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Application Proof of

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

(the "**Company**")

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

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

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

[REDACTED]

Number of [REDACTED] under the [REDACTED]	**:**	**[REDACTED] H Shares (subject to the [REDACTED])**
Number of [REDACTED]		**[REDACTED] H Shares (subject to [REDACTED])**
Number of [REDACTED]		**[REDACTED] H Shares (subject to [REDACTED] and the [REDACTED])**
Maximum [REDACTED]	**:**	**HK$[REDACTED] per H Share plus brokerage of 1.0%, SFC transaction levy of 0.0027%, AFRC transaction levy of 0.00015% and Stock Exchange trading fee of 0.00565% (payable in full on application in Hong Kong dollars, subject to refund)**
Nominal value	**:**	**RMB1.00 per H Share**
Stock code	**:**	**[REDACTED]**

***Sole Sponsor and* [REDACTED]**

华泰国际
HUATAI INTERNATIONAL

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A copy of this document, having attached thereto the documents specified in the section headed "Appendix VII — Documents Delivered to the Registrar of Companies and Available on Display" in this document, has been registered by the Registrar of Companies in Hong Kong as required by section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). The Securities and Futures Commission of Hong Kong and the Registrar of Companies in Hong Kong take no responsibility as to the contents of this document or any of the other documents referred to above.

The final [**REDACTED**] is expected to be fixed by agreement between the [**REDACTED**] (for themselves and on behalf of the [**REDACTED**]), and our Company on the [**REDACTED**] Date, which is expected to be on or before [**REDACTED**] and, in any event, not later than 12:00 noon on [**REDACTED**]. The [**REDACTED**] will be not more than HK$[**REDACTED**] per [**REDACTED**] and is currently expected to be not less than HK$[**REDACTED**] per [**REDACTED**]. Applicants for the [**REDACTED**] may be required to pay, on application (subject to application channels), the maximum [**REDACTED**] of HK$[**REDACTED**] for each Hong Kong [**REDACTED**] together with brokerage of 1.0%, SFC transaction levy of 0.0027%, Stock Exchange trading fee of 0.00565% and AFRC transaction levy of 0.00015%, subject to refund if the [**REDACTED**] is lower than HK$[**REDACTED**].

The [**REDACTED**] (for themselves and on behalf of the [**REDACTED**]), where considered appropriate and with our consent, may reduce the number of [**REDACTED**] and/or the indicative [**REDACTED**] stated in this document at any time prior to the morning of the last day for lodging applications under the [**REDACTED**]. In such a case, we will, as soon as practicable in any event not later than the morning of the last day for lodging applications under the [**REDACTED**] on [**REDACTED**], cause to be published notices of the reduction in the number of [**REDACTED**] being offered under the [**REDACTED**] and/or the indicative [**REDACTED**] range. Such notices will also be available at our Company's website at **www.jinxunec.com** and the website of the Stock Exchange at **www.hkexnews.hk**. Further details are set out in the sections headed "Structure and Conditions of the [**REDACTED**]" and "How to Apply for [**REDACTED**]" in this document. If, for any reason, the [**REDACTED**] is not agreed between the [**REDACTED**] (for themselves and on behalf of the [**REDACTED**]) and us by 12:00 noon on [**REDACTED**], the [**REDACTED**] (including the [**REDACTED**]) will not proceed and will lapse.

Prior to making an investment decision, prospective investors should consider carefully all of the information set out in this document, including the risk factors set out in the section headed "Risk Factors" in this document.

The [**REDACTED**] have not been and will not be registered under the U.S. Securities Act or any state securities law in the United States and may not be offered, sold, pledged or transferred in the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in accordance with any applicable U.S. securities laws. The [**REDACTED**] are being offered and sold outside the United States in offshore transactions in reliance on Regulation S.

The obligations of the [**REDACTED**] under the [**REDACTED**] are subject to termination by the [**REDACTED**] (for themselves and on behalf of the [**REDACTED**]) if certain grounds arise prior to 8:00 a.m. on the [**REDACTED**] Date. Such grounds are set out in the section headed "[**REDACTED**] — [**REDACTED**] Arrangements and Expenses — [**REDACTED**] — Grounds for termination" in this document. It is important that you refer to that section for further details.

[REDACTED]

IMPORTANT

[**REDACTED**]

IMPORTANT

[**REDACTED**]

EXPECTED TIMETABLE[(1)]

[**REDACTED**]

EXPECTED TIMETABLE[1]

[**REDACTED**]

EXPECTED TIMETABLE[1]

[**REDACTED**]

EXPECTED TIMETABLE[1]

[**REDACTED**]

CONTENTS

IMPORTANT NOTICE TO INVESTORS

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***You should rely only on the information contained in this document to make your investment decision. We have not authorized anyone to provide you with information that is different from what is contained in this document. Any information or representation not made in this document must not be relied on by you as having been authorized by us, the Sole Sponsor, the* [REDACTED], *any of the* [REDACTED], *any of our or their respective directors, officers or representatives, or any other person or party involved in the* [REDACTED].**

Page

EXPECTED TIMETABLE iv

CONTENTS viii

SUMMARY 1

DEFINITIONS AND ACRONYMS 22

GLOSSARY OF TECHNICAL TERMS 36

FORWARD-LOOKING STATEMENTS 37

RISK FACTORS 39

WAIVER FROM STRICT COMPLIANCE WITH THE REQUIREMENTS UNDER THE LISTING RULES 78

CONTENTS

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED] 80

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED] 85

CORPORATE INFORMATION 90

INDUSTRY OVERVIEW 92

REGULATORY OVERVIEW 115

HISTORY AND CORPORATE STRUCTURE 149

BUSINESS 161

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS 262

DIRECTORS AND SENIOR MANAGEMENT 266

SHARE CAPITAL 278

SUBSTANTIAL SHAREHOLDERS 280

FINANCIAL INFORMATION 282

FUTURE PLANS AND [REDACTED] 347

[REDACTED] 350

STRUCTURE OF THE [REDACTED] 363

HOW TO APPLY FOR [REDACTED] 374

APPENDIX I – ACCOUNTANTS' REPORT I-1

APPENDIX II – UNAUDITED [REDACTED] FINANCIAL INFORMATION II-1

APPENDIX III – TAXATION AND FOREIGN EXCHANGE III-1

APPENDIX IV – SUMMARY OF PRINCIPAL LEGAL AND REGULATORY PROVISIONS IV-1

APPENDIX V – SUMMARY OF THE ARTICLES OF ASSOCIATION V-1

CONTENTS

APPENDIX VI – STATUTORY AND GENERAL INFORMATION VI-1

APPENDIX VII – DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES AND DOCUMENTS ON DISPLAY VII-1

***This summary aims to give you an overview of the information contained in this document. As this is a summary, it does not contain all the information that may be important to you. You should read this document in its entirety before you decide to invest in the* [REDACTED].**

***There are risks associated with any investment. Some of the particular risks in investing in the* [REDACTED] *are set out in the section entitled "Risk Factors" in this document. You should read that section carefully before you decide to invest in the* [REDACTED].**

OVERVIEW

We are a leading manufacturer of high-quality copper cathodes, with a strong presence in DR Congo and Zambia. According to Frost & Sullivan, as of December 31, 2024, we ranked fifth among PRC copper cathode producers by production volume in both DR Congo and Zambia, and were the only PRC company to rank among the top five in both jurisdictions. Specifically, we produced approximately 16.0 thousand tonnes and 5.0 thousand tonnes of copper cathodes in DR Congo and Zambia in 2024. Among PRC non-state-owned enterprises, we ranked third in DR Congo and first in Zambia in terms of production volume in 2024. We have achieved: (i) a year-over-year revenue growth rate of 161.9% and a return on equity of 43.8% in 2024; and (ii) a gross profit margin of 20.8% in the same year. These rankings and achievements underscore our robust operational capabilities, cost competitiveness, and international influence, particularly in conjunction with Chinese producers expanding into resource-rich African markets.

OUR BUSINESS

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

Our Operations

We started from engaging in the trading of non-ferrous metals. After accumulating experience in the industry, we commenced the business of localized processing and smelting of copper in Zambia and DR Congo in 2017 and 2023, respectively, and gradually developed into our current business model that integrates mineral processing, smelting and trading of

non-ferrous metals. We have a stable supply of copper raw materials based on long-term cooperation with suppliers, and we believe that our more than a decade of experience in the copper industry and our ability to produce high-quality copper-related products distinguish us from our competitors.

Our operations cover ore processing, smelting, as well as sales of copper products and trading of non-ferrous metals. The processing and smelting of copper ores are primarily carried out by our local production facilities located in Zambia and DR Congo, respectively. As of the Latest Practicable Date, save for the cobalt processing plant under construction in China, we own four production facilities, which include two copper smelters and one copper concentrate flotation plant in Zambia, and one copper smelter in DR Congo. Our non-ferrous metal trading business is conducted primarily through our subsidiaries in Singapore and China. During the Track Record Period, we generated revenue from (i) the production and sale of copper cathodes, (ii) the production and sale of copper concentrates, and (iii) the trading of non-ferrous metal products.

Production and Sale of Copper Cathodes

We produce copper cathodes in Zambia and DR Congo. We operate two copper smelters in Zambia, namely Zambia copper smelter I and Zambia copper smelter II, and one copper smelter in DR Congo, namely DR Congo copper smelter I. The Zambia copper smelter I and Zambia copper smelter II commenced production in September 2019 and March 2022, respectively, while the DR Congo copper smelter I commenced production in August 2023. Our copper smelters produce copper cathodes using a hydrometallurgical process that primarily involves grinding, leaching, extraction and electrowinning utilizing copper ores. During the Track Record Period, the copper cathodes we produced were primarily sold to a variety of commodity traders in Chinese Mainland. In light of our current production capacity, we believe that any short-term fluctuations in downstream demand are unlikely to materially affect our copper cathode sales.

Production and Sale of Copper Concentrates

We produce copper concentrates in Zambia. Our Zambian subsidiary operates a copper concentration flotation plant, namely Zambia flotation plant. The Zambia flotation plant commenced production in October 2017. We produce copper concentrates by crushing and grinding the ores and separating metals from waste rocks using a flotation process, and then classifying and dehydrating. During the Track Record Period, the copper concentrates we produced were primarily sold to local smelting companies. In addition, we also sold insignificant amount of copper concentrates to customers operating in Chinese Mainland.

Trading of Non-ferrous Metal Products

We also procure non-ferrous metal products from local suppliers in Peru and China, and primarily sell to our customers through our subsidiaries in Singapore and China. Non-ferrous metal products we trade primarily include copper, zinc, lead and silver. We aim to further enhance our presence in Singapore, leveraging its incomparable attractiveness in providing tax incentives to foreign investors to build a regional hub that facilitates our overseas financing and trading activities. We serve both upstream suppliers and downstream customers in trading non-ferrous metals by leveraging our advantages in: (i) extensive raw material procurement capabilities in covering both large and mid to small mines with a global reach, especially serving state-owned enterprises with limited personnel to oversee the raw material procurement process; (ii) diversified selection criteria among mining sites where single products from the upstream suppliers are unable to fully meet the non-standard quality requirements of downstream customers in the absence of the value-added services, the downstream customers are likely to incur additional time and resources to source their desired products, which might further prolong their overall procurement process; and (iii) flexible and inclusive payment terms to cater both state-owned enterprises and private companies in facilitating delivery efficiency. During the Track Record Period, the non-ferrous products we procured were mainly sold to the commodity traders and producers operating in Chinese Mainland and Peru. The downstream customers of our non-ferrous metal trading business are considered mainly of large-scale non-ferrous metal smelting enterprises with considerable demand of non-ferrous metals in the PRC. In addition, we also received orders on an ad hoc basis from mid- to small non-ferrous metal trading enterprises in the PRC.

The following table sets out a breakdown of revenue by geographic location[(1)] of our customers for the years/periods indicated:

	Years ended December 31,						Six months ended June 30,			
	2022		2023		2024		2024		2025	
	RMB'000	*% of revenue*	*RMB'000*	*% of revenue*	*RMB'000*	*% of revenue*	*RMB'000*	*% of revenue*	*RMB'000*	*% of revenue*
							(unaudited)			
Singapore	–	–	27,989	4.1	406,455	23.0	169,916	28.5	496,828	51.5
Switzerland	–	–	11,718	1.7	265,917	15.0	106,523	17.9	128,917	13.4
Chinese Mainland	241,754	37.9	350,521	51.9	634,032	35.8	199,705	33.5	120,965	12.6
Hong Kong	220,925	34.7	83,610	12.4	25,598	1.4	–	–	86,397	9.0
British Virgin Islands	107,295	16.8	192,513	28.5	266,201	15.0	98,266	16.5	78,255	8.1
Luxembourg	–	–	–	–	170,167	9.6	20,092	3.4	47,241	4.9
Peru	6,827	1.1	–	–	514	0.1	514	0.1	4,003	0.4
Zambia	60,502	9.5	9,350	1.4	949	0.1	949	0.1	1,179	0.1
Total	**637,303**	**100.0**	**675,701**	**100.0**	**1,769,833**	**100.0**	**595,965**	**100.0**	**963,785**	**100.0**

Note:

(1) The geographic location is based on the place of registration of the respective customer.

The following table sets out a breakdown of revenue by delivery location of our customers for the years/periods indicated:

	Years ended December 31,						Six months ended June 30,			
	2022		2023		2024		2024		2025	
	RMB'000	*% of revenue*	*RMB'000*	*% of revenue*	*RMB'000*	*% of revenue*	*RMB'000*	*% of revenue*	*RMB'000*	*% of revenue*
							(unaudited)			
DRC	–	–	126,370	18.7	877,004	49.6	308,104	51.7	699,681	72.6
Zambia	388,723	61.0	288,399	42.7	352,912	19.9	141,098	23.7	127,721	13.3
The PRC	241,754	37.9	260,932	38.6	409,070	23.1	112,465	18.9	84,029	8.7
Peru	6,826	1.1	–	–	130,847	7.4	34,298	5.8	52,354	5.4
Total	**637,303**	**100.0**	**675,701**	**100.0**	**1,769,833**	**100.0**	**595,965**	**100.0**	**963,785**	**100.0**

The following table sets forth our gross profit and gross profit margin by business lines for the years/periods indicated:

	Year ended December 31,						Six months ended June 30,			
	2022		2023		2024		2024		2025	
	Gross profit/ (loss)	**Gross profit/ (loss) margin**	**Gross profit/ (loss)**	**Gross profit/ (loss) margin**	**Gross profit/ (loss)**	**Gross profit/ (loss) margin**	**Gross profit/ (loss)**	**Gross profit/ (loss) margin**	**Gross profit/ (loss)**	**Gross profit/ (loss) margin**
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
							(unaudited)			
Copper production and processing										
Copper cathodes	155,250	47.3	121,525	30.0	339,821	27.7	130,140	29.0	208,858	25.2
Copper concentrates	9,689	15.5	(1,139)	(9.4)	(2,039)	(215.5)	(36)	(3.7)	508	43.1
Cobalt hydroxide	–	–	–	–	–	–	–	–	2,694	25.1
	164,939	42.2	120,386	28.9	337,782	27.5	130,104	29.0	212,060	25.3
Trading of non-ferrous metal products	5,554	2.3	9,757	3.8	29,885	5.5	15,549	10.6	10,620	8.6
Total/Overall	**170,493**	**26.8**	**130,143**	**19.3**	**367,667**	**20.8**	**145,653**	**24.4**	**222,680**	**23.1**

The following table sets out our sales volume and average selling price of copper cathodes, copper concentrates and cobalt hydroxide for the years/periods indicated:

	Year ended December 31,						Six months ended June 30,			
	2022		2023		2024		2024		2025	
	Sales volume	ASP[(1)]	Sales volume	ASP[(1)]	Sales volume	ASP[(1)]	Sales volume	ASP[(1)]	Sales volume	ASP[(1)]
	Tons	*RMB' thousand/ ton*	*Tons*	*RMB' thousand/ ton*	*Tons*	*RMB' thousand/ ton*	*Tons*	*RMB' thousand/ ton*	*Tons*	*RMB' thousand/ ton*
Copper cathodes	5,886.4	55.8	7,384.1	54.8	19,851.1	61.9	7,195	62.3	12,952.9	63.9
Copper concentrates	1,170.3	53.3	229.1	53.1	17.8	53.1	17.8	52.9	21.2	55.6
Cobalt hydroxide	–	–	–	–	–	–	–	–	83.7	128.4
Total	**7,056.7**		**7,613.2**		**19,868.9**		**7,213.3**		**13,057.8**	

Note:

(1) Representing revenue generated from sales of the respective products divided by the sales volume calculated in metal ton taking into account the actual metal content.

The following table sets out our production volume of copper cathodes, copper concentrates and cobalt hydroxide for the years/periods indicated:

	Year ended December 31,			Six months ended June 30,	
	2022	2023	2024	2024	2025
	Production volume (tons)				
Copper cathodes	5,949.8	7,368.1	20,934.8	7,220.6	12,496.2
Copper concentrates	1,178.4	210.5	32.0	17.8	9.0
Cobalt hydroxide	–	–	128.2	–	171.0
Total	**7,128.2**	**7,578.6**	**21,095.0**	**7,238.4**	**12,676.2**

During the Track Record Period, the selling price of our copper products fluctuated in line with market changes. Our copper cathodes and copper concentrates were actively tracking the LME spot copper price quotations quoted on the London Metal Exchange, alone with the discount range of copper products at all levels set by the International Conference on Copper Products annually, which sets an extent of discount to the LME benchmark prices. The average selling price of our copper products plummeted significantly during second half of 2022 contributed by global concerns on the narrowed copper production in China due to the impact of COVID-19, before further recovered at the end of 2022 driven by an improved market sentiment globally. Our Directors are of the view that the average selling price of our copper products will remain comparatively stable in the future.

CUSTOMERS AND SUPPLIERS

During the Track Record Period, we have fostered a large-scale customer base spanning copper cathodes trading companies, copper concentrates and non-ferrous metal producers and traders in Chinese Mainland. We serve a broad range of state-owned enterprises in the mining and metallurgy industries in China. Over the years, our ability to consistently meet and exceed our customers' high quality and sophisticated requirements has allowed us to develop and retain strong relationships with them and attract more globally leading customers. Sales to our largest customer in each year/period during the Track Record Period amounted to RMB281.4 million, RMB192.5 million, RMB266.2 million and RMB237.2 million, accounting for 44.2%, 28.5%, 15.0% and 24.6% of our total revenue during the respective period. Sales to our top five largest customers for the years/periods ended December 31, 2022, 2023, 2024 and the six months ended June 30, 2025 accounted for 79.9%, 78.4%, 56.9% and 67.8% of our total revenue during those years/periods.

During the Track Record Period, our major suppliers consist primarily of commodity providers covering copper ore, nonferrous and chemical products, with the connection of both state-owned enterprises and private companies around the world. In the selection of our suppliers, we consider factors such as price, quality, reliability of supply, lead time, business scale, production capability, and commercial reputation. Purchases from our largest supplier in each year during the Track Record Period amounted to RMB28.3 million, RMB57.1 million, RMB296.7 million and RMB269.2 million, accounting for 6.1%, 10.5%, 21.2% and 36.3% of our cost of sales during the respective year/period. Purchases from our top five largest suppliers for the years/periods ended December 31, 2022, 2023, 2024 and the six months ended June 30, 2025 accounted for 25.1%, 37.6%, 57.8% and 62.1% of our cost of sales during those years/periods. See "Business — Sales and Marketing — Our Customers" and "Business — Suppliers and Contractors — Suppliers" for more detailed discussions.

Due to the nature of our business, certain of our five largest suppliers, or their associates, were also our customers, which is an industry norm in the copper cathode and non-ferrous metal industries, as advised by Frost & Sullivan. Our Directors confirm that the transactions with the overlapping customers and suppliers were conducted in the ordinary course of business under normal commercial terms. See "Business — Overlapping of Customers and Suppliers" for details.

INTELLECTUAL PROPERTY

We rely on a combination of trademark, trade secret, patent, copyright and other intellectual property laws, as well as confidentiality agreements with our employees, suppliers, customers and others, to protect our intellectual property. As of the Latest Practicable Date, we had 30 registered patents, 31 copyrights and 12 trademarks in China, all of which are material to our business. See "Business — Intellectual Property" for more detailed discussions in this regard.

OUR COMPETITIVE STRENGTHS

- Strong Presence in Resource-rich Regions of Africa, particularly DR Congo and Zambia, with a High Return on Investment
- Strategically Positioned Production Capacity Aligned with the "Going Global" Strategy in Resource-Rich Regions
- Efficient Raw Material Utilization and Industry-Leading Technical Capabilities Drive Cost Control
- Strong Service Capabilities Attracting Leading Industry Clients
- Strategic Advantage of Yunnan Headquarters
- Experienced and Skilled Management Team with Extensive Industry Expertise

For more details, see "Business — Competitive Strengths".

DEVELOPMENT STRATEGY

Continue to increase R&D investment to drive technological innovation and breakthroughs

- Further Expansion of Our Production Capacity
- Expand Cobalt Industry Chain and Strategically Enter the New Energy Materials Sector
- Extend the Upstream and Downstream of the Industry Chain and Seek Strategic Acquisition Opportunities
- Strengthen Talent Recruitment, Staff Training, and Corporate Social Responsibility Practices

For more information on the competitive landscape of our industry, see "Industry Overview." For more information about our competitive strengths, see "Business — Development Strategy."

RISK FACTORS

There are certain risks and uncertainties involved in our operations and the investing in our [**REDACTED**], some of which are beyond our control. We have categorized these risks and uncertainties into: (i) risks relating to doing business in overseas jurisdictions in which we have operations; (ii) risks relating to our business and industry; (iii) risks relating to doing business in the PRC and (iv) risks relating to the [**REDACTED**]. We believe the most significant risks we face include but are not limited to the following:

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

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

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

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

- Changes in the economic conditions, as well as the interpretation and implementation of the relevant laws, rules and regulations, may affect our business, prospects, results of operations, financial condition, and cash flows.

- We may be subject to additional regulatory requirements under new laws and regulations on overseas offerings and listings issued by PRC government authorities.

- There has been no prior public market for our H Shares and an active trading market for our H Shares may not develop. Market performance of our Shares on the NEEQ may not be indicative of our H Shares.

- The market price and trading volume of our H Shares may be volatile, which could result in substantial losses for investors who purchase our H Shares in the [**REDACTED**].

See "Risk Factors" for more detailed discussions in this regard.

COMPLIANCE AND LEGAL PROCEEDINGS

During the Track Record Period, we had certain legal proceedings and non-compliance incidents with respect to the (i) shortfall in contributions to the social insurance and housing provident funds; (ii) failure to complete the administrative filings of the lease agreements; (iii) suspension of the plant related to one of our subsidiaries; (iv) environmental restoration order issued to one of our subsidiaries; (v) suspension of the mining and non-mining rights of one of our subsidiaries; and (vi) land dispute between one of our subsidiaries and an Independent Third Party. See "Business — Compliance and Legal Proceedings" for details. Our Directors confirm that we had complied with the relevant PRC laws and regulation in all material respects and save as disclosed in the "Business" section and in the "Risk Factors" section, we had obtained all requisite licenses, approvals and permits from relevant authorities in China during the Track Record Period and up to the Latest Practicable Date.

OUR CONTROLLING SHAREHOLDERS

Immediately upon completion of the [**REDACTED**] and without taking into account any Shares which may be issued pursuant to the exercise of the [**REDACTED**], our ultimate Controlling Shareholder, Mr. Yuan, will, directly or through Heli Investment, hold approximately [74.94]% of the total share capital of our Company. Heli Investment is our share incentive platform which is controlled by Mr. Yuan, acting as its general partner, by managing its daily affairs and exercising its voting rights on behalf of Heli Investment as our Shareholder pursuant to the partnership agreement of Heli Investment. Mr. Yuan will, directly or through Heli Investment, control the exercise of more than 30% of the voting power at general meetings of our Company upon [**REDACTED**]. Accordingly, Mr. Yuan and Heli Investment constitute a group of our Controlling Shareholders under the Listing Rules. For details of our Controlling Shareholders, see "Relationship with our Controlling Shareholders."

IMPACT OF THE COVID-19 OUTBREAK

During the COVID-19 outbreak in 2022, we experienced approximately 10 days of customs clearance delays. However, such delays did not affect customer payment schedules, and all copper cathode customers fulfilled their payment obligations as stipulated in the contracts. This was attributable to the adoption of the free carrier terms in our sales model, under which the seller is responsible for transporting goods to the designated port and completing export formalities; upon arrival at the designated port, the buyer assumes all related cost and risks, such as logistics costs and detention risks. Under this model, customers are required to prepay 95% of the provisional payment in the month of shipment, with the remaining 5% settled after the quotation period concludes. There was also a logistics delay in steel supply occurred during the construction of the DR Congo copper smelter I, which was originally scheduled for dispatch in mid-May 2022, with an expected arrival at the construction site for deployment in September 2022. Due to the impact of the COVID-19 outbreak, the shipment was not formally exported until August 4, 2022, and ultimately arrived at the site in April 2023, resulting in a delay of seven months. However, we promptly addressed the situation by procuring temporary steel locally and flexibly adjusting the project schedule. Thus, this incident did not cause significant adverse effects on the construction project.

Although global concerns over narrowing copper production from China have pushed up the selling price of our copper products, the COVID-19 outbreak did not have a substantial impact on our production and sales of copper products. For example, we produced 5,949.8 tons and 7,368.1 tons of copper cathodes in 2022 and 2023, respectively, all of which were sold promptly during the COVID-19 outbreak. Therefore, our Directors are of the view that COVID-19 had no material adverse effect to our business operations and financial performance during the Track Record Period.

