of 30 June 2026, the Directors were not aware of any other person (other than Directors and chief executives of the Company) who had any interest and/or short position in the Shares or underlying Shares of the Company which would fall to be disclosed pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or to be recorded in the register required to be kept by the Company under Section 336 of the SFO.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company is committed to achieving high standards of corporate governance which are crucial to the Company's development and safeguard the interests of its Shareholders. The Company has complied with all the applicable code provisions set out in the Corporate Governance Code during the six months ended 30 June 2026.

The Board will continue to review and monitor the Company's corporate governance practices to ensure compliance with the CG Code and maintain high standards of corporate governance.

Other Information

SECURITIES TRADING AND HANDLING OF INSIDE INFORMATION

The Board has adopted the Model Code as the code of conduct governing Directors' trading in the securities of the Company. In response to specific enquiries made by the Board, all Directors confirmed that they have complied with the provisions of the Model Code during the six months ended 30 June 2026.

The Company has also developed and implemented policies and procedures relating to the disclosure of information (including but not limited to the disclosure of inside information), including monitoring potential inside information, ensuring rapid identification of and assessment to relevant facts and circumstances that may have material impacts on the share price of the Company, and submitting relevant matters to the attention of the Board, if necessary, to determine whether a disclosure is needed. Directors, senior management and relevant employees in possession of inside information or potential inside information are required to take reasonable steps to preserve confidentiality and to ensure that their recipients recognize their obligations to maintain confidentiality.

AUDIT AND RISK COMMITTEE

The Company has established the Audit and Risk Committee in accordance with Rule 3.21 of the Listing Rules and the Corporate Governance Code. The Audit and Risk Committee consists of three Directors, namely Mr. Jiang Weidong (independent non-executive Director), Mr. Chan Ngai Fan (independent non-executive Director) and Mr. Yang Chong (non-executive Director). Mr. Jiang Weidong currently serves as the chairman of the Audit and Risk Committee.

During the six months ended 30 June 2026, the Audit and Risk Committee has reviewed the Company's interim results and interim report for the six months ended 30 June 2026, as well as the financial statements contained in this interim report.

CHANGE OF DIRECTORS' AND CHIEF EXECUTIVE'S INFORMATION

Since the publication of the Company's 2025 annual report and up to the Latest Practicable Date, the informations on Directors and chief executive that shall be disclosed under Rule 13.51B(1) of the Listing Rules are as follows:

1. Ms. Wang Yuli has resigned as an executive Director and the general manager of the Company, as well as a member of Nomination Committee of the Company, and Mr. Li Zhuangzhi has resigned as a non-executive Director of the Company and a member of the Remuneration and Appraisal Committee of the Company, both effective from 24 July 2026. Please refer to the announcement of the Company dated 24 July 2026 for relevant information.

Other Information

2. The Board of the Company has nominated Mr. Zhu Zejian and Mr. Li Zhanbei as executive Directors of the Company, and Ms. Zhang Bing and Ms. Liu Jia as non-executive Directors of the Company. Their appointments took effect from the date of approval at the Company's general meeting held on 23 September 2026. Please refer to the announcement of the Company dated 27 August 2026 for relevant information.

Save as disclosed above, there is no other information that needs to be disclosed under Rule 13.51B(1) of the Listing Rules.

SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

The Board of Directors of the Company resolved that the Company intends to apply to delist its Domestic Shares from the National Equities Exchange and Quotations. Please refer to the announcement of the Company dated 27 August 2026 for relevant information.

Save as set out elsewhere in this interim report, there was no other significant event that occurred after 30 June 2026 and up to the Latest Practicable Date.

Interim Condensed Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2026

	Notes	2026 RMB'000 (unaudited)	2025 RMB'000 (unaudited)
REVENUE	5	103,882	128,501
Cost of sales		(70,432)	(82,665)
GROSS PROFIT		33,450	45,836
Other income and gains	5	727	1,104
Research expenses		(5,456)	(5,430)
Selling and distribution expenses		(1,701)	(1,703)
Administrative expenses		(15,079)	(10,830)
Other expenses		(78)	(6)
Finance costs	7	(3,283)	(3,039)
Provision for impairment losses on financial assets, net		(157)	(167)
PROFIT BEFORE TAX	6	8,423	25,765
Income tax expense	8	(457)	(3,075)
PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		7,966	22,690
Attributable to owners of the parent		7,966	22,690
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic and diluted (RMB)	10	0.08	0.31