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The following tables set forth a summary of our consolidated financial information for the Track Record Period, are derived from the Accountants' Report set out in Appendix I to this document. The summary consolidated financial information set forth below should be read together with, and is qualified in its entirety by reference to, the Accountants' Report set out in Appendix I to this document, including the related notes. Our consolidated financial information was prepared in accordance with IFRS Accounting Standards.

Summary of Consolidated Statements of Profit or Loss and Other Comprehensive Income

The following table sets forth a summary of our consolidated statements of profit or loss and other comprehensive income for the years/periods indicated.

	Years ended December 31,			Six months ended June 30,	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Revenue	**637,303**	**675,701**	**1,769,833**	**595,965**	**963,785**
Cost of sales	(466,810)	(545,558)	(1,402,166)	(450,312)	(741,105)
Gross profit	**170,493**	**130,143**	**367,667**	**145,653**	**222,680**
Other income	6,332	3,131	1,865	1,265	818
Other gains and losses	(7,601)	(35,255)	(7,101)	15,237	11,555
Distribution and selling expenses	(9,498)	(10,159)	(11,626)	(5,163)	(6,252)
Administrative expenses	(44,206)	(48,175)	(81,173)	(36,265)	(59,552)
Profit from operations	**115,520**	**39,685**	**269,632**	**120,727**	**169,249**
Finance costs	(6,811)	(13,410)	(26,870)	(12,218)	(8,045)
Share of losses of an associate	(14,823)	(252)	–	–	–
Profit before taxation	**93,886**	**26,023**	**242,762**	**108,509**	**161,204**
Income tax	(10,382)	3,123	(40,324)	(15,425)	(26,222)
Profit for the year/period	**83,504**	**29,146**	**202,438**	**93,084**	**134,982**
Other comprehensive income for the year/period					
Item that are or may be reclassified subsequently to profit or loss:					
Exchange differences on translation of financial statements of overseas subsidiaries	15,941	3,442	3,464	1,197	(1,550)
Other comprehensive income for the year/period	**15,941**	**3,442**	**3,464**	**1,197**	**(1,550)**
Total comprehensive income for the year/period	**99,445**	**32,588**	**205,902**	**94,281**	**133,432**

Non-IFRS Measures

To supplement our consolidated statements of profit or loss and other comprehensive income presented in accordance with IFRS Accounting Standards, we also use EBITDA (non-IFRS measure), as additional financial measures, which are not required by, or presented in accordance with IFRS. We believe that the presentation of such non-IFRS measure facilitate comparisons of the operating performance from period to period and company to company by eliminating potential impacts of certain items. We believe that the presentation of such non-IFRS measure when shown in conjunction with the corresponding IFRS measure provides useful information to potential investors and management in facilitating a comparison of our operating performance from period to period by eliminating potential impacts of certain items.

However, the use of non-IFRS measures has limitations as an analytical tool, and you should not consider them in isolation from, or as a substitute for analysis of, our results of operations or financial conditions as reported under IFRS. In addition, the non-IFRS financial measures may be defined differently from similar terms used by other companies.

We define EBITDA (non-IFRS measure), as profit for the year adjusted by adding back items including income tax, finance costs, interest income and depreciation and amortization. The following tables reconcile our EBITDA (non-IFRS measure) for the years/periods indicated:

	Year ended December 31,			Six months ended June 30,	
	2022	2023	2024	2024	2025
		(RMB'000)		*(RMB'000)*	
				(unaudited)	
Profit for the year	83,504	29,146	202,438	93,084	134,982
Add:					
Income tax	10,382	(3,123)	40,324	15,425	26,222
Finance costs	6,811	13,410	26,870	12,218	8,045
Interest income	(1,032)	(1,309)	(175)	(91)	(283)
Depreciation and amortization	9,700	21,519	42,448	18,334	26,120
EBITDA (non-IFRS measure)	**109,365**	**59,643**	**311,905**	**138,970**	**195,086**

Our net profit decreased significantly from RMB83.5 million in 2022 to RMB29.1 million in 2023, primarily due to (i) the increases in our capital investment and interest expenses in connection with the construction of the DR Congo copper smelting project; (ii) a decrease in our gross profit in 2023 as our DR Congo copper smelting project had yet to achieve economies of scale prior to its commencement of operations in August 2023 and remained in the ramp-up phase throughout the year; and (iii) the impairment loss recognized on the loans granted to an

associate, Jiangxi Tungsten Jinxun Resources Africa SAS. Our net profit grew significantly from RMB29.1 million in 2023 to RMB202.4 million in 2024, mainly as a result of the increases in our revenue and gross profit led by the expansion of our production capacity in 2024. Our net profit further increased from RMB93.1 million in the six months ended June 30, 2024 to RMB135.0 million in the six months ended June 30, 2025, primarily driven by the growth in our revenue and gross profit supported by the increased production volume in the six months ended June 30, 2025.

During the Track Record Period, we generated revenue primarily from (i) production and sale of copper cathodes; (ii) production and sale of copper concentrates; and (iii) trading of a variety of non-ferrous metal products. The following table sets forth our revenue by business line for the years/periods indicated:

	Year ended December 31,						Six months ended June 30,			
	2022		2023		2024		2024		2025	
	RMB'000	*% of revenue*	*RMB'000*	*% of revenue*	*RMB'000*	*% of revenue*	*RMB'000*	*% of revenue*	*RMB'000*	*% of revenue*
							(unaudited)			
Copper production and processing										
Copper cathodes	328,220	51.5	404,785	59.9	1,228,967	69.4	448,256	75.2	828,021	85.9
Copper concentrates	62,396	9.8	12,177	1.8	946	0.1	946	0.3	1,179	0.1
Cobalt hydroxide	–	–	–	–	–	–	–	–	10,739	1.2
Subtotal	390,616	61.3	416,962	61.7	1,229,913	69.5	449,202	75.5	839,939	87.2
Trading of non-ferrous metal products	246,687	38.7	258,739	38.3	539,920	30.5	146,763	24.5	123,846	12.8
Total	**637,303**	**100.0**	**675,701**	**100.0**	**1,769,833**	**100.0**	**595,965**	**100.0**	**963,785**	**100.0**

In 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, our revenue generated from copper production and processing amounted to RMB390.6 million, RMB417.0 million, RMB1,229.9 million, RMB449.2 million and RMB839.9 million, respectively, accounting for 61.3%, 61.7%, 69.5%, 75.5% and 87.2% of our total revenue in the respective year/period. The significant increases in our revenue in 2024 and in the six months ended June 30, 2025 were mainly attributed to (i) the increased production of copper cathodes following the production facilities in DR Congo commenced operation; (ii) a spike of the average selling price as a result of the higher copper prices quoted on the LME and (iii) the supply shortage facing by the global copper market. As the global demand for copper is projected to surge in the next decade, driven by the surge in demand in the renewable energy and electric vehicle industries and massive infrastructure spending in emerging markets, copper prices are forecast to rise in light of the emerging copper supply deficit globally, according to Frost & Sullivan. In view of this, the average selling prices of our cooper cathodes and copper concentrates demonstrated steady increase, which in turn had a positive impact on our revenue growth during the Track Record Period. With the expansion of production capacity and the

successfully commissioning of our hydrometallurgical projects in Zambia and DR Congo, our output of copper cathodes has also increased, enabling us to fully exploit market potentials driven by the price surge of copper to achieve substantial growth in revenue during the same periods.

In 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, revenue from trading of non-ferrous metal products amounted to RMB246.7 million, RMB258.7 million, RMB539.9 million, RMB146.8 million and RMB123.8 million, respectively, accounting for 38.7%, 38.3%, 30.5%, 24.5% and 12.8% of our total revenue in the respective year or period.

See "Financial Information — Consolidated Statements of Profit or Loss and Other Comprehensive Income" for more detailed discussions.

Summary of Consolidated Statements of Financial Position

The following table sets forth a summary of our consolidated statements of financial position as of the dates indicated.

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	(RMB in thousands)			
Total non-current assets	398,272	592,401	694,451	750,747
Total current assets	238,724	290,417	679,365	712,212
Total current liabilities	263,066	466,381	763,688	697,917
Net current (liabilities)/assets	(24,342)	(175,964)	(84,323)	14,295
Total assets less current liabilities	373,930	416,437	610,128	765,042
Total non-current liabilities	13,456	27,164	75,146	96,301
Net assets	360,474	389,273	534,982	668,741

We had net current assets of RMB14.3 million as of June 30, 2025, consisting of current assets of RMB712.2 million and current liabilities of RMB697.9 million, which represented an increase of RMB98.6 million from our net current liabilities of RMB84.3 million as of December 31, 2024. The increase was mainly driven by (i) an increase of RMB32.6 million in prepayments, deposits and other receivables, primarily due to the increased prepayments paid to suppliers in line with the business expansion and (ii) an increase of RMB3.2 million in trade receivables measured at FVTPL, mainly in line with our revenue growth in the respective period, partially offset by (i) an increase of RMB23.6 million in trade payables at amortized cost following our increased raw materials procurement following our enhanced production capacity and (ii) an increase of RMB22.0 million in contract liabilities, mainly due to the increase in our orders from the customers.

We had net current liabilities of RMB84.3 million as of December 31, 2024, consisting of current assets of RMB679.4 million and current liabilities of RMB763.7 million, which represented a decrease of RMB91.6 million from our net current liabilities of RMB176.0 million as of December 31, 2023. Such reduction of net current liabilities as of December 31, 2024 as compared with that as of December 31, 2023 was primarily attributable to (i) an increase in inventories of RMB249.8 million as the operations of our DR Congo copper smelter I ramped up during the year; (ii) an increase of cash and cash equivalents of RMB84.0 million, mainly caused by the cash inflow from operation; (iii) an increase of prepayment, deposits and other receivables totalled of RMB38.9 million, mainly attributed to the expansion of our operations in DR Congo. The aforementioned increase of current assets as of December 31, 2024 as compared with that as of December 31, 2023 was partly offset by an increase of current liabilities of RMB297.3 million primarily caused by the increase in trade payables (including those recognized at amortized costs and FVTPL) of RMB216.1 million as a result of the increase in purchases as our production in DR Congo ramped up during the year.

We had net current liabilities of RMB176.0 million as of December 31, 2023, consisting of current assets of RMB290.4 million and current liabilities of RMB466.4 million, which represented an increase of RMB151.6 million from our net current liabilities of RMB24.3 million as of December 31, 2022. The increase of the net current liabilities as of December 31, 2023 as compared with that as of December 31, 2022 was primarily attributable to the increase in our current liabilities of RMB203.3 million, primarily due to (i) an increase in short term bank and other borrowings of RMB114.0 million for financing the construction of the Anhui cobalt processing plant project and the DR Congo copper smelter I; and (ii) an increase in trade payables of RMB80.5 million as a result of the increase in purchases as our DR Congo copper smelter I commenced operations. The increase in our current liabilities as of December 31, 2023 was partly offset by increase of the current assets of RMB51.7 million as of December 31, 2023 caused by the increase in inventories of RMB125.9 million since the commencement of operation of our DR Congo copper smelter I in August 2023, partly offset by the decrease in cash and cash equivalents of RMB39.2 million.

We recorded net assets of RMB360.5 million, RMB389.3 million, RMB535.0 million and RMB668.7 million as of December 31, 2022, 2023, 2024 and June 30, 2025, respectively. The significant increase of our net assets in 2022 was primarily driven by (i) the issuance of additional ordinary shares amounting to RMB48.3 million; (ii) we recorded profit of RMB83.5 million for the year ended December 31, 2022; (iii) we recorded an increase in foreign exchange reserve of RMB15.9 million due to the a strong US dollar and (iv) the dividends distribution being RMB6.9 million. The increase in our net assets in 2023 were contributed by (i) we recorded profit of RMB29.1 million for the year ended December 31, 2023; (ii) we recorded an increase in foreign exchange reserve of RMB3.4 million due to a strong US dollar and (iii) the dividends distribution being RMB4.4 million. The substantial growth in our net assets in 2024 was primarily due to (i) we recorded profit of RMB202.4 million for the year ended December 31, 2024; (ii) we recorded an increase in foreign exchange reserve of RMB3.5 million due to a strong US dollar and (iii) the dividends distribution being RMB60.7 million. The significant increase of our net assets as of June 30, 2025 was primarily due to the increase of RMB135.0 million in net profit.

Summary of Consolidated Statement of Cash Flows

The following table sets forth selected cash flow statement information for the years/periods indicated:

	Year ended December 31,			For the six months ended June 30,
	2022	2023	2024	2025
	(RMB'000)			
Net cash flows from operating activities	202,180	43,329	292,558	111,533
Net cash flows used in investing activities	(200,686)	(192,285)	(171,001)	(71,718)
Net cash flows from/(used in) financing activities	50,496	109,355	(38,406)	(36,925)
Net increase/(decrease) in cash and cash equivalents	51,990	(39,601)	83,151	2,890
Cash and cash equivalents at the beginning of the year	27,001	79,062	39,876	123,901
Effect of foreign exchange rate changes	71	415	874	(281)
Cash and cash equivalents at the end of the year/period	**79,062**	**39,876**	**123,901**	**126,510**

See "Financial Information — Liquidity and Capital Resources — Cash Flows" for details.

Key Financial Ratio

The following table sets forth certain of our key financial ratios as of the dates or for the as of the dates indicated:

	Year ended December 31,			As of June 30,
	2022	2023	2024	2025
Profitability ratios				
Gross profit margin (%)[1]	26.8%	19.3%	20.8%	23.1%
Net profit margin (%)[2]	13.1%	4.3%	11.4%	14.0%
Return on equity (%)[3]	28.8%	7.8%	43.8%	22.4%
Return on assets (%)[4]	17.0%	3.8%	17.9%	9.5%

	As of December 31,			As of June 30,
	2022	2023	2024	2025
Liquidity ratios				
Current ratio *(times)*[5]	0.9	0.6	0.9	1.0
Quick ratio *(times)*[6]	0.7	0.2	0.3	0.4
Capital adequacy ratio				
Gearing ratio (%)[7]	24.6%	54.9%	50.2%	36.7%

Notes:

(1) Gross profit margin is calculated based on gross profit divided by revenue and multiplied by 100%.

(2) Net profit margin is calculated based on profit or loss for the period divided by revenue and multiplied by 100%.

(3) Return on equity is calculated based on profit for the year/period divided by the arithmetic mean of the opening and closing balances of total equity and multiplied by 100%.

(4) Return on assets is calculated based on profit for the year/period divided by the arithmetic mean of the opening and closing balances of total assets and multiplied by 100%.

(5) Current ratio is calculated based on total current assets divided by total current liabilities.

(6) Quick ratio is calculated based on total current assets less inventories divided by total current liabilities.

(7) Gearing ratio is calculated based on total borrowings (including borrowings and lease liabilities) divided by total equity multiplied by 100%.

See "Financial Information — Key Financial Ratio" for details.

In 2022, 2023 and 2024, our gross profit margin was 26.8%, 19.3% and 20.8%, respectively. Our net profit margin was 13.1%, 4.3% and 11.4% in the corresponding periods. The decreases in our respective margin ratios were primarily driven by (i) limited production capacity in 2023 when the production facilities of Jinxun DR Congo were yet to reach the designed production capacity, which subdued our total annual production capacity in the corresponding period; (ii) the contraction of raw materials supply in 2023; and (iii) our fixed costs, comprising of accumulated depreciation, accumulated amortization and labor costs, continued to incurring. Our gross profit margin further decreased from 24.4% in the six months ended June 30, 2024 to 23.1% in the six months ended June 30, 2025, primarily due to an increased proportion of products from DR Congo, where the production costs were relatively higher than in Zambia, leading to a decrease in gross profit margin of our copper production and processing business. Our net profit margin increased to 14.0% in the six months ended June 30, 2025, primarily due to the significant increase in our revenue in line with our enhanced production capacity in the respective period.

[REDACTED] EXPENSES

Our [**REDACTED**] expenses mainly include [**REDACTED**] commissions, professional fees paid to legal advisors, the Reporting Accountants and other professional parties for their services rendered in relation to the [**REDACTED**] and the [**REDACTED**].

Based on the mid-point [**REDACTED**] of HK$[**REDACTED**] per Share, the total estimated [**REDACTED**] expenses in relation to the [**REDACTED**] are RMB[**REDACTED**] million (HK$[**REDACTED**] million), assuming the [**REDACTED**] is not exercised, which constitute approximately [**REDACTED**]% of the gross proceeds. Our total [**REDACTED**] expenses consist of (i) [**REDACTED**] expenses and fees (including [**REDACTED**], Stock Exchange trading fee, SFC and AFRC transaction levy) of RMB[**REDACTED**] million (HK$[**REDACTED**] million); and (ii) non-[**REDACTED**]-related expenses of RMB[**REDACTED**] million (HK$[**REDACTED**] million), including (a) fees payable to the Sole Sponsor, legal advisors and Reporting Accountants of RMB[**REDACTED**] million (HK$[**REDACTED**] million) and (b) other fees and expenses of RMB[**REDACTED**] million (HK$[**REDACTED**] million). During the Track Record Period, we recorded [**REDACTED**] expenses as profit and loss of RMB[**REDACTED**] million and as other receivables of RMB[**REDACTED**] million. Among the total [**REDACTED**] expenses, approximately HK$[**REDACTED**] million is expected to be charged to profit or loss for the year ending December 31, 2025, and approximately HK$[**REDACTED**] million directly attributable to the issue of the Shares is expected to be deducted from equity upon the completion of the [**REDACTED**]. Our Directors do not expect that such expenses will have a material adverse effect on our results of operations for the year ending December 31, 2025.

[REDACTED] STATISTICS

	Based on an [REDACTED] of HK$[REDACTED] per [REDACTED]	**Based on an [REDACTED] of HK$[REDACTED] per [REDACTED]**
Market capitalization of our Shares upon completion of the [**REDACTED**] assuming the [**REDACTED**] is not exercised[(1)]	HK$[REDACTED] million	HK$[REDACTED] million
Unaudited pro forma adjusted net tangible assets per [**REDACTED**][(2)(3)]	HK$[REDACTED]	HK$[REDACTED]

Notes:

(1) The calculation of the market capitalization is based on [**REDACTED**] Shares expected to be in issue immediately after completion of the [**REDACTED**] (assuming the [**REDACTED**] is not exercised).

(2) Please refer to Appendix II to this document for the bases and assumptions in calculating this figure.

(3) No adjustment has been made to reflect any trading result or other transactions of our Group entered into subsequent to 30 June 2025, including but not limited to the interim dividend for the six months ended 30 June 2025 of RMB0.28 per share, in an aggregate amount of RMB30,883,000 which was approved by extraordinary general meeting on September 12, 2025. The unaudited pro forma adjusted net tangible assets attributable to equity shareholders of the Company per Share would have been decreased by HK$0.23 per Share if the dividend declaration had been accounted for as of June 30, 2025.

FUTURE PLANS AND [REDACTED]

We estimate that we will receive [**REDACTED**] from the [**REDACTED**] of approximately HK$[**REDACTED**] million, assuming an [**REDACTED**] of HK$[**REDACTED**] per [**REDACTED**] (being the mid-point of the [**REDACTED**] range stated in this document), after deducting the [**REDACTED**] and estimated expenses paid or payable by us in connection with the [**REDACTED**] and assuming that the [**REDACTED**] is not exercised.

In line with our strategies, we intend to apply the [**REDACTED**] from the [**REDACTED**] for the following purposes and in the amounts set forth below:

- **approximately [REDACTED]% of the [REDACTED], or HK$[REDACTED] million, will be used to expand our core operations, including:**

  (i) approximately [**REDACTED**]% of the [**REDACTED**], or HK$[**REDACTED**] million, will be used for the upgrade of the hydrometallurgical processing capability of our DR Congo copper smelter I, as well as the improvement of the production yield of its cobalt hydroxide production line;

  (ii) approximately [**REDACTED**]% of the [**REDACTED**], or HK$[**REDACTED**] million, will be used for equipment procurement and daily operations of the facility in Anhui Province;

  (iii) approximately [**REDACTED**]% of the [**REDACTED**], or HK$[**REDACTED**] million, will be used for strategic acquisitions. As of the Latest Practicable Date, we had not identified or committed to any acquisition targets; and

  (iv) approximately [**REDACTED**]% of the [**REDACTED**], or HK$[**REDACTED**] million, will be used to improve and expand our R&D center in Kunming to further enhance our R&D capabilities, attract local talents and contribute local employment.

- **approximately [REDACTED]% of the [REDACTED], or HK$[REDACTED] million, will be used to repay certain of our interest-bearing bank borrowings with an aggregate principal amount of approximately HK$142.4 million, which were used as working capital. The interest rates for such borrowings range from approximately 1.10% to 9.50%, with maturity dates spanning from January 2026 to October 2026.**

- **approximately [REDACTED]% of the [REDACTED], or HK$[REDACTED] million, will be used for working capital and general corporate purposes.**

See "Future Plans and [**REDACTED**]" for more detailed discussions in this regard.

DIVIDENDS

We are incorporated under the laws of the PRC. Any dividends we pay will be at the discretion of our Directors and will depend on our future operations and earnings, capital requirements and surplus, general financial condition, contractual restriction and other factors which our Directors consider relevant. Our shareholders in a general meeting may approve any declaration of dividends, which must not exceed the amount recommended by our Board. Under the applicable PRC laws and regulations, a PRC incorporated company is required to set aside at least 10% of its after-tax profits each year, after making up previous years' accumulated losses, if any, to contribute to certain statutory reserve funds until the aggregate amount contributed to such funds reaches 50% of its registered capital. The company may pay dividends out of after-tax profits after making up for accumulated losses and contributing to statutory reserve funds as mentioned above.

In May 2022, stock dividends of 0.5 shares per share and cash dividends of RMB0.1 per share in respect of the year ended December 31, 2021, aggregating to 34,314,511 shares and RMB6,863,000, were approved by the shareholders of the Company. In May 2023, cash dividends of RMB0.04 per share in respect of the year ended December 31, 2022, aggregating to RMB4,412,000, was approved by the shareholders of the Company. In May 2024, cash dividends of RMB0.05 per share in respect of the year ended December 31, 2023, aggregating to RMB5,515,000, was approved by the shareholders of the Company. In August 2024, cash dividends of RMB0.5 per share in respect of the six months ended June 30, 2024, aggregating to RMB55,148,000 was approved by the shareholders of the Company. Subsequent to June 30, 2025, an interim dividend of RMB0.28 per share, in an aggregate amount of RMB30,883,000, which was approved by the extraordinary general meeting convened on September 12, 2025.

We expect to pay a dividend no less than 20% of the profit after tax upon [**REDACTED**] each year, subject to our results of operations, cash flows, financial position, statutory and regulatory restrictions on the dividends paid by us, future prospects and others factors which we consider relevant. No dividend shall be declared or payable except out of our profits and reserves lawfully available for distribution. Our Directors have the absolute discretion to recommend any dividend subject to our constitutional documents and the relevant laws. We cannot assure you that our Company will be able to declare dividends of any amount each year or in any year.

RECENT DEVELOPMENT AND NO MATERIAL ADVERSE CHANGE

Recent Development

Subsequent to June 30, 2025, and up to October 31, 2025, our business experienced steady growth, with all key operational and financial metrics continuing to show robust improvement. Specifically, the copper cathode production from July to October 2025 increased by approximately 23.4%, compared to the same period in 2024; and for the ten months ended October 31, 2025, the copper cathode production increased by approximately 46.0%, compared to the same period in 2024. Furthermore, the copper cathode sales volume from July to October 2025 increased by approximately 10.3%, compared to the same period in 2024; and for the ten months ended October 31, 2025, the copper cathode sales volume increased by approximately 42.7%, compared to the same period in 2024. Our revenue from July to October 2025 increased by more than 10%, compared to the same period in 2024; and for the ten months ended October 31, 2025, our revenue increased by more than 30%, compared to the same period in 2024. Our sales and revenue growth rates were lower than production growth rates from July to October 2025 and the ten months ended October 31, 2025, primarily due to (i) the typical time lag between product production and sales; and (ii) our increased adoption of the direct delivery model in which we are responsible for logistics and bear logistics costs, reflecting our efforts to (a) adapt to domestic market demands by swiftly responding to customers' immediate needs and reducing intermediate processing steps; (b) lower overall costs by eliminating the need to coordinate export customs clearance, short-distance transfers to carriers, and other processes that may incur additional miscellaneous fees, while adopting a bulk shipping strategy; and (c) mitigate international trade risks by establishing fixed transportation routes to ship products in bulk. We anticipate that products produced from July to October 2025 will be gradually sold and recognized as revenue in the fourth quarter. Additionally, the construction of DR Congo copper smelter II commenced as scheduled in September, and is currently progressing smoothly: site clearance has been completed, construction of the main production workshops is advancing in an orderly manner, and the procurement process for large-scale equipment has been initiated and is proceeding according to our construction plan.

No Material Adverse Change

Our Directors confirm that, up to the date of this document, (i) there had been no material adverse change in our business, the industry where we operate, or market or regulatory environment to which we are subject; (ii) there has been no material adverse change in our financial or trading position or prospects since June 30, 2025, being the date of the latest audited consolidated financial position of our Group as set out in the Accountants' Report in Appendix I to this document; or (iii) there has been no event since June 30, 2025 that would materially affect the information shown in the Accountants' Report set forth in Appendix I to this document.

In this document, unless the context otherwise requires, the following terms shall have the meanings set out below. Certain other terms are explained in the section entitled "Glossary of Technical Terms" in this document.

DEFINITIONS

"Accountants' Report"	the accountants' report for the Track Record Period prepared by KPMG, the text of which is set out in Appendix I to this document;
"ARECOMS"	the Strategic Mineral Substances Market Regulation and Control Authority, the primary regulatory body overseeing all cobalt export approvals in DR Congo;
"Articles of Association" or "Articles"	the articles of association of our Company adopted on May 16, 2025 which shall become effective as of the date on which the H Shares are listed on the Stock Exchange, as amended from time to time, a summary of which is set out in "Appendix V — Summary of Articles of Association" to this document;
"associate(s)"	has the meaning ascribed to it under the Listing Rules;
"Audit Committee"	the audit committee of our Board; "Board" or "Board of Directors" the board of Directors;
"business day"	a day on which banks in Hong Kong are generally open for normal banking business to the public and which is not a Saturday, Sunday or public holiday in Hong Kong;
"CAGR"	compound annual growth rate;
	[**REDACTED**]
"China" or "PRC"	The People's Republic of China, but for the purpose of this document and for geographical reference only and except where the context requires otherwise, references in this document to "China" and the "PRC" do not apply to Hong Kong, the Macau Special Administrative Region and Taiwan;

"close associate(s)"	has the meaning ascribed to it under the Listing Rules;
"Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time;
"Companies (Winding Up and Miscellaneous Provisions) Ordinance"	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time;
"Company"	Yunnan Jinxun Resources Co., Ltd. (雲南金潯資源股份有限公司) (formerly known as Yunnan Jinxun Trading Co., Ltd. (雲南金潯商貿有限公司) and Yunnan Jinxun E-commerce Co., Ltd. (雲南金潯電子商務股份有限公司)), a company established in the PRC with limited liability on January 21, 2010 which was converted into a joint stock company with limited liability on July 15, 2016;
"Company Law" or "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;
"Comprehensively Sanctioned Country"	any country or territory subject to a general and comprehensive export, import, financial or investment embargo under sanctions related law or regulation of the Relevant Jurisdiction, currently Cuba, Iran, North Korea, Syria, the Crimea Region of Russia/Ukraine, the self-proclaimed Luhansk People's Republic and Donetsk People's Republic regions and Zaporizhzhia and Kherson regions;
"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 Shareholders"	has the meaning ascribed to it under the Listing Rules and, unless the context requires otherwise, refers to Mr. Yuan and Heli Investment, and a Controlling Shareholder shall mean each or any of them;

"COVID-19"	outbreaks of coronavirus disease 2019, an infectious disease caused by the recently discovered coronavirus (severe acute respiratory syndrome coronavirus 2, SARS-CoV-2);
	[**REDACTED**]
"Director(s)"	the director(s) of our Company;
"DR Congo"	the Democratic Republic of the Congo;
"EIT Law"	the PRC Enterprise Income Tax Law (中華人民共和國企業所得税法), as enacted by the NPC on March 16, 2007 and effective on January 1, 2008 and mostly amended on December 29, 2018, as amended, supplemented or otherwise modified from time to time;
"Extreme Conditions"	the occurrence of "extreme conditions" as announced by any government authority of Hong Kong due to serious disruption of public transport services, extensive flooding, major landslides, large-scale power outage or any other adverse conditions before Typhoon Signal No. 8 or above is replaced with Typhoon Signal No. 3 or below;
	[**REDACTED**]
"Frost & Sullivan"	Frost & Sullivan (Beijing) Inc., Shanghai Branch Co., a global market research and consulting company, which is an Independent Third Party;
"Frost & Sullivan Report"	an independent market research report commissioned by us and prepared by Frost & Sullivan for the purpose of this document;
	[**REDACTED**]

[**REDACTED**]

"Group"	our Company and all of our subsidiaries or, where the context so requires, in respect of the period before our Company became the holding company of our present subsidiaries, the business operated by such subsidiaries or their predecessors (as the case may be);
"Guide"	The Guide for New Listing Applicants, as published by the Stock Exchange on November 29, 2023 and effective on January 1, 2024, as amended or supplemented or otherwise modified from time to time;

[**REDACTED**]

"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 April 18, 2016 and the share incentive platform of our Company, whose general partner is Mr. Yuan;

[**REDACTED**]

[**REDACTED**]

"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the PRC;
"Hong Kong dollar(s)" or "HK$"	Hong Kong dollar(s), the lawful currency of Hong Kong;

[**REDACTED**]

"Independent Third Party(ies)"	individuals or company(ies), who or which, to the best of our Directors' knowledge, information and belief, having made all reasonable enquiries, is not a connected person of our Company within the meaning of the Listing Rules;
	[**REDACTED**]
"International Sanctions"	all applicable laws and regulation to economic sanctions, export controls, trade embargoes and wider prohibitions and restrictions on international trade and investment related activities, including those adopted administered and enforced by the U.S. Government, the EU and its member states, UN or Government of Australia;
	[**REDACTED**]
"IOSCO MMOU"	the International Organization of Securities Commissions Multilateral Memorandum of Understanding Concerning Consultation and Cooperation and the Exchange of Information;

"Jinxun Anhui"	Anhui Jinxun New Energy Material Co., Ltd. (安徽金潯新能源材料有限公司), a company established in the PRC with limited liability on October 8, 2022 and an indirect wholly-owned subsidiary of our Company;
"Jinxun DR Congo"	Jin Xun Congo Mining SARL, a company incorporated in DR Congo with limited liability on August 13, 2018 and an indirect wholly-owned subsidiary of our Company;
"Jinxun Peru"	Minera Jinxun Peru S.A.C., a company incorporated in Peru with limited liability on October 14, 2020 and an indirect wholly-owned subsidiary of our Company;
"Jinxun Shanghai"	Shanghai Jinxun New Energy Co., Ltd. (上海金潯新能源有限公司) (formerly known as Shanghai Yikuang E-Commerce Co., Ltd. (上海易礦電子商務有限公司)), a company established in the PRC with limited liability on February 3, 2016 and a wholly-owned subsidiary of our Company;
"Jinxun Singapore"	Jinxun (Singapore) International Trade Pte. Ltd., a company incorporated in Singapore with limited liability on April 25, 2018 and a wholly-owned subsidiary of our Company;
	[**REDACTED**]
"Latest Practicable Date"	November 23, 2025 being the latest practicable date for the purpose of ascertaining certain information contained in this document prior to its publication;
	[**REDACTED**]

[**REDACTED**]

"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended or supplemented or otherwise modified from time to time;
"LME"	London Metal Exchange
"Main Board"	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with the GEM of the Stock Exchange;
"Ministry of Commerce" or "MOFCOM"	the Ministry of Commerce of the PRC (中華人民共和國商務部);
"Mr. Yuan"	Mr. Yuan Rong (袁榮), our founder, executive Director, chairman of our Board, our chief executive officer, general manager, and the ultimate Controlling Shareholder;
"Nomination Committee"	the nomination committee of our Board;
"Non-H Share(s)"	ordinary Share(s) with a nominal value of RMB1.00 each, other than our H Shares (namely, the Share(s) currently quoted on NEEQ);
"Non-IOSCO MMOU Countries"	countries or regions whose statutory securities regulator is not a full signatory to the IOSCO MMOU;

[**REDACTED**]

[**REDACTED**]

"PRC government"	the central government of the PRC and all governmental subdivisions (including provincial, municipal and other regional or local government entities) and organizations of such government or, as the context requires, any of them;
"PRC Legal Advisors"	JunHe LLP, our legal advisors as to PRC laws in connection with the [**REDACTED**];

[**REDACTED**]

"Primary Sanctioned Activity"	any activities in a Comprehensively Sanctioned Country or (i) with; or (ii) directly or indirectly benefiting or involving the property or interests in property of, a Sanctioned Target by the Company incorporated or located in a Relevant Jurisdiction or which otherwise has a nexus with such jurisdiction with respect to the relevant activity, such that it is subject to the relevant sanctions law and regulation;
"Regulation S"	Regulation S under the U.S. Securities Act;

"Remuneration and Appraisal Committee"	the remuneration and appraisal committee of our Board;
"Renminbi" or "RMB"	the lawful currency of the PRC;
"Rong Xing Investments"	Rong Xing Investments Limited, a company established in Zambia with limited liability on August 16, 2016 and a wholly-owned subsidiary of our Company;
"Sanctioned Person"	certain person(s) and identity(ies) listed on OFAC's Specially Designated Nationals and Blocked Persons List or other restricted parties lists maintained by the U.S., EU, UK, UN or Australia;
"Secondary Sanctionable Activity"	certain activity by the Company that may result in the imposition of sanctions against the Relevant Person(s) by a Relevant Jurisdiction (including designation as a Sanctioned Target or the imposition of penalties), even though the Company is not incorporated or located in that Relevant Jurisdiction and does not otherwise have any nexus sutra that Relevant Jurisdiction;
"Securities and Futures Commission" or "SFC"	the Securities and Futures Commission of Hong Kong;
"Share(s)"	ordinary share(s) with par value RMB1.00 each in the share capital of the Company;
"Shareholder(s)"	holder(s) of our Share(s);
"Singapore"	the Republic of Singapore;
"S$"	Singapore dollars, the lawful currency of the Republic of Singapore;
	[**REDACTED**]
"State Council"	the State Council of the PRC (中華人民共和國國務院);
"Stock Exchange"	The Stock Exchange of Hong Kong Limited, a wholly owned subsidiary of Hong Kong Exchange and Clearing Limited;

"Strategy Committee"	the strategy committee of our Board;
"subsidiary(ies)"	has the meaning ascribed to it under the Listing Rules;
"substantial shareholder(s)"	has the meaning ascribed to it under the Listing Rules;
"Tibet Huiyi"	Tibet Huiyi Information Technology Co., Ltd. (西藏匯益資訊科技有限公司), a company established in the PRC with limited liability on February 21, 2017 and a wholly-owned subsidiary of our Company;
"ton" or "tonne"	a unit of mass equal to 1,000 kilograms;
"Track Record Period"	the period comprising the years ended December 31, 2022 and 2023 and 2024 and the six months ended June 30, 2025;

[**REDACTED**]

"U.S." or "United States"	the United States of America, its territories, its possessions and all areas subject to its jurisdiction;
"U.S. dollar(s)" or "US$"	United States dollar(s), the lawful currency of the United States;
"U.S. persons"	U.S. persons as defined in Regulation S;
"U.S. Securities Act"	United States Securities Act of 1933, as amended, supplemented or otherwise modified from time to time;
"we," "us" or "our"	the Company or the Group, as the context requires;

[**REDACTED**]

"Zambia"	the Republic of Zambia; and
"%"	percent.

ACRONYMS

"AFRC"	the Accounting and Financial Reporting Council of Hong Kong;
"CAGR"	compound annual growth rate, which is calculated by dividing the amount at the end of the period by the amount of the beginning of that period, raising the result to an exponent of one divided by the number of years in the period, and subtracting one from the subsequent result;
	[**REDACTED**]
"CNIPA"	China National Intellectual Property Administration (國家知識產權局);
"CSRC"	China Securities Regulatory Commission (中國證券監督管理委員會), a regulatory body responsible for the supervision and regulation of the PRC national securities markets;
"EAR"	United States Export Administration Regulations, 15 C.F.R. Parts 730-774;
	[**REDACTED**]
"IASB"	International Accounting Standards Board;
"ICSG"	International Copper Study Group, an intergovernmental organization to promote transparency and cooperation in the global copper market;
"IFRS Accounting Standards"	IFRS Accounting Standards as issued by the IASB;
"MOF"	Ministry of Finance of the PRC (中華人民共和國財政部).

"MOFCOM"	Ministry of Commerce of the PRC (中華人民共和國商務部) or its predecessor, the Ministry of Foreign Trade and Economic Cooperation of the PRC (中華人民共和國對外貿易經濟合作部);
"NDRC"	the National Development and Reform Commission of the PRC (中華人民共和國國家發展和改革委員會);
"PBOC"	the People's Bank of China (中國人民銀行), the central bank of the PRC;
"RMB" or "Renminbi"	Renminbi, the lawful currency of the PRC;
"SAFE"	the State Administration of Foreign Exchange of the PRC (中華人民共和國國家外匯管理局);
"SAMR"	the State Administration for Market Regulation (國家市場監督管理總局);
"SAIC"	the State Administration for Industry and Commerce of the PRC (中華人民共和國國家工商行政管理總局);
"SFO"	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong, as amended, supplemented or otherwise modified from time to time;
"STA"	the State Taxation Administration of the PRC (中華人民共和國國家税務總局);
"USGS"	the United States Geological Survey; and
"VAT"	value-added tax.

For ease of reference, the names of the PRC laws and regulations, governmental authorities, institutions, natural persons or other entities (including certain of our subsidiaries) have been included in the document in both the Chinese and English languages and in the event of any inconsistency, the Chinese versions shall prevail. English translations of official Chinese names are for identification purpose only.

Certain amounts and percentage figures included in this document have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them.

For the purpose of this document, references to "provinces" of China include provinces, municipalities under direct administration of the central governmental and provincial-level autonomous regions.

GLOSSARY OF TECHNICAL TERMS

In this document, unless the context otherwise requires, explanations and definitions of certain terms used in this document in connection with our Group and our business shall have the meanings set out below. The terms and their meanings may not correspond to standard industry meaning or usage of these terms.

"cobalt hydroxide"	a chemical compound that can be used to produce cobalt sulfates and cobalt chlorides, which are raw materials for new energy batteries;
"copper cathode"	a high-quality copper product that is produced by refining raw copper ore through the electrolysis process;
"copper concentrates"	a type of raw material produced during the process of extracting copper from ore. The resultant metal is widely used for its high electrical and heat conductivity, malleability, ability to form alloys with other metals, and resistance to corrosion;
"electrowinning"	a process used to extract metals from a solution using electrolysis;
"flotation"	a process used in mineral processing to separate valuable minerals from waste rock by exploiting differences in their water-repellency;
"hydrometallurgical processing"	a process of extracting metals from ores and other materials using aqueous solutions;
"mineral concentrates"	the product generally produced by metal ore mines by processing raw ores;
"non-ferrous metal"	metal or alloy that does not contain iron in appreciable amounts;
"smelting"	a pyrometallurgical process used to extract metals from their ores; and
"wet smelting"	a method of extracting metals from ore by dissolving them in a liquid, often an acidic solution, rather than melting them.

FORWARD-LOOKING STATEMENTS

We have included in this document forward-looking statements. Statements that are not historical facts, including statements about our intentions, beliefs, expectations or predictions for the future, are forward-looking statements.

We have included in this document forward-looking statements that are not historical facts but relate to our intentions, beliefs, expectations or predictions for future events and conditions which may not occur. Even though these statements have been made by our Directors after due and careful consideration and on bases and assumptions that we believe are fair and reasonable at the time, they nevertheless involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Some of the risks are listed in the section entitled "Risk Factors" and elsewhere in this document. In some cases, you can identify these forward-looking statements by words such as "aim," "anticipate," "believe," "continue," "could," "expect," "intend," "may," "might," "plan," "potential," "predict," "project," "propose," "seek," "should," "will," "would" or similar expressions, or their negatives. These forward-looking statements include, without limitation, statements relating to:

- any changes in the laws, rules and regulations of the central and local governments in the PRC and the rules, regulations and policies of the relevant governmental authorities relating to all aspects of our business and our business plans;
- our business and operating strategies and our ability to implement such strategies;
- our ability to control or reduce costs;
- expected growth of and changes in the metal processing industry;
- our future business development, results of operations and financial condition;
- the future competitive environment for the metal processing industry;
- determination of the fair value of our Shares;
- our dividend policy;
- capital market development;
- exchange rate fluctuations and restrictions; and
- risks identified under the section entitled "Risk Factors" in this document.

This document also contains market data and projections that are based on a number of assumptions. The markets may not grow at the rates projected by the market data, or at all. The failure of the markets to grow at the projected rates may materially and adversely affect our business and the market price of our Shares. In addition, due to the rapidly changing nature of the economy in jurisdictions in which we operate and our industry, projections or estimates relating to the growth prospects or future conditions of the markets are subject to significant uncertainties. If any of the assumptions underlying the market data prove to be incorrect, actual results may differ from the projections based on these assumptions. You should not place undue reliance on these forward looking statements.

We do not guarantee that the transactions and events described in the forward-looking statements in this document will happen as described, or at all. Actual outcomes may differ materially from the information contained in the forward-looking statements as a result of a number of factors, including, without limitation, the risks and uncertainties set forth in the section entitled "Risk Factors" in this document. You should read this document in its entirety and with the understanding that actual future results may be materially different from what we expect. The forward-looking statements made in this document relate only to events as of the date on which the statements are made or, if obtained from third-party studies or reports, the dates of the respective studies or reports. Since we operate in an evolving environment where new risks and uncertainties may emerge from time to time, you should not rely upon forward-looking statements as predictions of future events. We undertake no obligation, beyond what is required by law, to update any forward-looking statement to reflect events or circumstances after the date on which the statement is made, even when our situation may have changed.

You should carefully consider all of the information in this document and, in particular, the risks and uncertainties described below, before making an investment in our H Shares. We are affected materially by requirements and restrictions that arise under laws, regulations, judicial interpretations and government policies in nearly all aspects of our businesses in the jurisdictions where we operate.

The risks described below are not the only risks that may affect us or our [**REDACTED**]. *Additional risks and uncertainties of which we are not aware or that we currently believe are immaterial may also adversely affect our business, results of operations, financial condition and prospects. If any of the possible events described below occur, our business, results of operations, financial condition and prospects could be materially and adversely affected. The price of our H Shares could decline owing to any of these risks, and you may lose all or part of your investment.*

RISKS RELATING TO DOING BUSINESS IN OVERSEAS JURISDICTIONS IN WHICH WE HAVE OPERATIONS

Emerging markets are subject to greater risks than more developed markets, and financial turmoil in any emerging market could disrupt our business.

During the Track Record Period, we sourced a substantial majority of raw materials from, and/or operated local processing facilities in, Zambia, DR Congo, and Peru. As a result, our business and results of operations are impacted by economic, political and social conditions in Zambia, DR Congo, and Peru. An emerging market such as Zambia, DR Congo, and Peru is subject to greater risks than more developed markets. These risks include, but are not limited to, the following:

- greater political risk, and changes in, and the instability of, the political and economic environment;
- civil strife, ethnic conflict, religious and regional tensions, acts of war, terrorism and insurrection;
- government interventions;
- the lack of well-developed legal systems, which could make it difficult for us to enforce contractual rights and intellectual properties;
- controversy in interpretation of laws;
- unpredictable tax systems that could give rise to significant uncertainties and risks that may complicate our tax planning and business decisions;

- outbreaks of infectious diseases;
- potential adverse changes in laws and regulatory practices, including import and export license requirements and restrictions, tariffs, legal structures, and telecommunications and tax laws;
- trade barriers;
- underinvestment in infrastructure, including roads, railways and shipping;
- chronic electricity shortages;
- difficulties in staffing and managing operations;
- the security and safety of employees;
- changes in labor conditions.
- the risk of uncollectible accounts and long collection cycles;
- currency fluctuations and hyperinflation;
- the consequences of corrupt practices on the economy;
- high inflation rate;
- exchange controls; and
- logistical and communications challenges.

Moreover, financial turmoil in any emerging market country tends to adversely affect prices in the financial markets of other emerging market countries, such as Zambia, DR Congo, and Peru. Inflationary pressure may lead to (i) increased energy costs in diesel and electricity; (ii) re-evaluation of salaries among local employees brought by social pressure; (iii) elevated chemical input expenditures due to the depreciation of the currency and (iv) increased expenditures related to any prospective expansion projects. As has happened in the past, financial issues or an increase in the perceived risks associated with investing in other emerging economies could dampen foreign investment and adversely affect the economies of Zambia, DR Congo, and Peru. In addition, during such times, companies that operate in emerging markets can face severe liquidity constraints as foreign funding sources are withdrawn. Therefore, even if the economies in Zambia, DR Congo, and Peru remain relatively stable, financial turmoil in any emerging market country could adversely affect our business in Zambia, DR Congo, and Peru. Companies with operations in countries in an emerging market such as Zambia, DR Congo, and Peru may be particularly susceptible to disruptions in the capital markets and the reduced availability of credit or the increased cost of debt, which

could result in them experiencing financial difficulty. In addition, the availability of credit to entities operating within an emerging market such as Zambia, DR Congo, and Peru is significantly influenced by levels of investor confidence in such markets as a whole and so any factors that impact market confidence (for example, a decrease in credit ratings or state or central bank intervention) could affect the lost or availability of funding for entities within such market.

Changing economic, social, political and geopolitical conditions could materially and adversely impact our business and financial results. We have overseas operations in Zambia, DR Congo and Peru. Our business is therefore subject to constantly changing economic, social, political and geopolitical conditions in different countries.

Any uncertain economic or social conditions may adversely impact consumer demand for our products or cause our customers and other business partners to suffer financial hardship, which in turn could materially and adversely impact our business.

The political relationships between these countries may affect the prospects of our relationship with third parties, such as customers and suppliers. Any political tensions, import tariffs and trade frictions between these countries could adversely affect the costs and stability in supply of raw materials and the sales performance of our products. Any acts of terrorism or military conflicts can adversely affect the local economy and consumer sentiment, and may result in damage to our production facilities and inventory and casualties to our staff. As geopolitical risks continuously increase and structurally escalate, some of the jurisdictions in which we operate may fall under arms embargoes, or house persons designated on entity lists, under the sanctions programs administered by the U.S. Office of Foreign Assets Control, the European Union, or any other relevant sanctions authorities. Any failure in screening our counter-parties could potentially result in a non-compliance with the relevant sanctions programs.

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

Any of these risks may materially and adversely affect our business, prospects, financial condition and results of operations.

High rates of inflation in the overseas jurisdictions we operate in could have a material adverse effect on our business, financial condition and results of operations.

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

In general, inflationary pressures can exacerbate existing economic challenges, leading to higher operational costs and reduced profitability. The cost of labor, energy and tax imposed by local authorities, as well imported goods and services, may rise significantly in association with increased inflationary pressures, thereby impacting our ability to maintain competitive production costs in overseas jurisdictions. In addition, inflation can cause (i) increased interest rates, affecting our financing costs and capital expenditure plans; (ii) elevated compliance costs and wage pressures in accordance with local labor laws; (iii) higher costs for equipment and materials, impacting our capital expenditures and operational budgets; and (iv) currency inflation, affecting the value of our revenue and financial stability. There can be no assurance that we can successfully monitor inflation and implement cost-control measures to contain inflation, or that such strategies will be fully effective, and unforeseen inflationary events could adversely affect our operations in these jurisdictions.

Since we are unable to control the local labor costs and the market price at which we purchase our auxiliary materials, it is possible that significantly higher inflation in the future in such jurisdictions, without a concurrent devaluation of the local currency against USD or an increase in the prices of our products, could have a material adverse effect upon our business, financial condition and results of operations.

Risk of infectious diseases, underdeveloped healthcare and health epidemics in the overseas jurisdictions we operate in may adversely affect our ability to maintain a skilled workforce in these regions.

In jurisdictions such as Zambia and DR Congo where the healthcare infrastructure is less developed than other developed countries, we face greater challenges in preventing against contagious diseases, including but not limited to Ebola, yellow fever, African trypanosomiasis, monkeypox and malaria. An outbreak of such diseases or a public health emergency could have a substantial impact on our operations in terms of reduced productivity and increased medical and other costs. These health threats can impair the health of workers and negatively affect our operations and financial position as a result of workers' diminished focus or skill, absenteeism, treatment costs and allocated resources. Further, epidemics threaten people's lives and could materially and adversely affect their livelihood as well as their living and consumption patterns. The occurrence of an epidemic is beyond our control, and there is no assurance that the outbreak of any epidemics or pandemics will not happen. Any current or future medical program may not be successful in preventing or reducing the infection rate amongst our employees or in affecting consequent illness or mortality rates. We may incur significant costs in addressing these issues in the future and any epidemic or pandemic occurring in areas in which we operate, or even in areas in which we do not operate, could materially and adversely affect our business, financial condition and results of operations.

We face risks associated with our overseas operations.

We have overseas operations and investments such as in DR Congo, Zambia, and Peru. Our business, financial condition and results of operations are subject to risks and uncertainties relating to these overseas regions and countries, including but not limited to:

- exposure to risks associated with changes in international, regional and local economic, trade, financial and political conditions and regulatory policies;
- compliance with the requirements of applicable sanctions, anti-bribery and related laws and regulations;
- exposure to different legal standards and limitation on ability to enforce contracts in these overseas regions and countries;
- control of foreign exchange and fluctuations in foreign exchange rate;
- developments in labor law and increase in staff cost;
- failure to negotiate collective labor agreements on satisfactory terms with labor unions;
- restrictions or requirements relating to foreign investments;
- limitations on repatriation of earnings, including withholding and other taxes on remittances and other payments by subsidiaries;
- encumbrances on our foreign assets;
- failure to protect our reputation from negative publicity against us;
- limitation on ability of non-nationals to reside and work in these overseas regions and countries; and
- concerning DR Congo, restrictions on the shareholding of the local subsidiary. The mining code requires (i) 10% of the share capital of DR Congo subsidiary to be transferred to the State when it obtains a mineral exploitation permit (the "**Share Transfer Rule**"), (ii) an additional 5% of the share capital to be transferred to the State upon each renewal of the exploitation permit. According to the laws of DR Congo, the Mining Cadastre (the "**CAMI**") of DR Congo generally sends notifications to the holder of the mining permit requesting it to provide evidence of compliance with these restrictions. If the subsidiary concerned has received notification from the CAMI, failure to comply with these restrictions may result in (i) the direct cancellation of the operating permit and therefore affect the subsidiary's activities in the DR Congo in the event of non-compliance; and (ii)

CAMI may send our local subsidiary a notification requesting it to provide evidence of compliance with the Share Transfer Rule within a specified period (generally 45 days). Although CAMI's request is to provide evidence of compliance with the Share Transfer Rule, our local subsidiary may, following this notification, proceed to comply with the Share Transfer Rule. As advised by our legal advisors as to DR Congo laws, the second scenario is more likely to occur and the risk of receiving a direct cancellation notification from CAMI is low, given (a) the current government of the DR Congo's initiatives to improve the business investment environment, which may prompt it to adopt the second scenario to comply with the Share Transfer Rule; (b) the first scenario has not occurred in the past five years based on the experience of our legal advisors as to DR Congo laws; and (c) the transfer period has expired, and as of the Latest Practicable Date, CAMI had yet to notify our local subsidiary to revoke its operating permit.