Interim Condensed Statement of Financial Position

30 June 2026

	Notes	30 June 2026 <i>RMB'000</i> (unaudited)	31 December 2025 <i>RMB'000</i> (audited)
NON-CURRENT ASSETS			
Property, plant and equipment	11	518,324	516,605
Right-of-use assets		84,397	85,778
Other intangible assets		119,572	122,436
Total non-current assets		722,293	724,819
CURRENT ASSETS			
Inventories	12	89,999	69,988
Trade and bills receivables	13	42,494	39,991
Prepayments, other receivables and other assets	14	5,556	8,136
Debt investments at fair value through other comprehensive income	15	13,699	12,716
Pledged deposits	16	2,773	2,773
Cash and cash equivalents	16	148,938	205,630
Total current assets		303,459	339,234
CURRENT LIABILITIES			
Trade and other payables	17	126,854	141,501
Tax payable		1,447	–
Interest-bearing bank and other borrowings	18	22,252	14,956
Total current liabilities		150,553	156,457
NET CURRENT ASSETS		152,906	182,777
TOTAL ASSETS LESS CURRENT LIABILITIES		875,199	907,596

Interim Condensed Statement of Financial Position

30 June 2026

	Notes	30 June 2026 RMB'000 (unaudited)	31 December 2025 RMB'000 (audited)
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings	18	230,789	251,280
Deferred income		16,985	12,423
Provision		27,009	26,646
Deferred tax liabilities		6,294	9,028
Total non-current liabilities		281,077	299,377
NET ASSETS			
EQUITY			
Equity attributable to owners of the parent			
Share capital	19	97,194	97,194
Reserves		496,928	511,025
TOTAL EQUITY		594,122	608,219

Interim Condensed Statement of Changes in Equity

For the six months ended 30 June 2026

	Share capital <i>RMB'000</i> (note 19)	Share premium <i>RMB'000</i>	Special reserve <i>RMB'000</i>	Statutory surplus reserve <i>RMB'000</i>	Retained profits <i>RMB'000</i>	Total <i>RMB'000</i>
At 1 January 2026 (audited)	97,194	364,401	2,197	14,442	129,985	608,219
Profit and total comprehensive income for the period (unaudited)	-	-	-	-	7,966	7,966
Provision for safety fund surplus reserve (unaudited)	-	-	1,380	-	(1,380)	-
Utilisation of safety fund surplus reserve (unaudited)	-	-	(894)	-	894	-
Final 2025 dividend declared (unaudited)	-	-	-	-	(22,063)	(22,063)
As at 30 June 2026 (unaudited)	97,194	364,401	2,683	14,442	115,402	594,122

	Share capital <i>RMB'000</i>	Share premium <i>RMB'000</i>	Special reserve <i>RMB'000</i>	Statutory surplus reserve <i>RMB'000</i>	Retained profits <i>RMB'000</i>	Total <i>RMB'000</i>
At 1 January 2025 (audited)	72,894	279,603	212	10,758	96,825	460,292
Profit and total comprehensive income for the period (unaudited)	-	-	-	-	22,690	22,690
Provision for safety fund surplus reserve (unaudited)	-	-	1,690	-	(1,690)	-
Utilisation of safety fund surplus reserve (unaudited)	-	-	(527)	-	527	-
As at 30 June 2025 (unaudited)	72,894	279,603	1,375	10,758	118,352	482,982

Interim Condensed Statement of Cash Flows

For the six months ended 30 June 2026

	Notes	2026 RMB'000 (unaudited)	2025 RMB'000 (unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		8,423	25,765
Adjustments for:			
Loss on disposal of items of property, plant and equipment	6	–	1
Depreciation of items of property, plant and equipment	6	22,929	22,875
Depreciation of right-of-use assets	6	1,381	1,382
Amortisation of other intangible assets	6	2,864	3,507
Finance costs	7	3,283	3,039
Foreign exchange differences, net		102	5
Provision for impairment losses on financial assets, net		157	167
Reversal of write-down of inventories to net realisable value	6	(1,101)	–
Increase in inventories		(18,910)	(21,009)
(Increase)/decrease in trade and bills receivables and debt			
investments at fair value through other comprehensive income		(12,072)	8,524
Decrease in prepayments, other receivables and other assets		5,867	799
Increase/(decrease) in deferred income		4,562	(364)
Decrease in trade and other payables		(8,678)	(6,077)
Cash generated from operations		8,807	38,614
Tax (paid)/received		(618)	1,120
Net cash flows from operating activities		8,189	39,734
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of items of property, plant and equipment		(24,550)	(27,100)
Net cash flows used in investing activities		(24,550)	(27,100)

Interim Condensed Statement of Cash Flows

For the six months ended 30 June 2026

	Notes	2026 RMB'000 (unaudited)	2025 RMB'000 (unaudited)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of listing expenses		(2,033)	(13,612)
Interest paid		(2,976)	(3,216)
Repayment of bank loans		(13,157)	(1,826)
Receipt of government grants for interest		–	671
Dividends paid		(22,063)	–
Net cash flows used in financing activities		(40,229)	(17,983)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(56,590)	(5,349)
Cash and cash equivalents at beginning of period		205,630	71,694
Effect of foreign exchange rate changes, net		(102)	(5)
CASH AND CASH EQUIVALENTS AT END OF PERIOD		148,938	66,340
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	16	151,711	66,340
Less: Pledged deposits	16	(2,773)	–
CASH AND CASH EQUIVALENTS AS STATED IN THE INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION AND STATEMENT OF CASH FLOWS		148,938	66,340