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

We are exposed to the market forces in the copper and cobalt industry, including the current and expected supply and demand dynamics of copper and cobalt.

We are exposed to the market forces in the copper and cobalt industries, including the current and expected supply and demand dynamics of copper and cobalt, which are primarily based on resources availability, discovery of new mines, competitive landscape of the copper and cobalt industries, end market demands for products in which copper and cobalt are used, technological developments, government policies and global and regional economic conditions.

The current or expected supply of copper and cobalt may fluctuate, depending on resource availability in the copper and cobalt markets. The majority of copper and cobalt raw materials are produced by only a few suppliers. A number of companies in the copper and cobalt industries either self-explore raw materials and/or directly purchase and refine raw materials from suppliers. During the Track Record Period, we primarily purchased raw materials from a limited number of suppliers. In 2022, 2023, 2024 and the six months ended June 30, 2025, purchases from our five largest suppliers as a percentage of cost of sales showed an increasing trend, accounting for 25.1%, 37.6%, 57.8% and 62.1% of our cost of sales, respectively. As we are operating in a competitive landscape where copper and cobalt suppliers are focusing on new sources of copper and cobalt, there is no assurance that we may continue to be able to secure high-quality copper and cobalt at relatively competitive costs.

Meanwhile, our reliance on these major copper and cobalt raw material suppliers subjects us to the concentration risk from these suppliers. We cannot assure you that we will be able to maintain relationships with our major suppliers in the future. If any of these major suppliers decide to substantially reduce their supply or terminate their cooperation with us in the future, we may not be able to find alternative suppliers in a timely manner, or at all, in order to guarantee the supplies to our business operations. Besides, we cannot guarantee that our major suppliers will not experience any change in business scope or business model or will continue

to maintain their market position and reputation. Any material adverse change to the operation or financial condition of our major suppliers may have negative impacts on the quality of their products and services supplied to us, which may further affect our business operations and profitability. For instance, if our major suppliers cease to sell their products, or if the supply is disrupted or delayed due to natural disasters, geopolitical events, wars and major operational accidents, there can be no assurance that we will be able to find new suppliers with similar supply capacity on comparable commercial terms within a reasonable period of time, or at all.

We may also face increasing competition with new market entrants over time. In addition, the discovery and successful exploration of new copper and cobalt mines by new or existing competitors may also affect our business. For example, new copper and cobalt mines are being explored in DR Congo and could provide new or existing competitors with an additional source of copper and cobalt at competitive cost, which may affect the global copper and cobalt supply, the global prices of copper and cobalt and in turn our business. Should any of the aforementioned circumstances occur, our business, financial condition and results of operations maybe adversely affected.

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

During the Track Record Period, we derived our revenue primarily from the production and sales of copper cathodes and copper concentrates. In 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, revenue from our copper production and processing business accounted for 61.3%, 61.7%, 69.5%, 75.5% and 87.2%, respectively, of our total revenue in the corresponding years/periods. Our revenue generated from the trading of non-ferrous products accounted for 38.7%, 38.3%, 30.6%, 24.5% and 12.8%, respectively, of our total revenue during the same years/periods. Fluctuations of global and domestic prices of copper and cobalt are affected by a number of factors beyond our control, including, among others, (i) the strength or weakness of USD (the currency in which the copper and cobalt prices are generally quoted) and of other currencies; (ii) the demand of copper and cobalt, including the demand for copper and cobalt for various uses, primarily use in electrical applications, building construction, industrial machinery and renewable technologies; (iii) international or regional political and economic events or trends; (iv) investor confidence in copper and cobalt and their related business; (v) speculative trading activities in copper and cobalt; (vi) the overall level of forward sales by copper and cobalt companies; (vii) the overall cost of production of copper and cobalt; (viii) the global copper and cobalt supplies and demand forecasting; and (ix) inflation. There is no assurance that the prices of copper or cobalt will increase from or stay at the current level.

We primarily engaged in copper production and processing during the Track Record Period, and, to a lesser extent, we also engage in the trading of non-ferrous metals. We are subject to a number of risks brought by the decreases in copper and cobalt prices. For instance, if copper or cobalt prices fall near or below our costs to produce copper and cobalt products, we may experience losses and, should the copper and cobalt prices remain at such levels for

a sustained period, our revenue and profit would be materially and adversely affected. Moreover, declining commodity prices may impact our operations by requiring a reassessment of the feasibility of a particular project. Such a reassessment may be the result of a management decision or may be required under financing arrangements relating to a particular project. In addition, we cannot offset any increases in our production costs simply by adjusting the selling price of our copper products primarily because we determine the selling price of our copper products in accordance with the average LME Cash Settlement Price over quotation period. In response to the price changes, we may be forced to curtail or suspend some or all of our projects or operations or reduce operational expenditures in part or completely. Even if a particular project is ultimately determined to be commercially viable, the need to conduct such a reassessment may cause substantial delays or may interrupt operations until the reassessment can be completed and this may have a material adverse effect on our business, financial condition and results of operations.

In the event that the prices of copper and cobalt increase significantly, our customers may reduce the volume of their consumption or seek alternative products or commodities as a substitute for copper and cobalt, leading to reduced purchasing of our copper and cobalt products. Should any of the above circumstances occur, our business, financial condition and results of operations may be materially and adversely affected.

We may be exposed to customer concentration risk.

In 2022, 2023 and 2024 and the six months ended June 30, 2025, the sales to our largest customer accounted for 44.2%, 28.5%, 15.0% and 24.6% of our total revenue, respectively, while our five largest customers for the same years/periods accounted for 79.9%, 78.4%, 56.9% and 67.8% of our total revenue, respectively. Our major customers' stable relationship with us and consistent demands are crucial to our business. Their business conditions, liquidity and solvency may have a significant impact on our business dealings. Any disruption in our business relationship with major customers could have a material adverse effect on our business, financial condition and results of operations. While we do not rely on any of these major customers, in the event that the existing major customers reduce or cease to purchase our products and we may be unable to find new customers with similar level of demands at comparable terms within a reasonable period of time or at all, our business and profitability may be adversely affected.

A downturn in the global economy or disruptions to financial markets could materially and adversely affect our results of operations and business prospects.

The global economy and financial markets have experienced significant disruptions in recent years. Economic growth in many countries, particularly in the European Union member states, continues to be adversely affected. There is considerable uncertainty over the long-term effects of the expansionary monetary and fiscal policies adopted by the central banks and financial authorities of the world's leading economies. More recently, there have been concerns over the impact of the import tariffs imposed by the U.S. government, which have resulted in

significant market volatility. There have also been concerns about the economic effect of earthquakes and tsunamis in Japan. Any prolonged slowdown in the global economy would have a negative impact on our business, financial condition and results of operations.

A large portion of our copper products are sold to the PRC, and a decrease in demand for copper worldwide or in the PRC, or a decrease in import of copper by the PRC, could materially and adversely affect our business, financial condition and results of operations.

Worldwide demand for copper products is affected by a number of factors including global and regional supply and demand and the political, economic and other conditions of major copper producing countries that are beyond our control. We cannot provide any assurance that the demand for copper products throughout the world will not decrease in the future. A decrease in the worldwide demand for copper products may have material adverse effect on our business, financial condition and results of operations.

We sell a large portion of our copper cathodes into the PRC. As a large portion of our copper cathodes are exported to the PRC, a decrease in demand for copper cathode in the PRC may adversely affect the price of our products exported to the PRC and thus materially and adversely affect our business, financial condition and results of operations. In addition, if domestic production of copper cathodes in the PRC increases significantly in the future, the demand for imports of copper cathodes in the PRC might decrease accordingly even if the demand for copper cathodes in the PRC remains at the same level or increases which could materially and adversely affect our business, financial condition and results of operations.

Governmental import or export controls could materially and adversely affect our business, results of operations, financial condition and prospects.

Our raw materials and products may be subject to governmental import and export controls, including from the PRC and overseas. Governmental regulations on the import or export of our products, or our failure to obtain any required import or export authorization for our raw materials and products, if any, may harm our business and adversely affect our revenue. Compliance with applicable regulatory requirements regarding the export of our products may create delays in the introduction of our products in international markets or, in some cases, prevent the export of our products to some countries altogether. Furthermore, U.S. export control laws and economic sanctions prohibit the shipment of certain products and services to countries, governments and persons targeted by U.S. sanctions. The governments of DR Congo and Zambia have also imposed certain restrictions or requirements on the export of minerals. For example, the laws of DR Congo grant the Minister of Economy, the Minister of Mines and the Minister of Foreign Trade the power to prohibit the export of certain commercial mining products for purposes of policy compliance as defined by the DR Congo government. In a circular note issued by the Minister of Mines, the Minister of Foreign Trade and the Minister of Economy dated March 6, 2025, the Ministers suspended the export of commercial mining products, including the cobalt hydroxides, white alloys, cobalt carbonates, mixed copper-cobalt concentrates, for a period of four months, renewable after evaluation. The cobalt export ban was lifted on October 15, 2025, which was subsequently replaced by an export

quota system. The export quota system allows the export of up to 18,125 tons of cobalt for the rest of 2025, with annual caps of 96,600 tons in 2026 and 2027. It also allows all mining, industrial, or semi-industrial operators who do not benefit from quotas to apply for quotas by submitting a quota allocation request to the Strategic Mineral Substances Market Regulation and Control Authority ("**ARECOMS**"). In Zambia, all mineral exports require an export permit issued by the Ministry of Mines and Minerals Development through the Minerals Regulation Commission (the "**Commission**") under the Minerals Regulation Commission Act No. 14 of 2024 (the "**MRCA**"). Approval is required from the Commission under section 32 of the MRCA, which provides that a person shall not import or export a mineral, gemstone, ore or mineral product without a permit issued to that person by the Commission. Additional approval is required for the export of radioactive minerals. If we fail to comply with export and import regulations and such economic sanctions, we may be fined or subject to other penalties, including a denial of certain export privileges. Moreover, any new import or export restrictions, new legislation or shifting approaches in the enforcement or scope of existing regulations, could result in increased operating costs, or our decreased ability to export our products to existing or potential international customers, which could materially adversely affect our business, results of operations, financial condition and prospects.

Recent trade tensions, such as the ongoing U.S.-China trade dispute, have led to high tariffs, export controls and other restrictive measures. During the Track Record Period, we did not directly sell our products to any customers into the U.S. We cannot assure you that our customers will not engage in the export of their goods incorporating our products into the U.S. or other countries and regions, and that such export will not be subject to the restrictions introduced by the U.S. or other jurisdictions. If the export sales of the customers' end products are restricted, prohibited or made subject to any trade conditions under any international policies or international export controls or economic sanctions imposed by any jurisdictions, the customers' demand in our products may drop significantly and, as a result, our business, financial condition and results of operations may be materially and adversely affected.

We are subject to extensive environmental, chemical manufacturing, health and safety laws and regulations and production standards, and our compliance with these laws, regulations and standards may be onerous and costly.

Our current and future operations are subject to the extensive environmental risks inherent in the mining and processing industries, such as risks of accidental spills, leaks or overflows and discharges from tailing dams or other facilities or other unforeseen circumstances, which could subject us to considerable liability. One of the main environmental issues in the metal processing industry is waste water and tailings management. Waste water and tailings can contain substances that are potentially harmful to people and the environment, especially in large quantities. We may be subject to claims for injury to persons or damage to property and the environment resulting from waste disposal, improper waste management or other events, such as water or tailings residue being released or overflowing from our operations into the environment, particularly any discharge or overflow into rivers, and the

inappropriate and uncontrolled disposal of hazardous waste alongside domestic waste. We may accordingly receive environmental restoration orders from environmental protection agencies of the local governments that require cleanup efforts and/or cessation of operations pending guidance.

In addition, our operations involve handling and storage of hazardous chemicals and other dangerous materials. Accidents arising from the mishandling of dangerous materials may occur during our business operations. The occurrence of any of these risks and hazards could result in damage to or destruction of production facilities, personal injury, environmental damage, business interruption, suspension or revocation of operating permits, delay in production, increased production costs, monetary losses and possible legal liability (including compensatory claims, fines and penalties) to us, which could materially and adversely affect our business, financial condition and results of operations. See "Business — Compliance and Legal Proceedings" for our non-compliance incidents during the Track Record Period. Save for the non-compliance incidents disclosed in this document, we had complied with the relevant laws and regulations in all material aspects in the jurisdictions where we operate during the Track Record Period and up to the Latest Practicable Date. Furthermore, the Peruvian, Zambian and DR Congo governments may impose higher environmental protection standards in the future, which could increase our costs of compliance. In either event, the costs and liabilities associated with hazardous materials could have a material adverse effect on our business, financial condition and results of operations. We cannot assure you that we will not be subject to environmental non-compliance penalties in the future.

In DR Congo, non-governmental organizations are involved in identifying the environmental risks associated with metal processing. DR Congo government regularly works with non-governmental organizations to implement environmental policies. The work of these various non-governmental organizations complements the numerous environmental laws and regulations in DR Congo.

In Zambia, the Mines and Minerals Act No. 11 of 2015 (the "**Mines Act**") as amended by the Mines and Minerals Development (Amendment) Act, 2022 (the "**Amendment Act**"), requires holders of mining licences to make cash contributions to the Environmental Protection Fund (the "**EPF**"). The Mines and Minerals Act No. 11 of 2015 has been repealed by the Mineral Regulation Commission Act No. 14 of 2024. These contributions provide assurance to the Director of Mines Safety (the "**Director**") that licence holders shall comply with the conditions set forth under the licence (in particular, with regards environmental obligations). The EPF also provides protection to the Government of Zambia against the risk of having the obligation to rehabilitate a mining area where the holder of a mining licence fails to do so. In order to establish the rehabilitation cost estimate amount that is required to be contributed to the EPF by a mining rights holder, the Mines and Minerals (Environmental) Regulations Statutory Instrument No. 29 of 1997 of the Laws of Zambia ("**SI 29**"), provides in Regulation 8 that an audit report on the impact of the environment of any exploration or mining operation should be prepared by two independent competent persons. The first audit should be conducted within 15 months of commissioning such exploration or mining operations.

Once the audit is completed, the audit report must be submitted to the Director for evaluation. The Director shall, in accordance with Regulation 8 and 66 of SI 29, inform the licence holder of any modifications to the report. Once the report is approved, the amount to be contributed to the EPF is locked in, and the applicant is required to make cash contributions to the EPF as directed by the Director, with the unpaid balance secured by way of bank guarantee. The Director may direct a mining rights holder to conduct subsequent audits in respect of a mining rights area, in which case the amount to be contributed to the EPF can be subsequently adjusted. The Director shall inform the developer of the category in which the prospecting, exploration or mining operation shall fall and the contribution to the Fund, we are currently classified under category 3 which is the highest category under SI 29.

Failure to obtain a bank guarantee may result in the Director changing the conditions of obtaining the bank guarantee to a self-guarantee, where the institution will be required to make their own remissions of the guaranteed sum, terms of payment may be agreed between ourselves and the Director. As of the Latest Practicable Date, as advised by our legal advisors as to Zambian laws and based on the clearance letter issued by the Mining Cadastre Department (now the Minerals Regulation Commission), we had complied with the Mines Act and the Amendment Act in all material aspects.

The costs associated with compliance with these laws and regulations are substantial and no assurance can be given that new rules and regulations will not be applied in a manner which could limit or curtail our smelting, mineral processing or production. Amendments to current laws and regulations governing mining, smelting, mineral processing or production could have a material adverse effect on our business, financial condition and results of operations.

Moreover, we cannot assure you that we will be able to comply with all relevant laws and regulations that are adopted or amended in the future. Failure to comply with, or any change or difference in the interpretation or enforcement policy of, such laws and regulations, or the occurrence of any unanticipated effects from our operations, in particular those relating to environmental, health and safety issues, could subject us to punitive governmental measures, including forced suspension or closure of operations or revocation of our licenses of operating activities, which may have a material adverse effect on our business, financial condition and results of operations. We are also required to comply with the laws, regulations and conditions which govern our mineral processing licenses, breach of which could ultimately result in termination of these rights. A violation of environmental laws as well as health and safety laws relating to operating facilities, or failure to comply with the instructions of the relevant health, safety or environmental authorities, could lead to, among other things, a temporary shutdown of all or a portion of the relevant facility; a loss of the right to operate the relevant facility; the imposition of costly compliance procedures and fines; or serious reputational damage to us.

Our production businesses are subject to operational and transportation-related risks, occupational and environmental hazards, production difficulties and other risks, which could damage our reputation, subject us to liability claims and result in substantial costs.

Our production businesses are subject to various risks, including operational and transportation-related risks and occupational and environmental hazards. We may experience various types of operational difficulties in connection with the production of our copper-related and cobalt-related products. Some of our raw materials and chemicals are hazardous and their storage and use in the production process involve inherent risks. Accidents could materially affect our production and may give rise to personal injuries and environmental hazards. At present, our production business are subject to a relatively high operational and transportation-related risks and occupational and environmental hazards.

Our operations may also be subject to production difficulties such as capacity constraints, mechanical and systems failures, construction and upgrade delays and delays in the delivery of machinery, any of which could cause suspension of production and reduced output. Scheduled and unscheduled maintenance programs may also affect our production output. Any significant manufacturing disruption could adversely affect our ability to produce and sell cobalt-related and copper-related products, which could have a material adverse effect on our business, financial condition and results of operations.

As part of our production operations, we engage in certain inherently risky and hazardous activities, including, among other things, use of heavy machinery and handling of hazardous chemicals. As a result, we are subject to risks associated with these activities, including, among other things, geological catastrophes, toxic gas and liquid leakages, equipment failures, industrial accidents, fires, explosions and underground water leakages. These risks and hazards have in some cases resulted in personal injuries and fatalities, damage to or destruction of properties or production facilities, and pollution and other environmental damages. Any of these consequences, if significant, could result in business interruption, legal liability and damage to our reputation and corporate image. In addition, we may be subject to claims resulting from subsequent use by the customers or other third parties of the facilities and the products we produce.

Failure to achieve our production estimates could have a material adverse effect on our business, financial condition and results of operations.

Estimates of future production for our smelting and mineral processing operations are subject to changes and are based on, among other things, assumptions regarding ground conditions and physical characteristics of ores, utilization of production facilities, costs of production and conditions of the industry and general economy. Actual production figures from our smelting and mineral processing operations may vary from estimates for a variety of reasons, including risks and hazards of the types discussed elsewhere in this document, and as set out below:

- actual ore varying from estimates in grade, tonnage, and metallurgical and other characteristics;
- unusual or unexpected geological conditions;
- mining dilution;
- lower than estimated recovery rate;
- industrial accidents;
- equipment failures;
- severe weather conditions and natural disasters;
- changes in power costs and potential power shortages;
- shortages of principal supplies needed for operation, including but not limited to copper ores, explosives, fuels, sulfuric acid and equipment parts; and
- restrictions imposed by government authorities.

Such occurrences could result in damage to mineral properties, mines or processing facilities, interruptions in production, injury or death to persons, damage to our property or the property of others, monetary losses and legal liabilities. These factors may cause an operation that has been profitable in the past to become unprofitable. Estimates of production from mines or processing facilities not yet in production or from operations that are to be expanded are based on similar factors (including, in some instances, feasibility studies prepared by our personnel and/or external consultants), but it is possible that actual cash operating costs and economic returns will differ significantly from those currently estimated. We cannot assure you that we will achieve our production estimates. Our failure to achieve our production estimates could have a material and adverse effect on our business, financial condition and results of operations.

The major capital expenditure projects under our expansion program may not be completed within the expected time frame and budget, or at all, and may not achieve the intended economic results. Our expenditure may not be fully recovered.

We intend to invest in projects at our existing operations to increase our production efficiency, as well as to expand and develop our processing capacities. We are also currently in the process of making significant capital expenditures in connection with the expansion of our operations. Capital expenditure projects we plan to undertake encompass Zambia copper smelter improvement project, DR Congo copper smelter I improvement project, and DR Congo copper smelter II project. We typically conduct feasibility studies to determine whether to undertake significant construction projects. Actual results may differ significantly from those anticipated by our feasibility studies.

Our capital expenditure projects may also be delayed or adversely affected by a variety of factors, including the failure to obtain the necessary regulatory approvals or sufficient funding, construction difficulties, technical difficulties and manpower or other resource constraints. In particular, any disruptions, uncertainty or volatility in the capital and credit markets may limit our ability to obtain financing to meet our funding requirements and we may postpone certain construction projects if our Directors determine that doing so would be in the interest of our Group after taking into consideration the current market conditions, our financial performance and other relevant factors. Costs of these projects may also exceed our planned investment budget. Even if we are able to complete the projects without any delay and within our budget, as a consequence of changes in market circumstances or other factors, we may not achieve the intended economic benefits of these projects. As a consequence of any delay in completing our capital expenditure projects, cost overruns, changes in market circumstances or other factors, the intended economic benefits from these capital expenditure projects may not materialize, and our business, financial condition and results of operations may be materially and adversely affected.

Our production expansion plan in DR Congo may result in fluctuations in our profitability, which may affect our financial condition and results of operations.

During the Track Record Period, the production costs in DR Congo were higher than those in Zambia, resulting in a slight decrease in our gross profit margin from 24.4% in the six months ended June 30, 2024 to 23.1% in the six months ended June 30, 2025. This was primarily due to DR Congo's higher price levels, stronger financial capacity, higher logistics costs, heavier tax burden, as well as higher raw material costs resulting from higher ore grades compared to Zambia. See "Financial Information — Period to Period Comparison of Results of Operations — Six Months Ended June 30, 2025 Compared to Six Months Ended June 30, 2024 — Gross Profit and Gross Profit Margin" for more details. As we plan to expand our processing capability in DR Congo, we expect revenue from copper cathodes produced in DR Congo will continue to increase and account for a larger proportion of our total revenue in the future, which may impact our overall profit margin.

Any adjustments to our production capability layout may result in fluctuations in our profitability. We cannot guarantee that our business adjustments will be consistently successful, and that we will continue to sustain our gross profit margins and profitability levels in the future.

We may not achieve optimal results in future acquisitions or may encounter difficulties in integrating and developing the acquired assets or businesses successfully.

As part of our expansion plan, we plan to pursue strategic acquisitions of suitable upstream copper and cobalt hydrometallurgical resources or facilities, focusing on opportunities in Africa, South America and the PRC. We do not have specific timetables for these plans and we cannot be certain that we will be able to identify additional suitable acquisition candidates available for sale at reasonable prices to consummate any acquisition. We may encounter intense competition during the expansion process and we may fail to select or value targets appropriately. In addition, we must receive various governmental and regulatory approvals and/or permits in order to develop new reserves, which approval may not be forthcoming.

Further, acquisitions may involve a number of risks, undisclosed issues or legal liabilities. For example, future acquisitions may expose us to potential risks such as failure to integrate any acquired business into our operations successfully; diversion of management attention from our existing business; potential loss of our key employees or the key employees of any business that we acquire; unanticipated changes in business, industry or general economic conditions that affect the assumptions underlying the acquisition; and decline in the value of acquired assets, companies or assets. These and other risks related to acquiring, integrating and operating acquired assets and companies could cause us not to realize the benefits anticipated to result from the acquisition of assets or companies, and could have a material adverse effect on our ability to grow and on our business, financial condition and results of operations.

We purchase raw materials and commodities from third parties and the unavailability or increase in price of such raw materials and commodities could materially and adversely affect our business, financial condition and results of operations.

We currently purchase raw materials, especially copper ores from a number of local suppliers in DR Congo and Zambia for our copper smelting and processing operations, and purchase certain commodities involving agents in connection with our non-ferrous metal trading business in Peru. The increasing demand for copper cathodes globally is fueled by the expansion of the electrical industry, new energy sectors and renewable energy and infrastructure projects. To meet the growing demands of copper cathodes, availability of raw materials and supplies, such as copper ores, has from time to time, over the past several years, been in short supply and could come into deficiency again if the overall industry demands continue to scale up in the future. The occurrence of natural disasters can lead to the disruption of the production by our suppliers and result in a shortage of some of the above raw materials. Any shortage in the supply of such raw materials could drive up their prices and cause interruptions in production, which could adversely affect our results of operations. If we are

unable to purchase sufficient amounts of key raw materials such as copper ores or commodities from third parties, or the grade of available copper ores decreases, the overall profitability of our copper smelting and processing operations in DR Congo and Zambia and our non-ferrous metal trading business in Peru would be materially and adversely affected. Furthermore, we have limited control over the availability and prices of key raw materials that we may purchase from our suppliers and we are vulnerable to the risk that our suppliers may be unable to supply key raw materials to meet our demand, which could materially and adversely affect our business, financial condition and results of operations. See "Business — Suppliers and Contractors — Use of Trading Agents in Peru" for details.

An increase in our production costs including costs of raw materials and auxiliary materials and wages could materially and adversely affect our business, financial condition and results of operations.

Changes in our production costs have a major impact on our profitability. Our main production expenses are cost of raw materials and auxiliary materials, salaries and overheads. Changes in costs of our smelting and processing operations can occur as a result of unforeseen events, and could result in changes in profitability or reserve estimates. Many of these changes may be beyond our control. We cannot assure you that our production costs will not increase in the future, which could materially and adversely affect our business, financial condition and results of operations.

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

In addition to copper and cobalt raw materials, we depend on the supply of energy, power and raw materials such as water and chemicals in order to maintain our production processes. Our production volume and production costs are dependent on our ability to source such materials at acceptable prices and maintain a stable supply. The prices for these raw materials are subject to price volatility attributable to a number of factors which may be beyond our control, including inflation, supplier capacity constraints, general economic conditions, commodity price fluctuations, demand from other industries for the same materials, the availability of complementary and substitute materials, and local and national regulatory requirements. Furthermore, there can be no assurance that shortages of energy or water will not occur in the future or that we will be able to pass on any cost increases in raw materials, energy or water to our customers. Significant fluctuations in such costs may have a material effect on our profitability if we are unable to adjust the prices of our products accordingly, and may also harm our competitive advantage with respect to the affected products. In particular, increases in energy and raw material prices that we are unable to pass onto our consumers will reduce our profit margins. Moreover, if the supply of such materials is affected by natural disasters, adverse weather conditions, suppliers' equipment failures, disruptions in transport or other inclement factors, we may not be able to locate alternative sources of supply in sufficient quantities, of suitable quality and/or at acceptable prices. Any such events may have a material adverse effect on our business, financial condition and results of operations.

Failure to maintain an effective quality control system could have a material adverse effect on our business, financial condition and results of operations.

As the quality of our products is critical to the success of our businesses, we must maintain an effective quality control system for our production and other operational activities. For example, our quality control system has been certified to ISO 9001:2015 standard. However, the effectiveness of our quality control system depends significantly on a number of factors, including the design of the system and the related training programs, as well as our ability to ensure that our employees adhere to our quality control policies and guidelines.

Any failure or deterioration of our quality control system could result in defects in our products, which in turn may subject us to contractual, product liability and other claims. Any such claims, regardless of whether they are ultimately successful, could cause us to incur significant costs, harm our business reputation and result in significant disruption to our operations. Furthermore, if any such claims were ultimately successful, we could be required to pay substantial monetary damages or penalties, which could have a material adverse effect on our businesses, financial condition, results of operations and reputation.

We may experience a shortage of reliable and adequate inland or seaborne transport capacity for our raw materials. Any disruption in transportation of our raw materials or any material increase in transportation costs could have a material adverse effect on our business, financial condition and results of operations.

We use roadway transportation for raw materials purchased locally. We have not experienced any roadway transportation or shipping disruptions that had a material adverse effect on our business, financial condition and results of operations. However, we cannot assure you that we will not experience any material delay in transporting our raw materials as a result of insufficient road and sea capacity in the future. Furthermore, natural disasters may cause interruption to the transportation system which could in turn affect the transportation of our raw materials. If we are unable to secure the required transportation capacity on terms and conditions acceptable to us or at all, our business, financial condition and results of operations could be materially and adversely affected.

Non-ferrous metal markets are highly competitive and we face competition from international and PRC competitors.

We face increasing competition from both PRC and international copper producers. For details, see "Industry Overview — Competitive Landscape of Global Copper Cathode Market Overview." Our major competitors comprise of both PRC and international copper and non-ferrous metals producers. Our competitors may have certain advantages, including greater financial, technical and raw materials resources, greater economies of scale, more well-known brand names and more established relationships in certain markets. As a result, these competitors may be able to devote extensive resources to the discovery of new assets in connection with copper production and acquire new raw material suppliers. Competition could also have an adverse impact on the demand for, and pricing of, our copper products, which in

turn affects our business and financial condition. There can be no assurance that we will be able to continue to compete effectively or maintain or further improve our market position compared to our major competitors. If we fail to compete effectively, the intensive industry competition may have a material adverse effect on our business, financial condition and results of operations.

We may not be able to obtain sufficient funding for our ongoing operations, existing and future capital expenditure requirements, acquisition and investment plans and other funding requirements on acceptable terms, or at all, which could limit our ability to develop our business.

Smelting and processing of mineral resources is capital intensive. To fund our current and future operations, capital expenditure requirements, acquisition and investment plans and other funding requirements, we need sufficient internal sources of liquidity or access to financing from external sources. We currently fund our capital expenditures with bank and other borrowings and cash flow from our operating activities. Our future liquidity, payment of trade and other payables and repayment of our outstanding debt obligations as and when they become due will primarily depend on our ability to maintain adequate cash inflows from our operating activities and adequate external financing. Our ability to generate adequate cash inflows from operating activities may be affected by decreasing sales or downward movements in prices for copper products. Our ability to obtain external financing in the future is subject to a variety of uncertainties, including: our future financial condition, results of operations and cash flows, the condition of the global and domestic financial markets, changes in bank interest rates and lending practices and conditions, ability to renew or refinance our existing short-term bank loans or secure additional external financing, and, after the [**REDACTED**] we may not be able to continue obtaining bank loans increasing the cost of our future borrowings. The occurrence of any of these events may cause us not to have sufficient cash flow to fund our operating costs and, in that event, our business, financial condition and results of operations may be materially and adversely affected.

Further, the disruptions, uncertainty or volatility in the capital and credit markets resulting from the global financial crisis which have resulted in tighter lending policies may limit our ability to obtain financing to meet our funding requirements. If adequate funding is not available to us on favorable terms, in time, or at all, it could materially and adversely affect our ability to fund our existing operations, or develop or expand our business. Additionally, if we decide to raise additional funds through the incurrence of debt, our interest and debt repayment obligations will increase, and we may be subject to additional covenants, which could limit our ability to access cash flows from operations. If we decide to raise additional funds through the issuance of our Shares or other securities, the interests of our Shareholders may be substantially diluted.

We may experience delays in receiving progress payments and trade receivables from our customers, which could materially and adversely affect our cash flow and working capital, our business, financial condition and results of operations.

We may receive progress payments from our customers on a delayed basis from time to time. Delays for progress payments and final payments may result in a large amount of trade receivables and may affect our cash flow. In 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, our trade receivables turnover days (being the sum of trade receivables at amortized costs and FVTPL at the beginning of the period and trade receivables at the end of the period, divided by two, and then divided by revenue and multiplied by the numbers of days for the period) were 26 days, 19 days, 6 days, 17 days and 7 days, respectively. As of June 30, 2025, our trade receivables amounted to RMB41.9 million, which accounted for 4.4% of our total revenue during the six months ended June 30, 2025. In the event that we encounter delays or default in the payments of our trade receivables or progress payments by customers, we may be required to obtain additional working capital to continue with our daily operations. We cannot assure you that the trade receivables or progress payments will be remitted to us by our customers on a timely basis or that delays or default in payment will not materially and adversely affect our business, financial condition and results of operations.

We recorded net current liabilities as of December 31, 2022, 2023 and 2024 and we cannot assure you that we will not record the same in the future.

As of December 31, 2022, 2023 and 2024, we recorded net current liabilities of RMB24.3 million, RMB176.0 million and RMB84.3 million, respectively. See "Financial Information — Net Current Liabilities" for details of our net current liabilities during the Track Record Period. The net current liabilities position would expose us to liquidity risk which could restrict our ability to make necessary capital expenditures or explore business opportunities, and our business, results of operations and financial condition could be materially and adversely affected. There can be no assurance that we will not have net current liabilities in the future. We cannot assure you that we will always be able to raise necessary funding to finance our current liabilities and other debt obligations. Our ability to arrange financing and the cost of such financing are both dependent on the macroeconomic conditions, capital and debt market conditions, lending policies of banks, among other factors. In the event we are unable to obtain adequate financing to meet our working capital requirements, we may be forced to delay, adjust, reduce or even abandon our business strategies. Our business, prospects and financial condition may be materially and adversely affected if our cash flow and capital resources are insufficient to finance our debt obligations.

Fluctuations in currencies could materially and adversely affect our business, financial condition and results of operations.

The exchange of RMB against a basket of foreign currencies, including USD, fluctuates and is affected by, among other things, changes in international political and economic conditions as well as supply and demand in local market. There is no assurance that, under a certain exchange rate, we will possess sufficient foreign exchange to meet our foreign

exchange requirements and obligations. It is difficult to predict how market forces or government policies may impact the exchange rate between RMB and USD or other currencies in the future. We are exposed to foreign currency risk when conducting sales and purchases in currency other than the functional currencies and are also subject to exchange rate exposures arising from foreign currency borrowings. During the Track Record Period, we had certain financial assets/liabilities, intercompany receivables/payables, input VAT receivables and tax payables denominated in USD, RMB, SGD, ZMW, CDF and SOL, which exposed us to foreign currency risks. See Note 31 in the Accountants' Report set out in Appendix I to this document for further details.

As a substantial portion of our revenue derived from overseas markets during the Track Record Period and our overseas sales were primarily settled in USD, any appreciation or depreciation of USD against RMB, ZMK or other currencies of the countries where we operate may result in fluctuations in the value of USD amount, which may adversely affect our financial condition and results of operations. For instance, we recorded a foreign exchange loss of RMB19.6 million and RMB1.5 million in 2023 and 2024, primarily due to the significant depreciation of ZMK-denominated input VAT receivables against USD in the corresponding years. As we expect that USD, RMB, ZMW, CDF and SOL will continue to be used in our business in the foreseeable future, any fluctuation in exchange rates could materially and adversely affect our business, financial condition and results of operations.

Any termination of, or changes to, the government grants that we enjoy could adversely affect our profitability.

In 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, we received government grants of RMB4.6 million, RMB0.9 million, RMB0.3 million, RMB13.0 thousand and RMB0.3 million, respectively. We cannot assure you that we will continue to receive such government grants at the same level or at all, in which case our business, financial condition and results of operation may be materially and adversely affected. In addition, in the ordinary course of our business, we are subject to complex income tax and other tax regulations, and significant judgment is required in the determination of a provision for income taxes. As such, the tax authorities in jurisdictions we operate in may successfully challenge our position and may require us to pay taxes, interest on such taxes, and/or penalties in excess of our tax provisions. The discontinuation of financial incentives available to us may materially and adversely affect our financial condition and results of operations.

Our business, financial condition and results of operations may be materially and adversely affected by labor disputes, labor conflicts and disruptions.

We did not experience any material work stoppages, strikes or other major labor problems in the Track Record Period. However, there is no assurance that any of such events will not arise in the future. If our employees were to engage in a strike or other work stoppage, we could experience significant disruption to our operations and/or incur higher on-going labor costs, which may have an adverse effect on our businesses and results of operations.

As of June 30, 2025, we had 901 full-time employees. Our employees in the PRC and Zambia are currently represented by labor unions. In addition, employees of some of our suppliers or customers may become unionized in the future or experience labor instability and we may not be able to predict the outcome of any future labor negotiations. Any conflicts between us and our employees' labor unions, or between our suppliers or customers and their respective unions, could have an adverse effect on our financial condition and results of operations. Labor costs in regions where we operate have been increasing in recent years and could continue to increase in the future. If labor costs in these regions continue to increase, our production costs will increase. We may not be able to fully pass on these increased costs to customers by increasing the selling prices of our products in light of competitive pressure in the markets where we operate. In such circumstances, our profit margin may decrease, which could have an adverse effect on our results of operations.

Our business depends substantially on the continuing efforts of our executive officers and our ability to attract, retain and train key qualified technical personnel, key senior management and other personnel for our operations.

Our business depends substantially on the continued services of our executive officers and, to a significant extent, on our ability to attract, train and retain qualified technical personnel, particularly those with expertise in copper mining and production. There can be no assurance that we will be able to attract or retain qualified technical personnel. If one or more of our executive officers or key employees are unable or unwilling to continue their service with us, we might not be able to replace them with persons with equivalent expertise and experience within a reasonable period of time or at all. If any of our executive officers or key employees joins a competitor or forms a competing company, we may lose customers, suppliers, know-how and key personnel and staff members. As a result, our business may be severely disrupted, our business, financial condition and results of operations may be materially and adversely affected, and we may incur additional expenses to recruit, train and retain personnel. Furthermore, local supply of highly skilled personnel for copper smelting and processing operations in Zambia and DR Congo is relatively limited. As our business has grown and is expected to continue to grow rapidly, our ability to train and integrate new employees into our operations may not meet the growing demands of our business.

Our operations are exposed to safety risks and the occurrence of industrial accidents.

Our operations are subject to risks related to workplace safety, including damage to, or destruction of, production equipment and facilities, or operational accidents, and could also result in personal injury, death, performance delays, monetary losses and legal liability. There can be no assurance that serious accidents or fatalities will not occur in the future. If we fail to prevent serious accidents or fatalities, we will be held liable for damages arising out of or in connection with such incidents or facilities, which could have a material adverse effect on our results of operations, business, financial condition and prospects.

We may be subject to adverse publicity which could materially and adversely affect our reputation and our business, financial condition and results of operations.

As an established brand, our image is sensitive to the public's perception of us as a business in entirety, which includes not only the quality of our products, but also our corporate management and culture. We cannot guarantee that no one will, intentionally or incidentally, disseminate information about us, including the quality of our products, our internal management matters and negative information for management, that may result in negative perception of us by the public. Although we had promptly taken clarification or rectification measures when we faced negative publicity in the past, we cannot assure you that such measures will always be effective in the future. In addition, as our Non-H Shares are quoted on NEEQ, our Company and member of our management or employees are under the supervision of securities regulatory bodies. Any negative publicity about our Company, Directors, employees, spokespersons or products, regardless of nature or veracity, could lead to potential loss of customers or investors' confidence or difficulty in retaining or recruiting talents that are essential to our business operations. As a result, our business, financial condition, results of operations, reputation and prospects may be materially and adversely affected.

We may be involved in legal or other proceedings arising out of our operations, including product liability claims, from time to time and may face significant liabilities as a result.

From time to time, we may be involved in claims, disputes and legal proceedings in our ordinary course of business. These may concern issues relating to, among others, property ownership, health and safety accidents, environmental matters, breach of contract, employment or labor disputes and infringement of intellectual property rights. For instance, in Zambia, we had been involved in a legal proceeding initiated by a third party challenging our title to a parcel of land due to historical ownership issues. As of the Latest Practicable Date, we were not involved in any litigations and legal proceedings in DR Congo, Zambia, Singapore and the PRC that may materially affect our business and results of operations. If we are found liable on any of the claims, we would have to incur a charge against our current earnings to the extent that a reserve had not been established for the matter in our accounts, or to the extent the claims were not sufficiently covered by our insurance coverage. Claims brought by us against our customers may include claims for additional costs incurred in excess of current contract provisions arising out of delays and changes in the initial scope of work. Both claims brought against us and by us, if not resolved through negotiation, are often subject to lengthy and expensive litigation or arbitration proceedings. Amounts ultimately realized from our customers or other claims by us could differ materially from the balances included in our financial statements, resulting in a charge against earnings to the extent profit has already been accrued on a project or other contract. Charges associated with claims brought against us and write-downs associated with claims brought by us could have a material adverse impact on our businesses, financial condition, results of operations and cash flow. Moreover, legal proceedings resulting in judgments or findings against us may harm our reputation and damage our prospects to secure contracts in the future.

We may be unable to obtain, retain or renew governmental concessions, permits, authorizations, licenses and other approvals required in connection with our operations.

We are required under applicable laws and regulations to seek governmental concessions, permits, authorizations, mineral processing licenses and other approvals, including in connection with our operating, producing, trading and development activities. For more details, see "Business" and "Regulatory Overview." Obtaining, retaining or renewing the necessary governmental concessions, permits, authorizations, licenses or approvals can be a complex and time-consuming process and may involve substantial costs or the imposition of unfavorable conditions. There can be considerable delay in obtaining the necessary permits and other authorizations and, in certain cases, the relevant government agency may be unable to issue a permit or other authorization which is required in a timely manner.

In addition, the duration and success of license applications are contingent on many factors that are beyond our control (including pressure from local communities, non-governmental organizations or media). Certain of the concessions, permits, authorizations, licenses or approvals held by us in respect of our smelting and mineral processing operations and production and export activities may be terminated under certain circumstances, which include the following: (i) failure to comply with any of the material, general or special license conditions (including provision of regular reports and the taking out of appropriate insurance, payment of surface rights and compliance with social obligations for mining titles in DR Congo) or gain an extension to the time period required for compliance with such conditions; (ii) minimum expenditure levels or minimum work commitments are not achieved by us (or a corresponding penalty is not paid to the appropriate state authority); (iii) environmental, health and safety standards are not met; (iv) operating in the licensed areas in a manner that violates the laws of Zambia and DR Congo; (v) failure to provide information required or requested by authorities; and (vi) liquidation of the immediate license holder. If we are unable to continue to comply with such laws and regulations, our licenses and permits may be restricted, revoked, or canceled and we may be subject to penalty. Our operational income derived from such licenses or permits may also be forfeited. To the extent that these laws, regulations and legal requirements are evolving, additional licenses and permits may be required or we may be required to adjust our activities in order to comply with such regulations and in doing so, may incur substantial costs.

Failure to obtain or renew a necessary concession, permit, authorization, license or approval or termination by any relevant governmental authority of any one or more of our concessions, permits, authorizations, licenses, property rights or approvals could result in us being unable to proceed with the development or continued operation of our facility or project which, in turn, may have a material adverse effect on our business, financial condition and results of operations.

Our business depends on our ability to protect our intellectual property rights, and we may be exposed to intellectual property infringement and other claims by third parties, which, if successful, could cause us to pay significant damage awards and incur other costs.

We rely primarily on a combination of our patents, trademarks, copyrights and employee and third-party confidentiality agreements to protect our intellectual property rights. As of the Latest Practicable Date, we had 30 registered patents, 31 copyrights and 12 trademarks in the PRC, all of which are material to our business. As of the same date, we were not aware of any material violation or infringement of our patents, trademarks, copyrights and other intellectual property rights. However, we cannot assure you that infringement of our intellectual property rights by other parties does not exist now or will not occur in the future. To protect our intellectual property rights and maintain our competitive advantage, we may engage in legal proceedings against parties who we believe are infringing upon our intellectual property rights. Legal proceedings are often costly and may divert management attention and other resources away from our business. In certain situations, we may have to initiate legal proceedings in foreign jurisdictions, in which case we are subject to additional risks as to the result of the proceedings and the amount of damages that we can recover. In addition, we have no insurance coverage against litigation costs and will have to bear all costs arising from such litigations to the extent that we are unable to recover from other parties.

Our success also depends on our ability to use, develop and protect our technology and know-how without infringing the intellectual property rights of third parties. We cannot assure you that we will not be subject to claims of infringement upon the intellectual property rights of third parties. The validity and scope of any potential claims relating to our production technology and know-how involve complex scientific, legal and factual questions and analysis and, therefore, may be highly uncertain. The defense and prosecution of intellectual property suits, patent opposition proceedings and related legal and administrative proceedings can be both costly and time consuming and may significantly divert the efforts and resources of our technical and management personnel. An adverse determination in any such litigation or proceedings to which we are a party may subject us to significant liability to third parties, require us to seek licenses from third parties, pay ongoing royalties, or redesign our products or subject us to injunctions prohibiting the manufacture and sale of our products or the use of our technologies. Protracted litigation may also result in our customers or potential customers deferring or limiting their purchase of our products until resolution of such litigations.

We face risks related to natural disaster, terrorist activities, political unrest, financial or economic crisis and other force majeure events, which could significantly disrupt our operations.

Our business is subject to general and social conditions. Natural disasters, acts of war and terrorism, riots, political regime change after the elections and other disasters that are beyond our control could materially and adversely affect the economy, infrastructure and livelihoods of the people of Zambia, DR Congo or elsewhere. If any of these natural disasters happens in the regions where we operate, our operations may be disrupted and as a result, our business,

financial condition and results of operations may be materially and adversely affected. In addition, acts of war and terrorism may cause damage or disruption to us or our employees, facilities, markets, suppliers or customers, any of which may have a material adverse effect on our business, financial condition and results of operations or our [**REDACTED**]. Potential riots, war or terrorist attacks may also cause uncertainty and cause our business to suffer in ways that we cannot currently predict.

We are subject to various risks relating to third-party payment arrangements.

During the Track Record Period, two of our customers (the "**Relevant Customer(s)**") based in the PRC within the same group settled their outstanding payments to us through a third party payer (such payer(s), the "**Third-party Payer(s)** and such arrangement(s), the "**Third-Party Arrangements**"), which is these customers' parent company. The aggregate amount that was settled through third party was insignificant. However, third-party payments may subject us to various legal risks, including: (i) possible claims for return of funds from the third-party payor who was not contractually indebted to us; (ii) potential risks arising from the fact that we have limited knowledge about the source and purpose of the funds utilized by the third-party payor, such as possible money laundering risks; and (iii) possible claims from liquidators of the third-party payor. Any such claim, prosecution or investigation against us may cost us significant time and financial and managerial resources and may materially and adversely affect our business, financial condition, reputation, results of operations and prospects.

Our operations may be subject to transfer pricing adjustments by competent authorities.

Our operations may be subject to transfer pricing adjustments by competent authorities. We have certain intercompany transactions that may be subject to audit or challenge by the relevant tax authorities. During the Track Record Period, our subsidiaries have engaged in the following types of intra-group transactions, namely (i) purchases and sales of mineral products; (ii) purchases and sales of equipment and material; (iii) service provisions and (iv) financing arrangements. For more details, see "Business — Transfer Pricing Arrangements." As such, we could face adverse tax consequences if the relevant tax authorities determine that some of our intra-group transactions do not represent arm's length negotiations and consequently adjust any of those entities' income in the form of a transfer pricing adjustment. A transfer pricing adjustment could, among other things, increase our tax liabilities. If we fail to rectify such incident within the limited timeframe required by the relevant tax authorities, the relevant tax authorities may impose late payment interest or surcharge and other penalties on us for any unpaid taxes. In addition, a transfer pricing arrangement may give rise to tax recoverable under double taxation relief arrangement (if applicable) in certain jurisdictions as a result of tax adjustments. There is no assurance that we could successfully recover the tax recoverable from the relevant tax authorities. Our business, financial condition and results of operation may therefore be materially and adversely affected.

Further, we expect that the intra-group transactions will continue in the foreseeable future and we will determine transfer pricing arrangements that we believe to be the same as that transacted with unrelated third parties on an arms' length basis. However, there is no assurance that tax authorities would share the same view, or such transfer pricing laws and regulations will not be modified. In the event that an authority of any relevant jurisdiction determines that such intercompany transactions were not on an arm's length basis that affect taxable income, such authority could require our relevant subsidiaries to re-determine the transfer prices and thereby adjust revenue, deduct costs and expenses or adjust taxable income of the relevant subsidiary in order to accurately reflect the taxable income. Any such adjustment could result in higher overall tax liability for us, which may adversely affect our business, financial condition and results of operations.

We could be adversely affected as a result of any transactions we enter into to certain countries that are, or become subject to, sanctions administered by the U.S., the European Union, the United Kingdom, the United Nations, Australia and other relevant sanctions authorities.

The U.S. and other jurisdictions or organisations, including the European Union, the United Kingdom, the United Nations and Australia, have, through executive order, passing of legislation or other governmental means, implemented measures that impose economic sanctions against such countries or against targeted industry sectors, groups of companies or persons, and/or organisations within such countries.

Jinxun DR Congo sold certain copper cathode to our Singapore subsidiary internally during the Track Record Period. DR Congo is subject to limited sets of targeted sanctions, with certain sanctioned entities located in such country, however, it is not a country that is subject to territorial broad base sanctions (i.e., not a Comprehensively Sanctioned Country). Transactions with sanctioned entities located in DR Congo or export of export controlled products to such country could expose us to sanctions risks. On the basis that (i) these transactions involving DR Congo did not involve any exports or transactions of any items subject to the EAR to DR Congo; and (ii) our counterparties in DR Congo were not to any sanctioned entities, we are advised by our legal advisor as to International Sanctions, our activities with DR Congo did not represent a violation of the International Sanctions.

Sanctions laws and regulations are constantly evolving, and new persons and entities are regularly added to the list of Sanctioned Persons. Further, new requirements or restrictions could come into effect which might increase the scrutiny on our business or result in one or more of our business activities being deemed to have violated sanctions. We cannot provide any assurance that our future business will be free of sanctions risk or our business will conform to the expectations and requirements of the authorities of the U.S. or any other jurisdictions. Our business and reputation could be adversely affected if the authorities of the U.S., European Union, the United Kingdom, the United Nations, Australia or any other jurisdictions were to determine that any of our future activities constitutes a violation of the sanctions they impose or provides a basis for a sanctions designation of us.

RISKS RELATING TO DOING BUSINESS IN THE PRC

Changes in the economic conditions, as well as the interpretation and implementation of the relevant laws, rules and regulations, may affect our business, prospects, results of operations, financial condition, and cash flows.

A portion of our assets are located in the PRC and a portion of our revenue is derived from our business in the PRC. Accordingly, our business, financial condition, results of operations and prospects are, to a certain extent, subject to economic, political and legal developments in the PRC.

In recent years, the PRC Government has implemented measures emphasizing the utilisation of market forces in economic reform and the establishment of sound corporate governance practices in business enterprises. These economic reform measures may be adjusted or modified, or applied inconsistently. If the business environment in the PRC changes, our business in the PRC may also be certainly affected.

Failure to comply with the PRC labor laws and regulations in relation to social insurance and housing fund contributions for our employees could subject us to fines and other legal or administrative sanctions.

We are required to contribute to a number of social insurance funds, including funds for pension insurance, unemployment insurance, basic medical insurance, work-related injury insurance, maternity insurance and housing provident fund on behalf of our employees in the PRC.