Notes to Interim Condensed Financial Information

30 June 2026

1. CORPORATE INFORMATION

The Company is a joint stock company with limited liability incorporated in the People's Republic of China ("PRC"). The registered office of the Company is located at 50 meters north of Shuobei Road, Shuoli Town, Duji District, Huaibei City, Anhui Province, PRC.

The Company is a standalone company engaging in kaolin industry in the PRC, with high-quality mineral assets and integrated capabilities spanning the entire value chain, from mining and processing to production and sale of refined products. The parent company of the Company is Huaibei Mining (Group) Co., Ltd. ("Huaibei Mining Group"), which is incorporated in the PRC. The Company is ultimately controlled by the State-owned Assets Supervision and Administration Commission of Anhui Province.

2. BASIS OF PREPARATION

The interim condensed financial information for the six months ended 30 June 2026 has been prepared in accordance with IAS 34 *Interim Financial Reporting*. The interim condensed financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's financial statements for the year ended 31 December 2025. The Interim Financial Information is presented in Renminbi ("RMB"), and all values are rounded to the nearest thousand (RMB'000) except when otherwise indicated.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed financial information are consistent with those applied in the preparation of the Company's annual financial statements for the year ended 31 December 2025, except for the adoption of the following amended IFRS Accounting Standards for the first time for the current period's financial information.

Amendments to IFRS 9 and IFRS 7	<i>Amendments to the Classification and Measurement of Financial Instruments</i>
Amendments to IFRS 9 and IFRS 7	<i>Contracts Referencing Nature-dependent Electricity</i>
<i>Annual Improvements to IFRS Accounting Standards – Volume 11</i>	Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7

Notes to Interim Condensed Financial Information

30 June 2026

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (Continued)

The nature and impact of the amended IFRS Accounting Standards are described below:

- (a) *Amendments to IFRS 9 and IFRS 7 Amendments to the Classification and Measurement of Financial Instruments* clarify that a financial asset is derecognised when the entity's rights to the contractual cash flows expire or are transferred, while a financial liability is derecognised on the settlement date. The amendments introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. Since the Company's accounting policy for the derecognition of financial assets and liabilities in prior years aligned with the amendments and the Company did not have the financial assets that were addressed by the amendments, the amendments did not have any impact on the interim condensed financial information. The Company will provide additional disclosures for its equity investments designated at fair value through other comprehensive income in the Company's financial statements for the year ending 31 December 2026.
- (b) *Amendments to IFRS 9 and IFRS 7 Contracts Referencing Nature-dependent Electricity* clarify the application of the "own-use" requirements for in-scope contracts and amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts. The amendments also include additional disclosures that enable users of financial statements to understand the effects these contracts have on an entity's financial performance and future cash flows. As the Company did not have any contracts that are in the scope of the amendments, the amendments did not have any impact on the interim condensed financial information.
- (c) *Annual Improvements to IFRS Accounting Standards – Volume 11* set out narrow scope amendments to IFRS 1, IFRS 7 (and the accompanying Guidance on implementing IFRS 7), IFRS 9, IFRS 10 and IAS 7. The amendments include clarifications, simplifications, corrections or changes to improve consistency in the corresponding IFRS Accounting Standards. The amendments did not have any impact on the interim condensed financial information.

4. OPERATING SEGMENT INFORMATION

For management purposes, the Company has one reportable operating segment which is the mining and processing to production and sales of refined products. Management monitors the operating results of its business units as a whole for the purpose of making decisions about resource allocation and performance assessment.

Notes to Interim Condensed Financial Information

30 June 2026

4. OPERATING SEGMENT INFORMATION (Continued)

Geographical information

(a) Revenue from external customers

	For the six months ended 30 June	
	2026 RMB'000 (unaudited)	2025 RMB'000 (unaudited)
Chinese mainland	103,000	127,773
Overseas	882	728
Total revenue	103,882	128,501

The revenue information above is based on the locations of the customers.

(b) Non-current assets

All of the non-current assets of the Company are located in Chinese mainland.

Information about major customers

No revenue from sales to a single customer or a group of customers under common control amounted to 10% or more of the Company's revenue during the periods.

5. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	For the six months ended 30 June	
	2026 RMB'000 (unaudited)	2025 RMB'000 (unaudited)
Revenue from contracts with customers	103,882	128,501

Notes to Interim Condensed Financial Information

30 June 2026

5. REVENUE, OTHER INCOME AND GAINS (Continued)

Disaggregated revenue information for revenue from contracts with customers

	For the six months ended 30 June	
	2026 RMB'000 (unaudited)	2025 RMB'000 (unaudited)
Types of goods or services		
Sale of industrial products	103,882	128,501
Geographical markets		
Chinese mainland	103,000	127,773
Overseas	882	728
Total	103,882	128,501
Timing of revenue recognition		
Recognised at a point in time	103,882	128,501

Other income and gains

	For the six months ended 30 June	
	2026 RMB'000 (unaudited)	2025 RMB'000 (unaudited)
Sale of scrap	120	262
Government grants	502	386
Income from value-added tax super deduction	—	313
Interest income	46	15
Others	59	128
Total	727	1,104

Notes to Interim Condensed Financial Information

30 June 2026

6. PROFIT BEFORE TAX

The Company's profit before tax is arrived at after charging/(crediting):

	For the six months ended 30 June	
	2026 RMB'000 (unaudited)	2025 RMB'000 (unaudited)
Cost of inventories sold	70,432	82,665
Depreciation of property, plant and equipment*	22,929	22,875
Depreciation of right-of-use assets*	1,381	1,382
Expenses relating to short-term and low-value leases	291	167
Amortisation of intangible assets*	2,864	3,507
Employee benefit expense (including directors' and chief executive's remuneration)*:		
Wages, salaries and other benefits	20,720	20,160
Pension scheme contributions	7,494	7,445
Loss on disposal of items of property, plant and equipment	–	1
Provision for impairment losses on trade and bills receivables, net	157	162
Provision for impairment losses on other receivables, net	–	5
Reversal of write-down of inventories to net realisable value**	(1,101)	–
Auditor's remuneration	2,291	189
Foreign exchange differences, net	102	6
Listing expenses	–	79

* The depreciation of property, plant and equipment, depreciation of right-of-use assets, amortisation of other intangible assets and employee benefit expense for the period are included in "Cost of inventories sold", "Selling and distribution expenses", "Research expenses" and "Administrative expenses" in the statement of profit or loss and other comprehensive income.

** The write-down of inventories to net realisable value is included in "Cost of inventories sold" in the statement of profit or loss and other comprehensive income.

Notes to Interim Condensed Financial Information

30 June 2026

7. FINANCE COSTS

An analysis of finance costs is as follows:

	For the six months ended 30 June	
	2026 RMB'000 (unaudited)	2025 RMB'000 (unaudited)
Interest on borrowings	2,938	2,585
Increase in discounted amounts of provisions arising from the passage of time	363	454
Less: Interest capitalised	(18)	–
Total	3,283	3,039

8. INCOME TAX EXPENSE

The Company is subject to income tax on an entity basis on profits arising in or derived from the tax jurisdictions.

Pursuant to the Corporate Income Tax Law of the PRC and the respective regulations (the “CIT Law”), the Company which operates in Chinese mainland is subject to CIT at a rate of 25% on the taxable income.

The Company renewed the “High and New Technology Enterprise” qualification on 28 October 2025, and such status will expire on 28 October 2028. Based on the CIT Law and related regulations, the applicable tax rate of the Company is 15% provided that the Company complies with the conditions set out in the relevant requirements.

	For the six months ended 30 June	
	2026 RMB'000 (unaudited)	2025 RMB'000 (unaudited)
Current tax	3,191	3,856
Deferred tax	(2,734)	(781)
Total tax charge for the period	457	3,075

Notes to Interim Condensed Financial Information

30 June 2026

9. DIVIDENDS

	For the six months ended 30 June	
	2026 RMB'000 (unaudited)	2025 RMB'000 (unaudited)
2025 final declared and paid – RMB2.27 per 10 shares	22,063	–

On 28 April 2026, the board of directors declared a final dividend of RMB2.27 per 10 shares (tax inclusive) for the year ended 31 December 2025. All the dividends were fully paid. The Board has resolved not to declare any interim dividend for the six months ended 30 June 2026 (for the six months ended 30 June 2025: Nil).

10. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amounts is based on the profit for the period attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares used in the calculation is the number of ordinary shares outstanding during the periods.

The calculation of basic earnings per share is based on:

	For the six months ended 30 June	
	2026 (unaudited)	2025 (unaudited)
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation (RMB'000)	7,966	22,690
Shares		
Weighted average number of ordinary shares deemed to be outstanding during the period used in the basic earnings per share calculation ('000)	97,194	72,894

Notes to Interim Condensed Financial Information

30 June 2026

11. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2026, the Company acquired assets at a cost of RMB24,648,000 (30 June 2025: RMB6,422,000).

Assets with a net book value of nil were disposed of by the Company during the six months ended 30 June 2026 (30 June 2025: RMB1,000), resulting in a net loss on disposal of nil (30 June 2025: RMB1,000).