According to the Regulation on the Administration of Housing Provident Funds (《住房公積金管理條例》), which was promulgated by the State Council and became effective on April 3, 1999 and latest amended on March 24, 2019, we are required to set up housing provident fund accounts (住房公積金賬戶) and pay the housing provident fund on time and in full for our employees. According to the PRC Social Insurance Law (《中華人民共和國社會保險法》), which was promulgated by the Standing Committee of the National People's Congress on October 28, 2010 and became effective on July 1, 2011 and amended on December 29, 2018, a PRC enterprise is required to obtain social insurance certificates (社會保險登記證) for its employees and to pay the social insurance contributions on time and in full. There is no assurance that our historical and current practice with respect to the contribution of social insurance plans will be deemed in full compliance with relevant PRC laws and regulations by PRC government authorities. In the event of any such non-compliance, we may be required by the relevant PRC authority to pay the amount of unpaid social insurance within a prescribed time limit and may be subject to an overdue charge of 0.05% of the delayed payment per day. If we fail to do so within the period as required by the local social insurance authorities, we may be subject to a penalty of up to three times of the amount of social insurance premiums payable, and the relevant authorities may apply to a PRC court for an order to enforce the payment. Pursuant to relevant PRC laws and regulations, if we fail to pay the full amount of

housing provident fund within as required, the relevant authorities may order us to make the outstanding payment within a prescribed time limit. If we fail to do so within such prescribed time limit, the relevant authorities may apply to a PRC court for compulsory enforcement.

During the Track Record Period, the Company and our PRC subsidiaries did not fully contribute to social insurance and housing provident funds for their employees. The shortfall in social insurance contributions for the years/periods 2022, 2023, 2024 and the six months ended June 30, 2025 amounted to RMB3.0 million, RMB2.2 million, RMB3.5 million and RMB1.9 million respectively. Correspondingly, the shortfall in housing provident fund contributions for the same periods were RMB0.8 million, RMB0.8 million, RMB1.0 million and RMB0.5 million. Pursuant to the aforementioned regulations, the maximum potential penalty for the shortfall in social insurance contributions is the penalty of up to three times of the amount of social insurance premiums payable, totaling RMB28.2 million. In addition, the maximum potential penalty for the shortfall in housing provident fund contributions is the compulsory enforcement of the shortfalls applied by the PRC court. Considering that (i) as of the Latest Practicable Date, our Directors confirm that we had not received any notice from any regulatory authority with respect to potential administrative penalties or enforcement actions as a result of our failure to fully contribute to social insurance and housing provident funds for our employees; (ii) we have obtained confirmations from the relevant local government authorities, which, as confirmed by our PRC Legal Advisors, have the authority and are competent to provide such confirmations, stating that no administrative penalties had been imposed on the Company and our PRC subsidiaries with respect to social insurance and housing provident funds during the Track Record Period; (iii) our Directors confirm that we will promptly make up the underpaid social insurance and housing provident funds in accordance with the requirements of the relevant authorities in the future; (iv) Mr. Yuan confirms that he will undertake the relevant joint liability to make up the social insurance and housing provident funds, and bear all possible losses caused to us, including any late fees and fines, our PRC Legal Advisors are of the view that the risk that the relevant government authorities would impose on us administrative penalties for our historical underpayment to the social insurance and housing provident funds is remote if we rectify our historical underpayment within a prescribed period upon our receipt of notice from the relevant local government authorities.

According to the Interpretation (II) of the Supreme People's Court on Issues Concerning the Application of Law in the Trial of Labor Dispute Cases《最高人民法院關於審理勞動爭議案件適用法律問題的解釋(二)》 (promulgated by the Supreme People's Court on July 31, 2025, and came into effect on September 1, 2025, hereinafter "Labor Law Interpretation II"), any agreement between an employer and an employee, or any commitment by an employee to an employer, which stipulates that there is no need to pay social insurance premiums, shall be deemed invalid by the people's court. Considering that: (i) the shortfall and penalties for unpaid social insurance and housing provident fund contributions during the Track Record Period would not be exacerbated by Labor Law Interpretation II; (ii) as of the Latest Practicable Date, there is no such agreement between us and our employees to not pay social

insurance; and (iii) as of the Latest Practicable Date, we did not experience any material disputes with our employees, we understand that such promulgation of Labor Law Interpretation II would not have a material adverse effect on our business and financial performance.

According to the Labor Law of the PRC (《中華人民共和國勞動法》), which was promulgated by the Standing Committee of the National People's Congress on July 5, 1994 and became effective on January 1, 1995 and was latest amended on December 29, 2018, we are required to maintain a system of daily working hours for each worker not in excess of eight hours and average weekly working hours not in excess of 44 hours. In addition, according to the Provisions of the State Council on the Working Hours of Employees (《國務院關於職工工作時間的規定》), which was promulgated by the State Council on February 3, 1994 and became effective on March 1, 1994 and was amended on May 1, 1995, the weekly working hours of an employee shall last 40 hours. However, according to the Notice on Issuing the Measures for the Examination and Approval of Flexible Working Hours Arrangement and Comprehensive Working Hours Scheme Adopted by Enterprises (《關於企業實行不定時工作制和綜合計算工時工作制的審批辦法》), which was promulgated by the Ministry of Labor on December 14, 1994 and became effective on January 1, 1995, enterprises that are not in a position to maintain a system of daily and weekly working hours under the Labor Law of the PRC due to particularities of their production may adopt a flexible working hours arrangement or comprehensive working hours scheme and other measures for work and rest. Local measures for work and rest such as flexible work hours work systems or comprehensive work hours work systems shall be formulated by the labor administration department of the various provinces, and filed with the labor administration department of the State Council. Should any of our subsidiaries adopt a flexible working hours arrangement in the future, we cannot assure you that such arrangement will be deemed to have complied with the relevant regulations, or that the relevant labor administrative departments will not deem the excess working hours as overtime working hours, and thus order our relevant subsidiaries to pay our employees overtime wages, which will lead to an increase in our labor costs.

In addition to the above, if we fail to comply with any other relevant PRC labor laws and regulations, we may be exposed to penalties or be required to pay damages to employees. For example, if any of our PRC subsidiaries engaging in manufacturing fails to comply with the relevant laws on prevention and treatment of occupational diseases, then such subsidiary may be subject to fines and other administrative penalties, and any employees who are deemed to suffer from occupational diseases may have also rights to seek compensation from us. Compliance with the relevant PRC labor laws and regulations could substantially increase our labor costs. Increases in our labor costs and future disputes with our employees could adversely affect our business, results of operations, financial condition and prospects. In particular, an increase in labor costs in the PRC could increase our production costs in the future and we might not be able to pass these increases on to our consumers due to competitive pricing pressure.

We may be required to pay administrative fines for our failure to register some of our lease agreements with housing administration authorities.

As of the Latest Practicable Date, we had not completed the administrative filings of the lease agreement relating to 12 properties we leased for business and employee dormitory purposes. According to applicable PRC laws and regulations, the lessor and the lessee of a lease agreement are required to file the lease agreement with relevant governmental authorities within 30 days after the execution of the lease agreement. If the filing is not made, the governmental authorities may require that the filing be made within a stated period of time, failing which they may impose a fine ranging from RMB1,000 to RMB10,000 for each agreement that has not been properly filed. As registration of the lease agreement will require the cooperation of the landlord, we cannot assure you that we can complete the registration of such lease agreement in a timely manner or at all. If we fail to complete the administrative filings within the period required by the relevant governmental authorities and the relevant authorities determine that we shall be liable for failing to complete the administrative filings of all the relevant lease agreements, we may be subject to a fine of up to RMB120,000 or such other fine which may be determined for each unregistered lease agreement by relevant government authorities. As of the Latest Practicable Date, we had not been subject to any penalties arising from the non-registration of lease agreements.

However, we cannot assure you that we would not be subject to any penalties and/or requests from the relevant governmental authorities to fulfill the registration requirements, which may increase our costs in the future.

Changes in international trade policies, and in relationships between the PRC and other countries, may adversely impact our business and operating results.

Unfavorable government policies related to international trade, including capital controls or tariffs, or changes in diplomatic relations between the PRC and foreign countries or regions, have the potential to impact the sales of our products in international markets. These factors may also influence the import or export of raw materials essential to our international expansion efforts. The implementation of new tariffs, changes in legislation and regulations, or the renegotiation of existing trade agreements could result in a certain effect on our business, prospects, results of operations, financial condition, and cash flows.

Government regulation of currency conversion could certainly affect our business, financial condition and results of operations.

Current foreign exchange laws and regulations in the PRC permit domestic enterprises in the PRC to carry out their current account foreign exchange transactions, including dividend distributions, without obtaining the SAFE's prior approvals, by complying with certain procedural requirements. However, foreign exchange transactions for capital account purposes, including direct overseas investment and various international loans, may require the prior approval or registration with the SAFE. We cannot assure you that the PRC government will

not regulate access in the future to foreign currencies for current account transactions. If our trading partners in the PRC may not be able to fund their overseas purchases of our products and this could certainly affect our business, financial condition and results of operations.

Our operations are subject to PRC tax laws and regulations.

We are subject to periodic examinations on the fulfillment of our tax obligation under the PRC tax laws and regulations by PRC tax authorities. Although we believe that in the past, we have acted in compliance with the requirements under the relevant PRC tax laws and regulations in all material aspects and established effective internal control measures in relation to accounting regularities, we cannot assure you that future examinations by PRC tax authorities would not result in fines, other penalties or actions that could materially and adversely affect our business, prospects, results of operations, financial condition, and cash flows.

Holders of H Shares may be subject to PRC income taxes.

Non-PRC resident individual or non-PRC resident enterprise holders of H Shares, whose names appear on the register of members of H Shares of our Company, are subject to PRC income tax in accordance with the applicable tax laws and regulations, on dividends received from us and gains realized through the sale or transfer by other means of H shares by such shareholders.

According to the Individual Income Tax Law of the PRC (《中華人民共和國個人所得税法》) and the Implementation Regulations for the Individual Income Tax Law of the PRC (《中華人民共和國個人所得税法實施條例》), both came into effect on January 1, 2019, the tax applicable to non-PRC resident individuals is proportionate at a rate of 20% for any dividends obtained from within the PRC or gains on transfer of shares and shall be withheld and paid by the withholding agent. Pursuant to the Arrangement between the Mainland and the Hong Kong Special Administrative Region (the "**Hong Kong SAR**") for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (《內地和香港特別行政區關於對所得避免雙重徵税和防止偷漏税的安排》) (the "**Double Taxation Arrangements**") executed on August 21, 2006, the PRC Government may levy taxes on the dividends paid by PRC companies to Hong Kong residents in accordance with the PRC laws, but the levied tax (in the case the beneficial owner of the dividends are not companies directly holding at least 25% of the equity interest in the company paying the dividends) shall not exceed 10% of the total dividends.

According to the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得税法》), which was revised and implemented on December 29, 2018, and the Implementation Regulations for the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得税法實施條例》), which was latest revised and implemented on January 20, 2025, if a non-resident enterprise has no presence or establishment within the PRC, or if it has established a presence or establishment but the income obtained has no actual connection with such presence or establishment, it shall pay an enterprise income tax on its income derived from within the PRC

with a reduced rate of 10%. Pursuant to the Double Taxation Arrangements, dividends paid by PRC resident enterprises to Hong Kong residents can be taxed either in Hong Kong or in accordance with the PRC laws. However, if the beneficial owner of the dividends is a Hong Kong resident, the tax charged shall not exceed: (i) 5% of the total amount of dividends if the Hong Kong resident is a company that directly owns at least 25% of the capital of the PRC resident enterprise paying dividends; or (ii) otherwise, 10% of the total amount of dividends.

Considering the foregoing, non-PRC resident holders of our H Shares should be aware that they may be obligated to pay PRC income tax on the dividends and gains realized through sales or transfers by other means of the H Shares.

Investors may experience difficulties in effecting service of legal process and enforcing judgments against us, our Directors and senior management in the PRC.

We conduct a significant portion of our operations in Africa and South America and a significant portion of our non-current assets are located in Africa and South America. In addition, most of our Directors and senior management reside outside Hong Kong, and most of their assets are located outside Hong Kong. As a result, it may be difficult or impossible for you to effect service of process within Hong Kong upon these individuals, or to bring an action against us or against these individuals in Hong Kong in the event that you believe your rights have been infringed under the Hong Kong laws or otherwise. Even if you are successful in bringing an action of this kind, the laws of the various countries in which we have operations may make it difficult for you to enforce a judgment against our assets or the assets of our Directors and senior management. Further, in practice, courts hearing foreign judgments relating to assets in DR Congo that are to be enforced in DR Congo will be subject to long delays such that it will be impossible for investors to estimate the time necessary to obtain enforcement of foreign judgments in DR Congo.

Under Zambian law, the Foreign Judgments (Reciprocal Enforcement), Chapter 76 of the Laws of Zambia (the "**Foreign Judgments Act**"), a foreign judgment can only be enforced in Zambia if it is registered pursuant to a statutory order that has been made pursuant to section 3 of the Foreign Judgment Act. In this regard:

(a) the President of Zambia is empowered by law to make an order extending the enforcement of the judgment of courts in jurisdictions that accord to reciprocity of treatment and in which, the foreign judgment to be enforced, emanates from; and

(b) currently, orders have only been made in respect of Gilbert and Ellice Islands, British Solomon Islands and Her Britannic Majesty's dominions. However, a judgment obtained from a court outside of Zambia may be enforced in Zambia under common law by commencing an action founded on that judgment as a cause of action in Zambian court.

Therefore, a judgment obtained from a court outside of Zambia will only be registrable and enforceable if a Presidential Order has been obtained in respect of the jurisdiction from which the judgment was obtained. In the case of judgments obtained from the courts of England and Russia no such Presidential Order exists.

We however note that Zambia is a signatory to the New York Convention. Subject to compliance with the New York Convention and the Arbitration Act no 19 of 2000, the Zambian courts will register an arbitral award without re-examination or re-litigation of the merits of the case, thereby allowing enforcement of the arbitral award.

All of our executive Directors and senior management reside within the PRC, and a portion of our company's assets and part of the assets of those persons are located within the PRC. It may be uncertain for investors to effect service of process upon us or those persons inside the PRC or to enforce against us or them in the PRC any judgments obtained from non-PRC courts.

A judgment of a court of another jurisdiction may only be reciprocally recognized or enforced if the jurisdiction has a treaty with the PRC or if the judgment complies with the principle of reciprocity and do not violate the basic principles of the PRC laws, national sovereignty, security, social interests and public interests, subject to the satisfaction of other requirements. On January 25, 2024, the Supreme People's Court issued the Arrangement on Mutual Recognition and Enforcement of Judgments in Civil and Commercial Matters by Courts of the Mainland and of the Hong Kong Special Administrative Region (關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排) (the "**Arrangement**"), which was implemented on January 29, 2024. Under the Arrangement, any relevant party may apply to the relevant PRC court or Hong Kong court for recognition and enforcement of a final court judgment in civil and commercial cases subject to the conditions set forth in the Arrangement. Although the Arrangement has come into effect, uncertainties remain as to the outcome and effectiveness of any action brought under the Arrangement. The recognition and enforcement of foreign judgments are provided under the PRC Civil Procedures Law. Courts in the PRC may recognize and enforce foreign judgments in accordance with the requirements of the PRC Civil Procedures Law on basis of either (i) the treaties between the PRC and the country where the judgment is made or (ii) on principles of reciprocity between jurisdictions. In addition, according to the PRC Civil Procedures Law, the courts in the PRC will not enforce a foreign judgment against us or our Directors and officers if they decide that the judgment violates the basic principles of PRC law or national sovereignty, security or public interest. As a result, in case of violation of the above principles, there is no assurance that a judgment rendered by a court outside the PRC would be recognized and enforced in a court in the PRC.

RISKS RELATING TO THE [REDACTED]

There has been no prior public market for our H Shares and an active trading market for our H Shares may not develop. Market performance of our Shares on the NEEQ may not be indicative of our H Shares.

No public market currently exists for our H Shares. The initial [**REDACTED**] for our H Shares to the public will be the result of negotiations between our Company and the Joint Representatives (on behalf of themselves and the [**REDACTED**]), and the [**REDACTED**] may differ significantly from the market price of the H Shares following the [**REDACTED**]. We have applied to the Hong Kong Stock Exchange for the [**REDACTED**] of, and permission to deal in, the H Shares. A [**REDACTED**] on the Hong Kong Stock Exchange, however, does not guarantee that an active and liquid trading market for our H Shares will develop, or if it does develop, that it will be sustained following the [**REDACTED**], or that the market price of the H Shares will rise following the [**REDACTED**].

Our Shares are currently quoted on NEEQ. The market performance of Shares on NEEQ may not be indicative of the performance of our H Shares after the [**REDACTED**] due to different characteristics of the PRC capital markets and the Hong Kong capital market. You should therefore not place undue reliance on our prior trading history on the NEEQ when evaluating an investment in our Shares.

We have been, and will continue to be, substantially influenced by our Controlling Shareholders, whose interests may differ from those of other Shareholders.

Immediately after completion of the [**REDACTED**] (without taking into account any Shares which may be issued pursuant to the exercise of the [**REDACTED**]), Mr. Yuan will, directly or through Heli Investment, own in aggregate approximately [**REDACTED**]% of our issued share capital, and will continue to be our ultimate Controlling Shareholders pursuant to the Listing Rules.

Accordingly, Mr. Yuan, being our ultimate Controlling Shareholder, will for the foreseeable future through his voting power at Shareholders' meetings and through the persons he appoint to our Board, be able to exercise influence over our operations and business strategy, such as matters related to composition of our Board of Directors, selection of our senior management, amount and timing of dividends and other distributions, formulation and implementation of our business expansion plans as well as other strategic and investment decisions, issuance of securities and adjustment to our capital structure, amendment to the Articles of Association, and other corporate actions requiring approval of our Shareholders, including merger, consolidation or sale of our assets, or any other change of control event that may benefit our other Shareholders generally.

The interests of Mr. Yuan may not be the same as, and may conflict with, those of our public Shareholders. See the sections headed "Relationship with Our Controlling Shareholders" in this document for further information. We cannot assure you that Mr. Yuan will not in the future acquire interests in companies or businesses which compete with us. Mr. Yuan may take direct or indirect actions, including exercising his influence over us as our Controlling Shareholder, to favor himself or his associates that are detrimental to our interests and those of our public Shareholders. If this occurs, it may have an adverse effect on the value of your investment and/or the interests of our public Shareholders.

The market price and trading volume of our H Shares may be volatile, which could result in substantial losses for investors who purchase our H Shares in the [REDACTED].

The market price and trading volume of our H Shares may be highly volatile. Several factors beyond our control such as variations in our revenue, earnings and cash flow, strategic alliances, the addition or departure of key personnel, litigation, the removal of the restrictions on H share transactions or volatility in market prices and changes in demand for our products may cause significant and sudden changes to the market price and trading volume of our H Shares. Furthermore, the market price of our H Shares could also decline as a result of future sales of a substantial number of our H Shares or other securities relating to our H Shares in the public market, or the issuance of new shares or other securities, or the perception that such sales or issuances may occur. New shares or share-linked securities issued by our Company may also confer rights and privileges that take priority over those conferred by the H Shares. The Stock Exchange and other securities markets have, from time to time, experienced significant price and trading volume volatility that are not related to the operating performance of any particular company. This volatility may also materially and adversely affect the market price of our H Shares.

Volatility in the global financial markets could cause significant fluctuations in the price of our H Shares.

Financial markets around the world have been experiencing heightened volatility and turmoil since 2008 and may still be vulnerable if the global economy deteriorates again. Upon the Listing, the price and trading of our H Shares will likely be exposed to the similar market fluctuations and risk which are irrelevant to our operating performance or prospects. Factors that may significantly impact the volatility of our stock price include:

- developments in our business or in the financial sector generally, including the effect of direct governmental actions in the financial markets;
- the operating and share price performance of companies that investors consider to be comparable to us;
- announcements of strategic developments, acquisitions and other material events by us or our competitors; and

- changes in global financial markets, global economies and general market conditions, such as interest or foreign exchange rates as well as stock and commodity valuations and volatility.

Given the potential market fluctuations described above, the price of our H Shares may decline significantly, and you may incur losses on your investments.

Future issuances or sales, or perceived possible issuances or sales, of substantial amounts of our H Shares in the public market could materially and adversely affect the prevailing market price of the H Shares and our ability to raise capital in the future.

Sales of our H Shares in the public markets after the [**REDACTED**], or the perception that these sales may occur, could adversely affect market prices prevailing from time to time. For more information on the restrictions that may apply to future sales of our H Shares, see "[**REDACTED**] — [**REDACTED**] Arrangements and Expenses". After any of these restrictions lapse, the market price of our H Shares may decline as a result of future sales of substantial amounts of our H Shares or other securities relating to our H Shares in the public market, the issuance of new H Shares or other securities relating to our H Shares, or the perception that such sales or issuances may occur. This could also materially and adversely affect our ability to raise capital in the future at a time and at a price acceptable to us and have a material adverse effect on our business, financial condition and results of operations.

Purchasers of our H Shares will experience immediate dilution and may experience further dilution if we issue additional H Shares in the future.

The [**REDACTED**] of the H Shares is higher than the net tangible asset value per Share immediately prior to the [**REDACTED**]. Therefore, purchasers of our H Shares in the [**REDACTED**] will experience a substantial immediate dilution. There can be no assurance that if we were to immediately liquidate after the [**REDACTED**], any assets will be distributed to Shareholders after the creditors' claims. To expand our business, we may consider offering and issuing additional H Shares in the future. Purchasers of the H Shares may experience dilution in the net tangible asset value per Share of their H Shares if we issue additional H Shares in the future at a price which is lower than the net tangible asset value per Share at that time.

The market price of our H Shares when trading begins could be lower than the [REDACTED] as a result of, among other things, adverse market conditions or other adverse developments that could occur between the [REDACTED] Date and the time trading begins.

The initial price of our H Shares sold in the [**REDACTED**] is expected to be determined on the [**REDACTED**] Date. However, the H Shares will not commence trading on the Stock Exchange until they are delivered, which is expected to be on a later date than the [**REDACTED**] Date. As a result, investors may not be able to sell or otherwise deal in the H

Shares during that period. Accordingly, H Shareholders are subject to the risk that the price of the H Shares could be lower than the [**REDACTED**] when trading begins as a result of adverse market conditions or adverse developments that may occur between the time of sale and the time of initial trading.

There is no assurance whether and when we will pay dividends, which is subject to restrictions under PRC law.

We declared and paid dividends during the Track Record Period. Under the applicable PRC laws, the payment of dividends may be subject to limitations. See "Financial Information — Dividends" for details of our distribution of dividends during the Track Record Period and the relevant laws and regulations regarding declaration and payment of dividends of our Company. The calculation of our profit under applicable accounting standards differs in certain respects from the calculation under IFRS Accounting Standards. As a result, we may not be able to pay a dividend in a given year even if we were profitable as determined under IFRS Accounting Standards. Our Board and Shareholders' meeting may declare dividends in the future after taking into account our results of operations, financial condition, cash requirements and availability and other factors as it may be deemed relevant at such time. Any declaration and payment as well as the amount of dividends will be subject to our constitutional documents and the PRC laws and regulations. No dividend shall be declared or payable except out of our profits and reserves lawfully available for distribution.

An investment in the H Shares is subject to risks relating to taxation.

The tax rules and their interpretation relating to an investment in us may change during our life. The levels of, and reliefs from, taxation may also change. The tax reliefs referred to in this document are those currently available and their value depends on the individual circumstances of the investors. Any change in our tax status or the tax applicable to holding H Shares or in taxation legislation or its interpretation, could affect the value of investments held by us, affect our ability to provide returns to H Shareholders and/or alter the post-tax returns to H Shareholders. Statements in this document concerning the taxation of us and our investors are based upon current tax law and practice which is subject to change.

You should read this entire document carefully and should not consider or rely on any particular statements in published media reports without carefully considering the risks and other information contained in this document.

We strongly caution you not to rely on any information contained in press articles or other media regarding us and the [**REDACTED**]. Prior to the publication of this document, there has been press and media coverage regarding us and the [**REDACTED**]. Such press and media coverage may include references to certain information that does not appear in this document, including certain operating and financial information and projections, valuations and other information. We have not authorized the disclosure of any such information in the press or media and do not accept any responsibility for any such press or media coverage or the accuracy or completeness of any such information or publication. We make no representation

as to the appropriateness, accuracy, completeness or reliability of any such information or publication. To the extent that any such information is inconsistent or conflicts with the information contained in this document, we disclaim responsibility for it and you should not rely on such information.

Forward-looking information in this document is subject to risks and uncertainties.

This document contains certain forward-looking statements and information relating to us that are based on the beliefs of our management as well as assumptions made by and information currently available to our management. When used in this document, the words "aim," "anticipate," "believe," "can," "continue," "could," "estimate," "expect," "going forward," "intend," "ought to," "may," "might," "plan," "potential," "predict," "project," "seek," "should," "will," "would" and similar expressions, as they relate to us or our business, are intended to identify forward-looking statements. Such statements reflect the current views of our management with respect to future events, business operations, liquidity and capital resources, some of which may not materialize or may change. These statements are subject to certain risks, uncertainties and assumptions, including the other risk factors as described in this document. Should one or more of these risks or uncertainties materialize, or if any of the underlying assumptions prove incorrect, actual results may diverge significantly from the forward-looking statements in this document. Whether actual results will conform to our expectations and predictions is subject to a number of risks and uncertainties, many of which are beyond our control, and reflect future business decisions that are subject to change. In light of these and other uncertainties, the inclusion of forward-looking statements in this document should not be regarded as representations that our plans or objectives will be achieved, and investors should not place undue reliance on such forward-looking statements. All forward looking statements contained in this document are qualified by reference to the cautionary statements set out in this section. Subject to the ongoing disclosure obligations of the Listing Rules or other requirements of the Stock Exchange, we do not intend publicly to update or otherwise revise the forward-looking statements in this document, whether as a result of new information, future events or otherwise.