The ownership certificates of certain property, plant and equipment with aggregate net carrying values of RMB205,000 have not yet been obtained as at 30 June 2026 (31 December 2025: RMB205,000).

12. INVENTORIES

	30 June 2026 RMB'000 (unaudited)	31 December 2025 RMB'000 (audited)
Raw materials	11,369	9,878
Work in progress	16,599	34,294
Finished goods	62,031	25,816
Total	89,999	69,988

13. TRADE AND BILLS RECEIVABLES

	30 June 2026 RMB'000 (unaudited)	31 December 2025 RMB'000 (audited)
Bills receivable	27,218	27,822
Trade receivables	16,349	13,085
Impairment	(1,073)	(916)
Net carrying amount	42,494	39,991

Notes to Interim Condensed Financial Information

30 June 2026

13. TRADE AND BILLS RECEIVABLES (Continued)

An ageing analysis of the trade receivables as at 31 December 2025 and 30 June 2026, based on the invoice date and net of loss allowance, is as follows:

	30 June 2026 RMB'000 (unaudited)	31 December 2025 RMB'000 (audited)
Within 3 months	11,671	11,739
3 to 6 months	199	—
6 to 12 months	3,406	150
1 to 3 years	—	271
Over 3 years	—	9
Total	15,276	12,169

14. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

	30 June 2026 RMB'000 (unaudited)	31 December 2025 RMB'000 (audited)
Other receivables	294	342
Advance to suppliers	4,909	3,062
Recoverable value-added tax	444	3,697
Income tax recoverable	—	1,126
Impairment	(91)	(91)
Net carrying amount	5,556	8,136

Notes to Interim Condensed Financial Information

30 June 2026

15. DEBT INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	30 June 2026 RMB'000 (unaudited)	31 December 2025 RMB'000 (audited)
Debt investments at fair value through other comprehensive income:		
Bills receivable	13,699	12,716

For the bills receivable that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, they are measured at "financial assets at fair value through other comprehensive income".

16. CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS

	30 June 2026 RMB'000 (unaudited)	31 December 2025 RMB'000 (audited)
Cash and bank balances	151,711	208,403
Less: Pledged deposits	(2,773)	(2,773)
Cash and cash equivalents	148,938	205,630

As at 30 June 2026, the cash and cash equivalents of the Company denominated in United States dollars ("USD") amounted to approximately RMB3,444,000 (31 December 2025: RMB2,895,000). The cash and cash equivalents of the Company denominated in Hong Kong dollars ("HKD") amounted to approximately RMB58,000 (31 December 2025: RMB23,000). The remaining cash and cash equivalents held by the Company are denominated in RMB.

The RMB is not freely convertible into other currencies, however, under Chinese mainland's Foreign Exchange Control Regulations and Administration of Settlement, and Sale and Payment of Foreign Exchange Regulations, the Company is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

The pledged deposits amounting to approximately RMB2,773,000 (31 December 2025: RMB2,773,000) as at 30 June 2026 were placed as environmental rehabilitation deposits which were restricted as to use.

Notes to Interim Condensed Financial Information

30 June 2026

16. CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS (Continued)

Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default. The carrying amounts of the cash and cash equivalents approximated to their fair values.

17. TRADE AND OTHER PAYABLES

	30 June 2026 RMB'000 (unaudited)	31 December 2025 RMB'000 (audited)
Payable for purchase of property, plant and equipment and other intangible assets	73,434	79,014
Trade payables	32,409	38,175
Contract liabilities	3,568	3,045
Payroll and welfare payables	7,904	7,402
Other tax payables	1,207	1,425
Other payables	4,250	8,863
Deposits	3,235	3,218
Other current liabilities	847	359
Total	126,854	141,501

An ageing analysis of the trade payables as at 31 December 2025 and 30 June 2026, based on the invoice date, is as follows:

	30 June 2026 RMB'000 (unaudited)	31 December 2025 RMB'000 (audited)
Within 1 year	32,346	38,047
1 to 2 years	35	65
2 to 3 years	10	—
Over 3 years	18	63
Total	32,409	38,175

Notes to Interim Condensed Financial Information

30 June 2026

18. INTEREST-BEARING BANK AND OTHER BORROWINGS

	As at 30 June 2026 (unaudited)		
	Effective interest rate (%)	Maturity	RMB'000
Current			
Bank borrowings – unsecured	2.20	2026–2027	22,252
Non-current			
Bank borrowings – unsecured	2.20–2.65	2027–2030	150,789
Other borrowings – unsecured*	2.30–2.55	2032	80,000
Total			253,041

	As at 31 December 2025 (audited)		
	Effective interest rate (%)	Maturity	RMB'000
Current			
Bank borrowings – unsecured	2.20	2026	14,956
Non-current			
Bank borrowings – unsecured	2.20–2.65	2027–2030	171,280
Other borrowings – unsecured*	2.30–2.55	2032	80,000
Total			266,236

* As at 30 June 2026, unsecured other borrowing of RMB80,000,000 was from Huaibei Mining Group, the parent, with interest paid quarterly. The Company will not repay the borrowing of RMB80,000,000 until September 2032. Further details are included in note 21 to the Interim Financial Information.