In preparation for the [**REDACTED**], our Group has sought the following waiver from strict compliance with the relevant provisions of the Listing Rules:

MANAGEMENT PRESENCE IN HONG KONG

Pursuant to Rules 8.12 and 19A.15 of the Listing Rules, an issuer must have sufficient management presence in Hong Kong and, in normal circumstances, at least two of the issuer's executive directors must be ordinarily resident in Hong Kong.

Since our operations are primarily based and conducted in the PRC and multiple countries, and all of our executive Directors primarily reside in the PRC, we do not, and for the foreseeable future will not, have executive Directors who are ordinarily resident in Hong Kong. Our Group's management headquarter and senior management are primarily located in the PRC while our business operations and assets are primarily conducted and located in multiple countries, and it would be practically difficult and commercially unnecessary for us to relocate two of our executive Directors to Hong Kong, or to appoint additional executive Directors solely for the purpose of satisfying Rules 8.12 and 19A.15 of the Listing Rules.

Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange [has granted] us, a waiver from compliance with Rules 8.12 and 19A.15 of the Listing Rules subject to, among others, the following conditions:

(a) pursuant to Rule 3.05 of the Listing Rules, we have appointed two authorized representatives, Ms. Yuan Mei (袁梅), our executive Director and secretary of our Board, and Ms. Wan Wing Yi Carol (温詠宜), our company secretary, who will act as our Company's principal channel of communication with the Stock Exchange. Ms. Wan is ordinarily resident in Hong Kong. Although Ms. Yuan resides in the PRC, she possesses valid travel documents and is able to renew such travel documents when they expire to travel to Hong Kong. Each of our authorized representatives will be available to meet with the Stock Exchange in Hong Kong within a reasonable time frame upon the request of the Stock Exchange and will be readily contactable by telephone, facsimile and/or email (where available). Each of our authorized representatives is authorized to communicate on our behalf with the Stock Exchange. Our Company has been registered as a non-Hong Kong company under Part 16 of the Companies Ordinance and Ms. Wan Wing Yi Carol (温詠宜) has also been authorized to accept service of legal process and notices in Hong Kong on behalf of our Company;

(b) both of our authorized representatives have means to contact all our Directors (including our independent non-executive Directors) promptly at all times as and when the Stock Exchange wishes to contact our Directors for any matters. Our Directors who are not ordinarily resident in Hong Kong possess or can apply for valid travel documents to visit Hong Kong and will be able to meet with the Stock Exchange within a reasonable period of time, when required. Each of our Directors

has provided his/her respective mobile phone numbers, office phone numbers, fax numbers and/or email addresses (where available) to our authorized representatives. In the event that a Director expects to travel, he/she will endeavor to provide the phone number of the place of his/her accommodation to our authorized representatives or maintain an open line of communication via his/her mobile phone. Each of our Directors and authorized representatives has provided his/her mobile phone numbers, office phone numbers, fax numbers and/or email addresses (where available) to the Stock Exchange;

(c) pursuant to Rule 3A.19 of the Listing Rules, we have appointed Quam Capital Limited as our compliance advisor, which shall have access at all times to our authorized representatives, Directors, senior management and other officers of our Company, and will act as an additional channel of communication between the Stock Exchange and us; and

(d) meetings between the Stock Exchange and our Directors could be arranged through our authorized representatives or the Compliance Advisor, or directly with our Directors within a reasonable time frame. We will promptly inform the Stock Exchange of any changes of our authorized representatives and/or the Compliance Advisor.

[REDACTED]

[**REDACTED**]

[REDACTED]

[**REDACTED**]

[REDACTED]

DIRECTORS

Name	Address	Nationality
Executive Directors		
Mr. Yuan Rong (袁榮)	Room 2403, 24/F, Unit 1, Block 6 Dingyi Tianjing Community No. 754 Xuefu Road, Kunming Yunnan Province PRC	Chinese
Ms. Yuan Mei (袁梅)	Room 402, Block 10 Xinyu Shengjing Garden No. 268 Kaike Road Wuhua District, Kunming Yunnan Province PRC	Chinese
Mr. Yang Yongchang (羊永昌)	Room 2-402, Block 3 Xuefu Renjia District No. 747 Xuefu Road Wuhua District, Kunming Yunnan Province PRC	Chinese
Independent non-executive Directors		
Ms. Zheng Dongyu (鄭冬渝)	502, Unit 3, Block 5 Staff Residential Community Yunnan University No. 343 Longquan Road Kunming Yunnan Province PRC	Chinese

Mr. Xia Hongying (夏洪應)	Room 302, Block 3 Rongjin Garden No. 68 Jiaoyi Road Wuhua District, Kunming Yunnan Province PRC	Chinese
Mr. Wong Hok Bun Mario (黃學斌)	Room A, 11/F Honiton Building No. 8 Honiton Road Hong Kong	Chinese

See "Directors and Senior Management" in this document for further details of our Directors.

PARTIES INVOLVED IN THE [REDACTED]

Sole Sponsor, [REDACTED]	**Huatai Financial Holdings (Hong Kong) Limited** 62/F, The Center 99 Queen's Road Central Hong Kong
[REDACTED]	**Huatai Financial Holdings (Hong Kong) Limited** 62/F, The Center 99 Queen's Road Central Hong Kong **CLSA Limited** 18/F, One Pacific Place 88 Queensway Hong Kong
Legal advisors to our Company	*As to Hong Kong and United States laws:* **Sidley Austin** Level 39, Two International Finance Centre 8 Finance Street Central Hong Kong *As to PRC laws:* **JunHe LLP** 20/F China Resources Building 8 Jianguomenbei Avenue Beijing PRC *As to DR Congo law:* **Bennani & Associés RDC SAS** 76 Avenue de la Justice Sixth Floor Kinshasa/Gombe DR Congo

As to Zambian law:

Chibesakunda & Co
CCO House, Stand No. 2374
Kelvin Siwale Road
P.O. Box 30279, Lusaka
Zambia

As to Peruvian laws:

Estudio Muñiz Sociedad Civil de Responsabilidad Limitada
Las Begonias 475
6th Floor
San Isidro
Lima, Peru

As to Singaporean laws:

Shook Lin & Bok LLP
1 Robinson Road
#18-00 AIA Tower
Singapore 048542

As to International Sanctions laws:

Hogan Lovells International LLP
11th Floor, One Pacific Place
88 Queensway
Hong Kong

Legal advisors to the Sole Sponsor and the [REDACTED]

As to Hong Kong laws:

Han Kun Law Offices LLP
Rooms 4301-10
43/F., Gloucester Tower
The Landmark
15 Queen's Road Central
Hong Kong

	As to PRC laws: **Han Kun Law Offices** 9/F, Office Tower C1 Oriental Plaza 1 East Chang An Avenue Dongcheng District Beijing PRC
	As to DR Congo law: **MBM-CONSEIL Sca** 60, Avenue Uvira 11ème étage, Imm. Aimée Tower Gombe — Kinshasa DR Congo
	As to Zambian law: **Musa Dudhia & Co.** 2nd Floor, ALN House 1394 Mushemi Road Rhodes Park, Lusaka Zambia
Reporting Accountants and Independent Auditor	**KPMG** *Certified Public Accountants, Public Interest Entity Auditor registered in accordance with the Accounting and Financial Reporting Council Ordinance* 8th Floor, Prince's Building 10 Chater Road Central Hong Kong
Industry Consultant	**Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.** Room 2504, Wheelock Square 1717 West Nanjing Road Jingan District, Shanghai PRC

[**REDACTED**]

CORPORATE INFORMATION

Registered office	3/F, Block B No. 1389 Changyuan North Road Gaoxin District Kunming Yunnan Province PRC
Headquarters	3/F, Block B No. 1389 Changyuan North Road Gaoxin District Kunming Yunnan Province PRC
Principal place of business in Hong Kong	40th Floor, Dah Sing Financial Centre No. 248 Queen's Road East Wanchai Hong Kong
Company's website	**www.jinxunec.com** *(Information on this website does not form part of this document)*
Company Secretary	Ms. Wan Wing Yi Carol (温詠宜) *(Associate member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute)* 40th Floor, Dah Sing Financial Centre No. 248 Queen's Road East Wanchai Hong Kong
Authorized representatives	Ms. Yuan Mei (袁梅) Room 402, Block 10 Xinyu Shengjing Garden No. 268 Kaike Road Wuhua District, Kunming Yunnan Province PRC

	Ms. Wan Wing Yi Carol (温詠宜) 40th Floor, Dah Sing Financial Centre No. 248 Queen's Road East Wanchai Hong Kong
Audit Committee	Mr. Wong Hok Bun Mario (黃學斌) *(Chairman)* Ms. Zheng Dongyu (鄭冬渝) Mr. Xia Hongying (夏洪應)
Remuneration and Appraisal Committee	Ms. Zheng Dongyu (鄭冬渝) *(Chairman)* Mr. Xia Hongying (夏洪應) Ms. Yuan Mei (袁梅)
Nomination Committee	Ms. Zheng Dongyu (鄭冬渝) *(Chairman)* Mr. Yuan Rong (袁榮) Mr. Wong Hok Bun Mario (黃學斌)
Strategy Committee	Mr. Yuan Rong (袁榮) *(Chairman)* Ms. Yuan Mei (袁梅) Mr. Xia Hongying (夏洪應)
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The information and statistics set out in this section and other sections of this document were extracted from the Frost & Sullivan Report, which was commissioned by us, and from various official government publications and other publicly available publications. We engaged Frost & Sullivan to prepare the Frost & Sullivan Report, an independent industry report, in connection with the [**REDACTED**]. *We believe that the sources of this information are appropriate sources for such information. We have no reason to believe that such information is false or misleading or that any fact has been omitted that would render such information false or misleading. The information from official government sources has not been independently verified by us, the Sole Sponsor, the* [**REDACTED**], *the* [**REDACTED**], *the* [**REDACTED**], *the* [**REDACTED**], *the* [**REDACTED**], *the* [**REDACTED**], *any of their respective directors and advisors, or any other persons or parties involved in the* [**REDACTED**], *and no representation is given as to its accuracy.*

SOURCE OF INFORMATION

We commissioned Frost & Sullivan to conduct market research on non-ferrous metal industry and prepare the Frost & Sullivan Report. Frost & Sullivan is an independent global consulting firm founded in 1961 in New York that offers industry research and market strategies. We have contracted to pay RMB380,000 to Frost & Sullivan for compiling the Frost & Sullivan Report.

In preparing the Frost & Sullivan Report, Frost & Sullivan conducted detailed primary research which involved discussing the status of the industry with certain leading industry participants and conducting interviews with relevant parties. Frost & Sullivan also conducted secondary research which involved reviewing company reports, independent research reports and data based on its own research database. Frost & Sullivan obtained the figures for the estimated total market size from historical data analysis plotted against macroeconomic data as well as considered the above-mentioned industry key drivers. Its market engineering forecasting methodology integrates several forecasting techniques with the market engineering measurement-based system and relies on the expertise of the analyst team in integrating the critical market elements investigated during the research phase of the project. These elements primarily include expert-opinion forecasting methodology, integration of market drivers and restraints, integration with the market challenges, integration of the market engineering measurement trends and integration of econometric variables.

The Frost & Sullivan Report is compiled based on the following assumptions: (i) the social, economic and political environment of the globe and mainland China is likely to remain stable in the forecast period; and (ii) related industry key drivers are likely to drive the market in the forecast period.

OVERVIEW OF GLOBAL NON-FERROUS METAL INDUSTRY

Definition and Importance of Non-ferrous Metal

Non-ferrous metals are all metals except iron, manganese and chromium, representing a category of metals with a wide range of industrial uses. Based on physical and chemical properties, non-ferrous metals can be divided into base metals (e.g. copper, aluminum, lead, zinc), precious metals (e.g. gold, silver, platinum group metals) and rare metals (e.g. cobalt, lithium, tungsten, molybdenum). In addition, they can be classified according to their density into light metals (e.g. aluminum, magnesium) and heavy metals (e.g. copper, lead). The diversity of non-ferrous metals makes them widely used in various industrial fields and is an important pillar of modern industrial production and scientific and technological development.

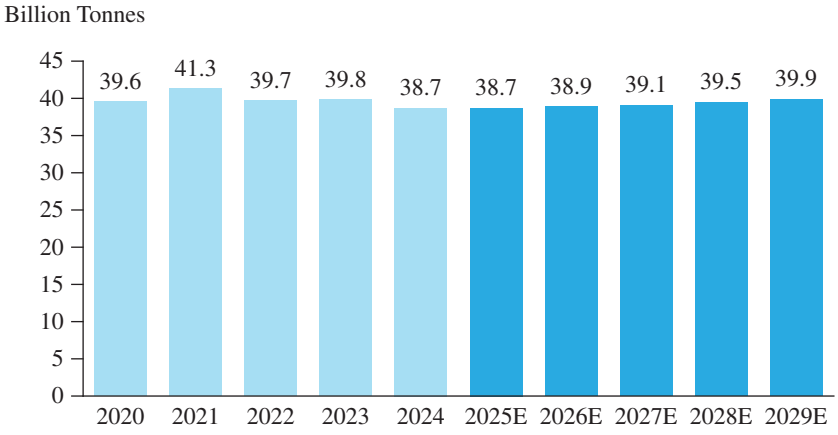
Non-ferrous metals serve as a fundamental pillar of the modern industrial system, playing a critical role across sectors such as power generation, construction, transportation, and manufacturing. They provide essential support for traditional industries and infrastructure development. For instance, copper is a key material in power transmission and electronic products due to its excellent electrical and thermal conductivity, while aluminum, known for its light weight and high strength, is widely used in automotive, aerospace, and construction applications. Moreover, non-ferrous metals are vital to emerging industries such as new energy, electronics, and intelligent manufacturing. Lithium and cobalt are core components of lithium batteries, forming the foundation of the new energy vehicles and energy storage systems, while rare earth metals are essential in high-performance magnets, lasers, and wind turbines, driving technological progress and industrial upgrading. Furthermore, the unique properties of non-ferrous metals make them strategically important in high-tech and defense sectors. Titanium alloys, valued for their strength and corrosion resistance, are extensively used in aerospace and naval equipment, and precious metals such as platinum and gold play a crucial role in catalysts and semiconductor manufacturing, supporting national innovation and security.

Market Size of Global Non-ferrous Metal Industry

The global major non-ferrous metals reserve refers to the economically extractable quantities of major non-ferrous metals, that is, are deemed recoverable under current technological and economic conditions. The global reserve of major non-ferrous metals have remained relatively stable over the past year. From 2020 to 2024, global reserve of major non-ferrous metals decreased from 39.6 billion tonnes to 38.7 billion tonnes, with a CAGR of -0.6%. This reduction may be attributed to accelerated industrial consumption during the post-pandemic recovery, along with supply chain disruptions and insufficient investment in mining exploration. Looking ahead, driven by steady investment in global exploration activities in resource-rich regions such as South America and Africa, as well as advances in geological exploration technologies such as deep-earth imaging and remote sensing, global reserve of major non-ferrous metals expect to increase to 39.9 billion tonnes by 2029, with a CAGR of 0.7% from 2025 to 2029.

Market Size of Global Major Non-ferrous Metals Reserve, 2020-2029E

	CAGR 2020-2024	CAGR 2025E-2029E
Global Major Non-ferrous Metals Reserve	-0.6%	0.7%

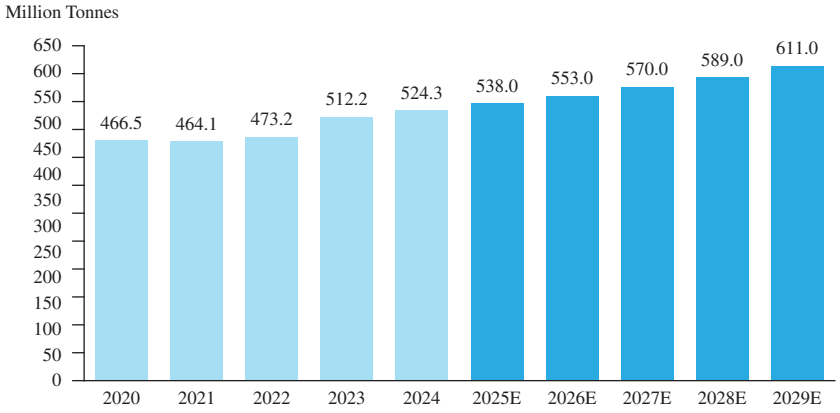


Source: USGS, Interviews with Industry Experts, Frost & Sullivan

The global production of major non-ferrous metals has shown a steady upward trend in recent years, driven by increasing infrastructure investments and rising demand for key metals in renewable energy technologies. Global production of major non-ferrous metal increased from 466.5 million tonnes in 2020 to 524.3 million tonnes in 2024, with a CAGR of approximately 3.0%. This growth has been fueled by expanding urbanization, the transition to clean energy, and the growing need for materials such as copper, aluminum, and lithium in electric vehicles and energy storage systems. In the future, it is projected to reach 611.0 million tonnes in 2029, representing a CAGR of 3.2% from 2025.

Market Size of Global Non-ferrous Metals Production, 2020-2029E

	CAGR 2020-2024	CAGR 2025-2029E
Global Major Non-ferrous Metals Production	3.0%	3.2%



Source: USGS, Interviews with Industry Experts, Frost & Sullivan

Note: Major non-ferrous metals in the chart refers to copper, aluminum, lead, zinc, nickel, tin, antimony, magnesium, titanium based on industrial prevalence and data availability.

Market Drivers and Trends Analysis of Global Non-ferrous Metal Industry

Rapid Growth in Demand Driven by the New Energy Industry

The rapid development of the new energy industry, particularly in electric vehicles, energy storage and photovoltaic sector, has significantly increased the demand for non-ferrous metals such as copper, cobalt, and aluminum. Copper plays an irreplaceable role in electrical equipment and batteries; cobalt is a key raw material for lithium battery cathodes; and aluminum has become an essential material for electric vehicles due to its lightweight and corrosion-resistant properties. As the global transition to green energy accelerates, the demand for these metals is expected to continue growing at a high rate.

Technological Advancements Drive Expansion of High-end Applications

Technological advancements in high-end fields such as 5G communications, artificial intelligence, and aerospace continuously elevate performance requirements for non-ferrous metals, thereby expanding their application scope and driving overall demand. Breakthroughs in these sectors necessitate advanced material properties, for instance, ultra-high-purity copper for low-loss signal transmission in 5G infrastructure, specialized aluminum alloys for thermal management in AI servers, and cobalt or rare earths with precise magnetic characteristics for semiconductor manufacturing and high-efficiency motors. As innovations enable next-generation applications, such as miniaturized chips, satellite systems, and solid-state batteries, they simultaneously broaden the consumption of non-ferrous metals across emerging industries

and intensify material specifications. This evolution creates demand for high-value-added products, which are premium-grade non-ferrous metals or components engineered to meet extreme technical standards, such as radiation-resistant aluminum for aerospace structures or nanostructured rare-earth magnets for EV drivetrains. These products command significantly higher prices due to stringent purity thresholds, specialized processing, and their critical role in enabling high-margin technologies, thereby transforming raw materials into economically elevated solutions.

Deepening Global Industrial Chain Collaboration

The non-ferrous metals industry is highly globalized in both production and consumption, with upstream mineral resources and downstream processing industries increasingly working in close coordination. For example, the abundant copper and cobalt resources in Africa and South America complement major manufacturing and processing hubs such as China. Meanwhile, deeper international cooperation and technological exchange have further enhanced industry efficiency and resource utilization.

Green and Intelligent Development Becomes the Industry Mainstream

In response to stricter environmental regulations and the growing demand for a low-carbon economy, the non-ferrous metals industry is accelerating its transition toward greener and smarter operations. Companies are adopting clean energy, increasing recycling rates, and optimizing production processes to reduce carbon emissions and environmental pollution. Additionally, the application of digital technologies and AI in mining, smelting, and processing is enhancing production efficiency and resource utilization, driving the industry toward high-efficiency development.

OVERVIEW OF GLOBAL COPPER CATHODE INDUSTRY

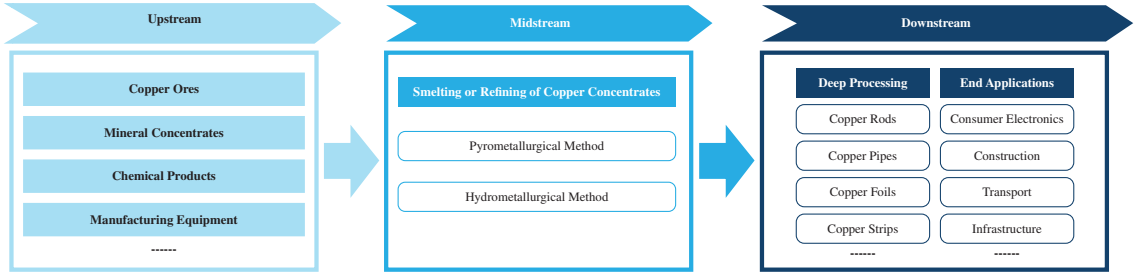
Definition and Importance of Copper and Copper Cathode

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.

Copper cathode, is high-purity copper produced through pyrometallurgical or hydrometallurgical refining method. As a fundamental raw material for global industrial production due to its exceptional electrical conductivity, thermal conductivity, and ductility, copper cathode plays a pivotal role in the global industrial landscape, finding extensive applications across critical sectors such as infrastructure, consumer electronics, construction, and transport, etc. In the new energy sector, copper cathode plays a crucial role in green energy applications such as electric vehicles, wind power, and solar energy, due to its high purity. Further considering its strategic position in the global economic framework, copper cathode,

a vital trading commodity in the international non-ferrous metals market, not only reflects the global economic landscape through its supply and demand dynamics and price fluctuations but also profoundly reveals the pulse of industrial upgrading.

Value Chain Analysis of Copper Cathode Industry



Source: Interviews with Industry Experts, Frost & Sullivan

The upstream of copper cathode industry includes copper mining and primary processing of copper ore resources. Core players in the upstream market primarily include copper mining companies, copper primary processing enterprises, and manufacturing equipment producers, such as resource extractors and raw material suppliers (e.g. First Quantum Minerals), refiners and smelters (e.g. Glencore), and others. The production of copper cathode begins with the extraction and beneficiation of copper ore resources. The main types of copper ore include sulfide copper ores and oxide copper ores. Through exploration, mining, and beneficiation, high-grade copper concentrate is extracted. In addition to resource development and processing, copper concentrate trading plays a critical role in connecting global supply and demand. As an intermediate commodity, copper concentrate is often traded internationally before entering smelting facilities, and its price fluctuations have a direct impact on cost control and procurement strategies of smelters. The core value of this stage lies in improving the ore grade through technical means, providing high-quality raw materials for subsequent smelting processes. Factors such as resource reserves, ore grade, and geographical location directly affect supply chain stability and cost structure.

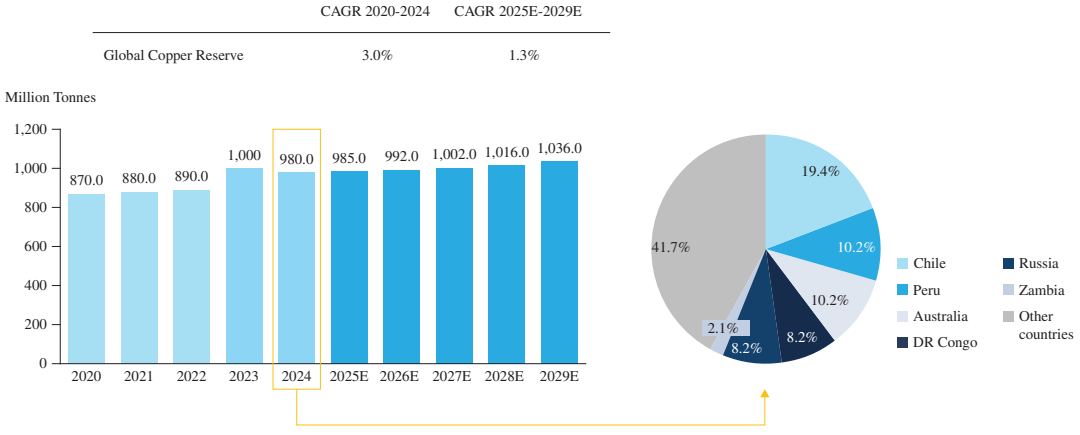
The midstream of copper cathode industry engages in the smelting or refining of copper concentrate, mainly including pyrometallurgy and hydrometallurgy methods. Core players in the midstream market primarily include copper concentrate processors. Pyrometallurgy is mostly used for sulfide ores, removing impurities through high-temperature smelting, and subsequently requires electrolytic refining to purify it into copper cathode with a purity of 99.95% or higher. Hydrometallurgy is more suitable for oxide ores, directly producing copper cathode through solvent extraction and electrowinning, without the need for additional refining. Thus, it offers both environmental and operational advantages, including greater energy efficiency, reduced emissions, and enhanced flexibility. With ongoing technological advancements and tightening environmental regulations, low-energy, low-pollution methods such as hydrometallurgy are increasingly becoming a focus for the sustainable development of the copper cathode industry.

The downstream associates with deep processing and end-use applications of copper cathode. Core players in the downstream market primarily include copper deep processing enterprises, trading companies, as well as enterprises in applications such as NEV and electronics manufacturers. Copper cathode is the core raw material for copper processing, and through processing, it is made into copper rods, copper pipes, copper foils, etc., which are widely used in industries such as consumer electronics, infrastructure, construction, and transport. In addition, trading companies play a pivotal role in connecting smelters, processors, and end users by coordinating supply chains, stabilizing prices, managing logistics, and facilitating global copper flow. They enhance market liquidity, mitigate inventory and price risks, and accelerate distribution efficiency, especially in cross-border trade. Downstream demand is driven by the rapid development of those industry, leading to a gradual increase in the demand for high-performance copper materials. The stringent requirements of the end market for the quality and functionality of copper materials promote technological innovation and industrial upgrading in downstream segments.