Notes to Interim Condensed Financial Information

30 June 2026

18. INTEREST-BEARING BANK AND OTHER BORROWINGS (Continued)

All borrowings were unsecured at the end of the reporting periods.

	30 June 2026 RMB'000 (unaudited)	31 December 2025 RMB'000 (audited)
Analysed into:		
Bank and other borrowings repayable:		
Within one year	22,252	14,956
In the second year	32,965	35,046
In the third to fifth years, inclusive	117,824	84,686
Beyond five years	80,000	131,548
Total	253,041	266,236

19. SHARE CAPITAL

	30 June 2026 RMB'000 (unaudited)	31 December 2025 RMB'000 (audited)
Issued and fully paid:		
97,194,316 (2025: 97,194,316) ordinary shares of RMB1.00 each	97,194	97,194

Notes to Interim Condensed Financial Information

30 June 2026

20. COMMITMENT

The Company had the following contractual commitments at the end of the reporting period:

	30 June 2026 RMB'000 (unaudited)	31 December 2025 RMB'000 (audited)
Contracted, but not provided for:		
Plant and machinery	6,951	30,075
Total	6,951	30,075

21. RELATED PARTY TRANSACTIONS

(a) Name and relationship

Name of related parties	Relationship with the Company
Huaibei Mining Group	The parent
Huaibei Mining Holdings Co., Ltd. and its subsidiaries ("Huabei Mining Holdings")	Controlled by the parent
Anhui Xiangwang Medical & Health Co., Ltd. and its subsidiaries ("Anhui Xiangwang")	Controlled by the parent
Anhui Zishuo Environmental Technology Co., Ltd. ("Anhui Zishuo")	Controlled by the parent
Huaibei Mining Media Technology Co., Ltd. ("Huabei Mining Media Tech.")	Controlled by the parent
Anhui Fenghe Agriculture Co., Ltd. ("Anhui Fenghe")	Controlled by the parent

Notes to Interim Condensed Financial Information

30 June 2026

21. RELATED PARTY TRANSACTIONS (Continued)

(b) The Company had the following transactions with related parties during the period:

		For the six months ended 30 June	
	Notes	2026 RMB'000 (unaudited)	2025 RMB'000 (unaudited)
Sales to related parties:			
Huaibei Mining Holdings	(i)	16	158
Anhui Zishuo	(i)	3,230	3,182
Purchase of services from related parties:			
Anhui Xiangwang	(ii)	40	20
Huaibei Mining Group	(ii)	327	84
Huaibei Mining Media Tech.	(ii)	28	18
Huaibei Mining Holdings	(ii)	910	137
Purchase of materials from related parties:			
Huaibei Mining Holdings	(ii)	2,088	—
Anhui Fenghe	(ii)	76	—
Fund transfers (to)/from a related party:			
Huaibei Mining Holdings	(iii)	(967)	430
Interest expense to a related party:			
Huaibei Mining Group	(iv)	890	919

Notes:

- (i) The sales transaction prices with the related party were determined on normal commercial terms and negotiated on an arm's length basis and on the similar basis as the Company conducted businesses with major customers.
- (ii) The purchase transaction prices were determined on terms mutually agreed between the parties with reference to the actual cost and fees for similar transactions in the market.
- (iii) The fund transfers from a related party mainly represented the net cash flows from the Huaibei Mining Group Finance Co., Ltd., which is a subsidiary of Huaibei Mining Holdings. The interest income was according to the published interest rate of Huaibei Mining Group Finance Co., Ltd. which was similar to those offered to other companies.
- (iv) The borrowings from related parties were unsecured, bore interest with floating interest rates and repayable with a repayment term.

Notes to Interim Condensed Financial Information

30 June 2026

21. RELATED PARTY TRANSACTIONS (Continued)

(c) Outstanding balances with related parties

	30 June 2026 RMB'000 (unaudited)	31 December 2025 RMB'000 (audited)
Balances relating to trade activities:		
Trade and other payables:		
Huaibei Mining Holdings	821	14
Huaibei Mining Group	237	–
Huaibei Mining Media Tech.	–	2
Anhui Fenghe	76	–
Trade and bills receivables:		
Huaibei Mining Holdings	–	54
Anhui Zishuo	3,326	577
Prepayments, other receivables and other assets:		
Huaibei Mining Holdings	–	25
Huaibei Mining Group	170	170
Balances relating to non-trade activities:		
Interest-bearing bank and other borrowings:		
Huaibei Mining Group	80,000	80,000

(d) Compensation of key management personnel of the Company

	For the six months ended 30 June	
	2026 RMB'000 (unaudited)	2025 RMB'000 (unaudited)
Short-term employee benefits	1,992	1,529
Pension scheme contributions	389	488
Total compensation paid to key management personnel	2,381	2,017

Notes to Interim Condensed Financial Information

30 June 2026

22. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts and fair values of the Company's financial instruments, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

	Carrying amounts		Fair values	
	30 June 2026 RMB'000 (unaudited)	31 December 2025 RMB'000 (audited)	30 June 2026 RMB'000 (unaudited)	31 December 2025 RMB'000 (audited)
Financial assets				
Debt investments at fair value through other comprehensive income	13,699	12,716	13,699	12,716
Financial liabilities				
Non-current portion of interest-bearing bank and other borrowings	230,789	251,280	222,010	241,310

Management has assessed that the fair values of cash and cash equivalents, financial assets included in prepayments, other receivables and other assets, trade and bills receivables, financial liabilities included in trade and other payables, and interest-bearing bank and other borrowings (current portion) approximate to their carrying amounts largely due to the short term maturities of these instruments.

The Company's financial department headed by the financial manager is responsible for determining the policies and procedures for the fair value measurement of financial instruments. At the end of the reporting periods, the financial department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The directors review the results of the fair value measurement of financial instruments periodically for financial reporting.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

Notes to Interim Condensed Financial Information

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22. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

The fair values of the non-current portion of interest-bearing bank and other borrowings have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The changes in fair value as a result of the Company's own non-performance risk for interest-bearing bank and other borrowings as at 30 June 2026 and 31 December 2025 were assessed to be insignificant.

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Company's financial instruments:

Assets measured at fair value:

30 June 2026

	Fair value measurement using			Total
	Quoted prices in active markets (Level 1) RMB'000 (unaudited)	Significant observable inputs (Level 2) RMB'000 (unaudited)	Significant unobservable inputs (Level 3) RMB'000 (unaudited)	
Debt investments at fair value through other comprehensive income	–	13,699	–	13,699

31 December 2025

	Fair value measurement using			Total
	Quoted prices in active markets (Level 1) RMB'000 (audited)	Significant observable inputs (Level 2) RMB'000 (audited)	Significant unobservable inputs (Level 3) RMB'000 (audited)	
Debt investments at fair value through other comprehensive income	–	12,716	–	12,716

Notes to Interim Condensed Financial Information

30 June 2026

22. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

Fair value hierarchy (Continued)

Assets measured at fair value: (Continued)

During the six months ended 30 June 2026, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities (six months ended 30 June 2025: Nil).

Liabilities for which fair values are disclosed:

30 June 2026

	Fair value measurement using			Total
	Quoted prices in active markets (Level 1) <i>RMB'000</i> (unaudited)	Significant observable inputs (Level 2) <i>RMB'000</i> (unaudited)	Significant unobservable inputs (Level 3) <i>RMB'000</i> (unaudited)	
Interest-bearing bank and other borrowings	-	222,010	-	222,010

31 December 2025

	Fair value measurement using			Total
	Quoted prices in active markets (Level 1) <i>RMB'000</i> (audited)	Significant observable inputs (Level 2) <i>RMB'000</i> (audited)	Significant unobservable inputs (Level 3) <i>RMB'000</i> (audited)	
Interest-bearing bank and other borrowings	-	241,310	-	241,310

Notes to Interim Condensed Financial Information

30 June 2026

23. EVENTS AFTER THE REPORTING PERIOD

The Board of Directors of the Company resolved that the Company intends to apply to delist its Domestic Shares from the National Equities Exchange and Quotations. Please refer to the announcement of the Company dated 27 August 2026 for relevant information. Save as set out elsewhere in this interim report, there was no other significant event that occurred after 30 June 2026 and up to the Latest Practicable Date.

Definitions

In this interim report, unless the context otherwise requires, the following terms shall have the following meanings:

“Anhui Energy Group”	Anhui Energy Group Company Limited (安徽省能源集團有限公司), a limited liability company established under the laws of the PRC on 9 April 1990 and a shareholder of Huaibei Mining Group, one of the Company’s Controlling Shareholders
“Articles of Association”	the articles of association of the Company, as amended, supplemented, or otherwise modified from time to time
“Audit and Risk Committee”	the audit and risk committee of the Board of the Company
“Board Committee(s)”	the board committees of the Company, namely the Audit and Risk Committee, the Remuneration and Appraisal Committee, the Nomination Committee, the Strategy and Investment Committee and the Science and Technology Innovation Committee
“Board of Directors” or “Board”	the board of Directors of the Company
“China” or “PRC”	the People’s Republic of China for the purpose of this interim report and for geographical reference only, except where the context requires, references in this interim report to “China” and the “PRC” do not apply to Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan Region
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Company” or “We”	Anhui Jinyan Kaolin New Materials Co., Ltd. (安徽金岩高嶺土新材料股份有限公司), a limited liability company established under the laws of the PRC on 25 October 2012 and converted into a joint stock limited company on 17 June 2022
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“connected transaction(s)”	has the meaning ascribed to it under the Listing Rules
“Controlling Shareholder(s)”	has the meaning ascribed to it under the Listing Rules and unless the context otherwise requires, refers to Huaibei Mining Group, Wanhuai Investment, Anhui Energy Group, Huaibei Jiantou Holding and Huaibei Jiaotou

Definitions

“Corporate Governance Code” or “CG Code”	the Corporate Governance Code in Appendix C1 to the Listing Rules
“Director(s)”	the directors of the Company
“Domestic Share(s)”	ordinary shares in the share capital of the Company, with a nominal value of RMB1.00 each, which are subscribed for and paid up in Renminbi and listed on NEEQ
“ESG”	environmental, social and governance
“exploration”	activities undertaken to prove the location, volume and quality of a deposit
“Frost & Sullivan”	Frost & Sullivan (Beijing) Inc., Shanghai Branch Co., Ltd., an independent market research and consulting company
“H Share(s)”	ordinary shares in the share capital of the Company with a nominal value of RMB1.00 each, which are subscribed for and traded in HK dollars and listed on the Stock Exchange
“H Share Registrar”	Computershare Hong Kong Investor Services Limited
“HK\$” or “Hong Kong dollars” or “HK dollars”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Hong Kong Stock Exchange” or “Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Huaibei Jiantou Holding”	Huaibei Jiantou Holding Group Co., Ltd. (淮北市建投控股集團有限公司), a limited liability company established under the laws of the PRC on 24 April 2008, and a shareholder of Huaibei Jiaotou, and one of the Company’s Controlling Shareholders
“Huaibei Jiaotou”	Huaibei Jiantou Transportation Investment Co., Ltd. (淮北市建投交通投資有限公司), a limited liability company established under the laws of the PRC on 19 July 2013, and one of the Company’s Controlling Shareholders

Definitions

“Huaibei Mining Group”	Huaibei Mining (Group) Co., Ltd (淮北礦業 (集團) 有限責任公司), a limited liability company established under the laws of the PRC on 15 March 1993, and one of the Company’s Controlling Shareholders
“JORC Code”	Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia (JORC) in December 2012
“Latest Practicable Date”	21 September 2026, being the latest practicable date for the purpose of ascertaining certain information contained in this interim report
“Listing Date”	3 December 2025, the date on which the Company’s H shares are listed 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 or supplemented from time to time
“Main Board”	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operates in parallel with the Growth Enterprise Market of the Stock Exchange
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 of the Listing Rules, as amended, supplemented, or otherwise modified from time to time
“National Equities Exchange and Quotations” or “NEEQ”	National Equities Exchange and Quotations Co., Ltd.
“Nomination Committee”	the nomination committee of the Board of the Company
“PRC Company Law”	the Company Law of the PRC (《中華人民共和國公司法》), as amended, supplemented or otherwise modified from time to time
“Prospectus”	the prospectus of the Company dated 25 November 2025
“Province”	each being a province or, where the context requires, a provincial level autonomous region or municipality under the direct supervision of the central government of the PRC

Definitions

“Remuneration and Appraisal Committee”	the remuneration and appraisal committee of the Board of the Company
“Reporting Period”	for the six months ended 30 June 2026
“RMB”	Renminbi, the lawful currency of the PRC
“Securities Law” or “PRC Securities Law”	the Securities Law of the PRC (中華人民共和國證券法), as amended, supplemented or otherwise modified from time to time
“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)”	ordinary share(s) with nominal value RMB1.00 each in the share capital of the Company, including both Domestic Shares and H Shares
“Shareholder(s)”	holder(s) of Share(s)
“Shuoli Mining”	Huaibei Shuoli Mining Company Limited (淮北朔里礦業有限責任公司), a limited liability company established under the laws of the PRC on 30 December 2010, a previous Shareholder of the Company, and was deregistered on 26 January 2024
“State Council”	the State Council of the PRC (中華人民共和國國務院)
“subsidiary(ies)”	has the meaning ascribed to it in section 15 of the Companies Ordinance
“substantial shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“treasury shares”	has the meaning ascribed to it under the Listing Rules
“Wanhui Investment”	Huaibei Wanhui Investment Co., Ltd. (淮北皖淮投資有限公司), a limited liability company established under the laws of the PRC on 30 March 2017 and wholly owned by Huaibei Mining Group, and one of the Company’s Controlling Shareholders
“%”	per cent