Market Size of Global Copper Cathode Industry

Copper has become a major industrial metal due to its high ductility, malleability, thermal and electrical conductivity, and resistance to corrosion. Copper serves as a core material in the manufacturing of essential products and infrastructure, from electricity transmission and electronic devices to construction, transportation, and renewable energy technologies. Global copper reserve has increased from approximately 870.0 million tonnes in 2020 to approximately 980.0 million tonnes in 2024, representing at a CAGR of 3.0%. The major countries in global copper reserves are Chile, Peru, Australia, and the DR Congo, among others. In Africa, copper reserves are mainly concentrated in the DR Congo and Zambia. As of 2024, the copper reserves of the DR Congo and Zambia account for approximately 10% of the global copper reserves.

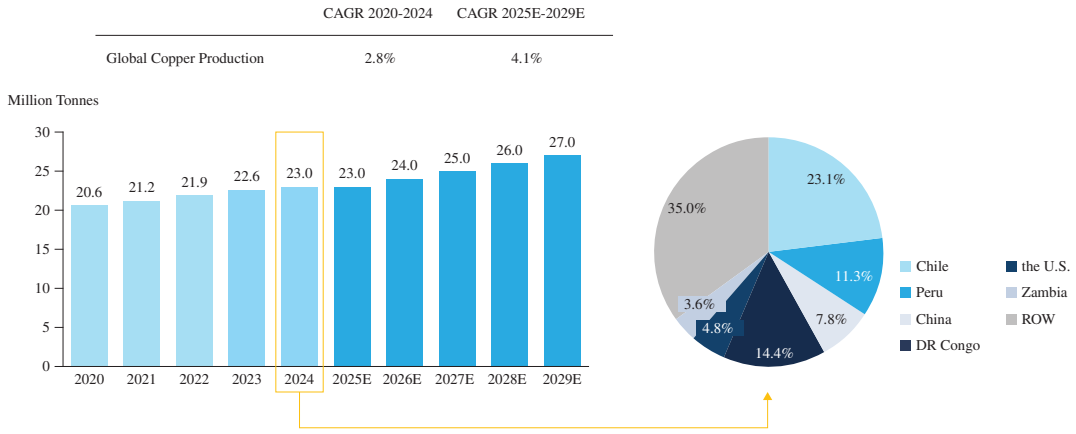
Market Size and Breakdown of Global Copper Reserve in Major Countries and Regions Worldwide, 2020-2029E



Source: ICSG, Interviews with Industry Experts, Frost & Sullivan

Copper reserves are determined by geological conditions and are concentrated in areas rich in copper deposits. Production is influenced by factors such as technological capabilities, industrial infrastructure, policy environment, and market demand, tending to be concentrated in regions with strong processing capabilities and large consumer markets. This disparity leads to the difference between copper reserve and production, and drives global copper trade, for example, resource-rich countries export copper concentrate, while industrialized nations process it into copper cathodes. It also prompts countries to optimize their production layouts through technological upgrades and policy adjustments. With the continuous development of the global economy, demand for copper is experiencing sustained growth, pulling the sustained increase of global copper production. Global copper production volume has increased from 20.6 million tonnes in 2020 to 23.0 million tonnes in 2024, representing at a CAGR of 2.8%. It is expected that the global copper production volume will increase from 23.0 million tonnes in 2025 to 27.0 million tonnes in 2029, representing at a CAGR of 4.1%. The major countries with global copper production volume are Chile, DR Congo, Peru, and China, among others. In Africa, copper production volume is also mainly concentrated in DR Congo and Zambia. As of 2024, the copper production volume of DR Congo and Zambia account for approximately 18% of the global copper production volume.

Market Size and Breakdown of Global Copper Production in Major Countries and Regions Worldwide, 2020-2029E

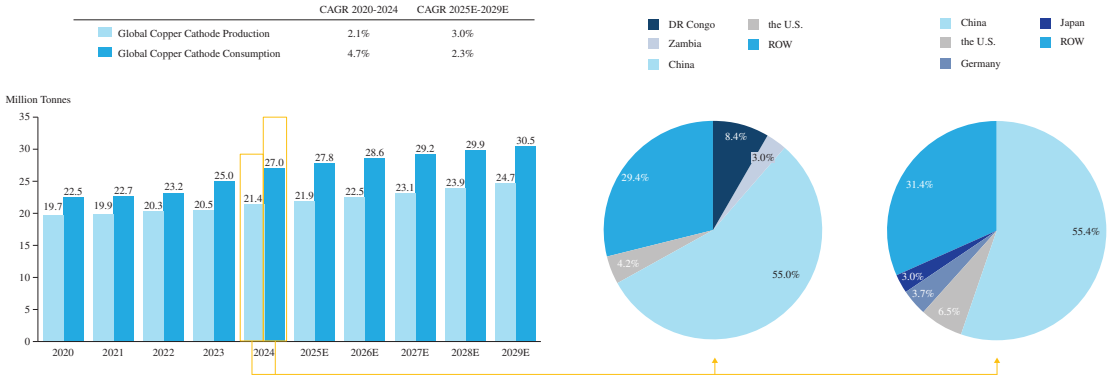


Source: ICSG, Interviews with Industry Experts, Frost & Sullivan

Global copper cathode production volume has increased from 19.7 million tonnes in 2020 to 21.4 million tonnes in 2024, representing at a CAGR of 2.1%. It is expected that the global copper cathode production volume will increase from 21.9 million tonnes in 2025 to 24.7 million tonnes in 2029, representing at a CAGR of 3.0%. Meanwhile, primarily driven by surging demand from renewable energy and electric vehicle sectors, and infrastructure spending in emerging economies, global copper cathode consumption has demonstrated strong growth from 22.5 million tonnes in 2020 to 27.0 million tonnes in 2024, reflecting a CAGR of 4.7%. In 2024, China, DR Congo, the U.S. and Zambia accounted for market shares of 55.0%, 8.4%, 4.2%, 3.0% in global cathode production, respectively; while China, the U.S., Germany,

and Japan accounted for market shares of 55.4%, 6.5%, 3.7%, and 3.0% in global cathode consumption, respectively. In the future, global copper cathode consumption is projected to grow sustainably and reach 30.5 million tonnes in 2029 from 27.8 million tonnes in 2025, with a CAGR of 2.3%. The persistent trend of demand outpacing supply is anticipated to result in a supply shortage of approximately 5.8 million tonnes by 2029, driving up global copper prices. In 2024, by downstream industry, over 25% of copper cathode consumption was used in building construction, more than 20% in consumer electronics and general products, around 20% in infrastructure such as power and telecommunications, and approximately 13% in the transportation sector.

Market Size and Breakdown of Global Copper Cathode Production and Consumption, 2020-2029E



Source: ICSG, Interviews with Industry Experts, Frost & Sullivan

The major countries with global copper cathode production volume are China, DR Congo, and Zambia, among others. Driven by rich reserves, rising investment from Chinese companies and expanding local capacity, the copper cathode production in both DR Congo and Zambia has achieved 1,800.0 thousand and 640.0 thousand tonnes in 2024, respectively. As of 2024, the copper cathode production volume of DR Congo and Zambia account for approximately 11% of the global copper cathode production volume. Moving forward, it is expected that copper cathode production in DR Congo will reach over 3,500 thousand tonnes in 2029 with a CAGR of 16.7% from 2025. Also, rebounding from prior declines caused by power shortages, Zambia is expected to produce over 1,000 thousand tonnes of copper cathode in 2029 with ongoing infrastructure upgrades and diversified energy investments, with a CAGR of 10.8% from 2025. Copper cathode production in the DR Congo and Zambia is poised to gain a stronger foothold in the global market, driven by a combination of structural advantages and evolving market dynamics.

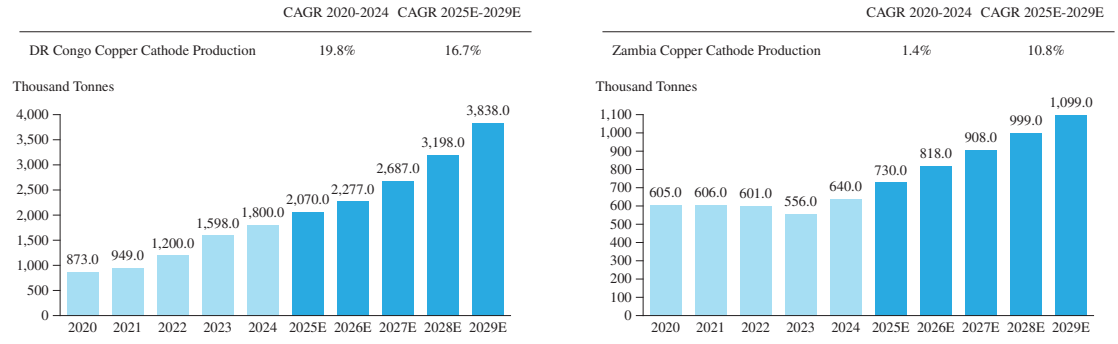
The average grade of copper ores in the DR Congo and Zambia is significantly higher than the global average, offering these countries a notable competitive advantage in the global copper industry. While the global average copper ore grade typically ranges between 0.4% and 0.6%, deposits in DR Congo and Zambia often exceed 2%, particularly in high-quality sulfide and oxide reserves. This higher ore grade translates into lower unit production costs, higher

metal yield per ton of ore processed, and improved economic viability for mining projects. As a result, both countries attract strong investment interest and play a vital role in securing stable, high-grade feedstock for smelters worldwide, reinforcing their strategic importance in the copper supply chain.

Furthermore, the region enjoys a relatively low-cost production base, supported by favorable labor and energy costs such as Zambia's reliance on hydroelectric power. This positions local producers to offer competitively priced cathodes on the global market.

With established trade routes to key global consumers and growing interest from downstream sectors such as EVs and renewable energy, copper cathodes from DR Congo and Zambia are becoming increasingly strategic. As both countries continue to invest in infrastructure, compliance, and capacity expansion, their role as competitive, reliable suppliers of copper cathode is expected to strengthen significantly from 2025 onward.

Market Size of DR Congo and Zambia Copper Cathode Production, 2020-2029E



Source: ICSG, Interviews with Industry Experts, Frost & Sullivan

Market Drivers and Trends Analysis of Global Copper Cathode Industry

Rapid Growth of the New Energy Industry

As the global transition to green energy accelerates, the rapid development of the new energy sectors including electric vehicles, wind power, and PV energy has significantly increased the demand for copper cathodes. Due to its excellent electrical and thermal conductivity, copper is a key material in electric vehicles motors, charging stations, PV systems, and wind power generation equipment. In particular, each electric vehicles requires approximately 2.5 to 4 times more copper than a conventional internal combustion engine vehicle, mainly due to the extensive use of copper in batteries, wiring, and power electronics. The expansion of global electric vehicles production, alongside policies promoting renewable energy, is expected to drive copper demand steadily. Additionally, large-scale investments in power grids and energy storage solutions to support the integration of renewables further contribute to copper consumption growth. Government initiatives, such as tax incentives for electric vehicles purchases, subsidies for charging infrastructure, and mandates for increased

renewable energy capacity, continue to create a robust demand outlook for copper cathodes. For example, for NEVs purchased in China between January 1, 2024, and December 31, 2025, the vehicle purchase tax will be exempted. The tax exemption limit for each new energy passenger vehicle is RMB30 thousand. For energy storage industry, under the U.S. Inflation Reduction Act ("**IRA**"), energy storage projects can receive an investment tax credit ("**ITC**") of up to 30%. With these factors in consideration, the copper cathode market is set to remain a critical enabler of the clean energy transition.

Urbanization and Infrastructure Development

The ongoing global urbanization process and large-scale infrastructure projects provide long-term support for copper cathode demand. Copper cathode, known for its excellent electrical conductivity and corrosion resistance, is widely used in power infrastructure. It's a key material in components like cables, transformers, and power distribution equipment, ensuring efficient and stable electricity transmission. In addition, copper cathode is also used in construction for pipes, roof waterproofing materials, and communication network infrastructure, enhancing durability and signal transmission efficiency, thereby contributing to the development of smart cities. In developing countries, particularly in regions like Africa, Southeast Asia and Latin America, rapid urbanization is driving the expansion of electricity grids, water supply systems and transportation networks, all of which require substantial copper inputs. For example, the electrification of rural areas in emerging markets increases copper consumption in power lines, transformers, and substations. At the same time, in developed economies, aging infrastructure necessitates extensive upgrades to power grids, high-speed rail systems, and broadband networks. Many countries have announced large-scale infrastructure investment plans, such as the U.S. Infrastructure Investment and Jobs Act and China's Belt and Road Initiative, both of which emphasize sustainable infrastructure and smart cities, further boosting copper demand. Additionally, as buildings adopt more energy-efficient designs, copper-intensive systems such as HVAC (heating, ventilation and air conditioning) and smart home wiring are becoming more prevalent, reinforcing copper cathode's indispensable role as a key material's in global urbanization and infrastructure expansion.

Digitalization and Technological Advancements

The adoption of digital technologies and advancements in manufacturing processes are transforming the copper cathode industry, enhancing efficiency and value creation across the supply chain. The integration of big data, AI, and the Internet of Things ("**IoT**") has optimized key processes such as copper ore exploration, smelting control, and logistics management. AI-driven geological surveys improve the efficiency of mineral exploration, allowing for more precise identification of copper ore deposits and reducing extraction costs. Smart automation in copper smelters enhances metallurgical processes, ensuring higher purity cathodes while reducing energy consumption and emissions. Leading copper cathode companies are leveraging machine vision and sensor technology to automatically inspect indicators such as copper cathode plate thickness and surface defects, thus securing product consistency and reducing manual intervention. Additionally, blockchain technology is increasingly being adopted in the copper cathode industry to enhance supply chain traceability, allowing for

greater transparency in copper sourcing and ensuring compliance with environmental and ethical mining standards. For copper cathode producers, this not only supports premium pricing and access to strategic markets, but also helps build reputational value in a more sustainability-conscious landscape. Beyond sourcing, technological advancements are also enabling higher-purity copper cathode production and process innovations such as AI-based process control and low-carbon refining, improving conductivity and lowering energy intensity. As digitalization reshapes the non-ferrous metals sector, the copper cathode industry stands to benefit from enhanced operational efficiency, traceable compliance, and improved product quality, reinforcing its strategic role in global electrification and clean energy supply chains.

Industry Barrier Analysis of Global Copper Cathode Industry

Raw Material Supply Barrier

As global copper mining continues to develop, the overall ore grade is declining, leading to higher extraction costs and increased supply uncertainties, posing challenges for copper cathode production. Africa, as a key copper-producing region, has attracted significant investment from major copper companies. Leading enterprises strengthen their control over high-grade mines by establishing long-term supply chain partnerships, ensuring a stable raw material supply and effectively reducing procurement costs. This strategic approach enhances their resilience against market fluctuations, giving them a competitive edge in securing raw materials.

Capital Barrier

The copper cathode industry requires substantial capital investment, as it involves multiple capital-intensive processes such as smelting and refining. The construction and operation of smelting facilities demand billions of dollars in investment, with long payback periods adding financial pressure. Additionally, large incumbent firms benefit from significant economies of scale, making it difficult for new entrants to establish a competitive foothold in the short term. As a result, high financial requirements act as a major barrier to entry, limiting market access to only well-funded players.

Technological Barrier

The production of copper cathodes involves complex pyrometallurgical and hydrometallurgical processes, requiring advanced technical expertise and specialized equipment. Cutting-edge smelting or refining technologies not only improve resource efficiency but also reduce energy consumption and environmental impact. However, these technologies are often mastered by a few leading companies. New entrants must invest heavily in research and development or acquire technology through licensing agreements, significantly raising the barriers to entry. The high technical threshold makes it difficult for newcomers to compete with established industry leaders.

Environmental Barrier

Stringent environmental regulations present another significant hurdle for new entrants. The copper smelting and refining process generates large amounts of waste gas, slag, and wastewater, posing environmental challenges. Governments worldwide have been tightening environmental compliance requirements, compelling companies to invest in state-of-the-art pollution control equipment and sustainable production technologies. These regulatory demands not only increase initial capital expenditures but also require strong operational capabilities to maintain compliance. As a result, environmental standards serve as a significant entry barrier, favoring established players with the resources to meet strict sustainability requirements.

Supply Chain Barrier

Strong customer and supply chain relationships further restrict entry into the copper cathode market. Major downstream industries such as infrastructure, construction, consumer electronics, and automotive manufacturing place a high priority on supply chain stability. Established companies often maintain long-term contracts with key suppliers and customers, securing raw materials and sales channels in advance. New entrants face considerable challenges in breaking into these entrenched market relationships, making it difficult to establish a reliable supply chain and customer base in the short term. This entrenched market structure increases the difficulty for newcomers to gain a competitive position.

COMPETITIVE LANDSCAPE OF GLOBAL COPPER CATHODE MARKET OVERVIEW

The competitive landscape of the cathode copper industry in the DR Congo is highly fragmented, featuring both global mining giants such as Glencore and First Quantum Minerals, which both are publicly listed companies on the London Stock Exchange and the Toronto Stock Exchange, respectively, and an expanding cohort of Chinese enterprises. Historically, international companies have secured substantial market share by accessing high-grade copper reserves and investing heavily in large-scale processing facilities. These operations are typically structured through long-term mining concessions and joint ventures with Gécamines, the DR Congo's state-owned mining company, granting them operational control without direct ownership of the land.

Following the enactment of the 2002 Mining Code, which lifted restrictions on private and foreign investment in the mining sector, DR Congo experienced a surge of inbound capital and project development. Chinese enterprises, in particular, seized this opportunity by accelerating their overseas expansion through acquisitions, equity investments, and joint ventures in DR Congo. Leveraging advantages such as relatively low-cost financing, vertically integrated supply chains, and strong alignment with China's rising copper demand, Chinese companies have rapidly increased their operational control over mining and smelting assets. Moreover, the implementation of the Belt and Road Initiative ("**BRI**") has provided strong policy and financial momentum for China-Africa industrial cooperation. Through BRI-backed

infrastructure construction, logistics corridors, and financing mechanisms, Chinese companies have gained enhanced access to transport networks, energy supply, and credit resources in DR Congo. This has not only reduced project development and logistics costs but also improved the long-term stability of mining operations. Supported by state-backed financial institutions such as China Development Bank and Export–Import Bank of China, these enterprises benefit from sustainable funding channels and favorable loan terms that underpin large-scale capital deployment in resource projects. In addition, bilateral cooperation frameworks established under the BRI have promoted regulatory coordination and investment protection, further reinforcing the competitive position of Chinese companies in DR Congo's copper sector. These structural strengths have enabled them to deepen their influence in DR Congo's copper sector and increasingly challenge traditional incumbents in both market share and industrial presence. The annual production volume of copper cathode in DR Congo reached approximately 1,800 thousand tonnes in 2024, with the top five China producers accounting for over 20% of the total. The Company with a production volume of 15.9 thousand tonnes, ranked fifth in the industry, in DR Congo. In copper cathode industry measured by production volume in DR Congo, The Company ranked third among private producers based in China.

Top Five China Copper Cathode Producers by Production Volume in DR Congo, 2024

Ranking	Company Name	Production Volume in 2024 (Thousand Tonnes)	Market Share (%)	State-owned/ Private Company
1	Company A	200.0	11.1%	State-owned
2	Company B	100.0	5.6%	Private
3	Company C	48.0	2.7%	Private
4	Company D	30.0	1.7%	State-owned
5	**The Company**	**15.9**	**0.9%**	**Private**

Source: Interviews with Industry Experts, Frost & Sullivan

Similarly, the competitive landscape of the cathode copper industry in Zambia is also fragmented, with both international mining giants and Chinese enterprises playing key roles. Major global players such as First Quantum Minerals, Glencore, Barrick, which are all publicly listed companies on the Toronto Stock Exchange, the London Stock Exchange and the Toronto Stock Exchange and the New York Stock Exchange, respectively and Vedanta, a privately held company headquartered in the UK have long-established operations, primarily through large-scale projects like Kansanshi, Sentinel, and Konkola. These companies typically operate under long-term mining licenses and partnerships with Zambia's state-owned companies, allowing them access to high-grade copper reserves and advanced processing facilities. Government involvement remains significant, both through ownership stakes and regulatory frameworks aimed at increasing local beneficiation and value capture. Chinese enterprises are rapidly expanding their presence and influence in Zambia's copper sector, driven by strategic investments, cost advantages, and long-term supply commitments aligned with China's industrial demand. Benefiting from the BRI, Chinese companies have leveraged enhanced

infrastructure connectivity, preferential financing channels, and strengthened bilateral economic cooperation to accelerate project development and operational efficiency in Zambia. BRI-supported transport corridors and power infrastructure have significantly improved logistics accessibility and production reliability, while policy coordination and financing support from Chinese policy banks have facilitated large-scale investment and risk mitigation for resource projects. As Chinese firms continue to deepen their operational footprint and contribute to national output targets, they are reshaping Zambia's copper landscape and emerging as strong competitors. The annual production volume of copper cathode in Zambia reached approximately 640 thousand tonnes in 2024, with the top five China producers accounting for over 25% of the total. The Company with a production volume of 5.0 thousand tonnes, ranked fifth in the industry, in Zambia. The Company ranked first among private producers based in China. The Company is also the sole producer based in China that ranks among the top five copper cathode producers in both the DR Congo and Zambia. In the copper-cathode sector of the DR Congo and Zambia, Chinese companies account for more than 50 % of total cathode production, while the remaining output is produced by international mining conglomerates that operate across multiple continents and maintain diversified metal portfolios, with business focuses spanning South America, Africa, and Australia. In contrast, Chinese enterprises tend to have more concentrated and transparent operations within the African copper sector.

Top Five China Copper Cathode Producers by Production Volume in Zambia, 2024

Ranking	Company Name	Production Volume in 2024 (Thousand Tonnes)	Market Share (%)	State-owned/ Private Company
1	Company E	80.0	12.5%	State-owned
2	Company F	60.0	9.4%	State-owned
3	Company G	20.0	3.1%	State-owned
4	Company H	15.0	2.3%	State-owned
5	**The Company**	**5.0**	**0.8%**	**Private**

Source: Interviews with Industry Experts, Frost & Sullivan

The following sets forth the profile of the companies in the ranking:

Company A, established in 2007 and headquartered in Beijing, is a mining enterprise engaged in exploration and development of non-ferrous and ferrous mineral resources.

Company B, established in 1992 and headquartered in Xiamen, Fujian, focuses on the investment, mining, and processing of cobalt, copper, nickel, and zinc resources.

Company C, established in 1969 and headquartered in Luoyang, Henan, is a mining group involved in molybdenum, copper, cobalt, and other key mineral resources.

Company D, established in 2009 and headquartered in Hong Kong, focuses on the exploration, mining, and trading of copper and cobalt.

Company E, established in 2004 and headquartered in Beijing, specializes in overseas copper and cobalt resource development, operating major mining projects in Africa and Asia.

Company F, established in 2001 and headquartered in Hong Kong, focuses on the investment, mining, and processing of cobalt, copper, nickel, and zinc resources.

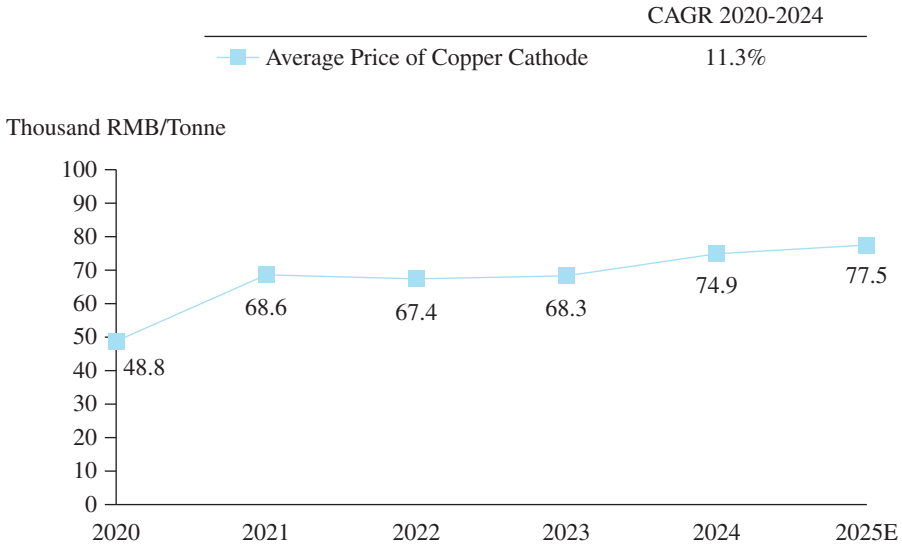
Company G, established in 1983 and headquartered in Beijing, is a copper and cobalt producer operating mainly in Zambia, with a focus on overseas resource development.

Company H, established in 1979 and headquartered in Nanchang, Jiangxi, engages in the mining, smelting, and processing of copper and other non-ferrous metals.

PRICE ANALYSIS OF CHINA'S COPPER CATHODE INDUSTRY

As the world's largest producer and consumer of cathode copper, China has experienced a long-term upward trend in cathode copper prices. From 2020 to 2024, the average price increased from RMB48.8 thousand per tonne to RMB74.9 thousand per tonne, representing a CAGR of 11.3%. Considering the ongoing recovery of the global economy and the expansion of global downstream demand, it is anticipated that the average price of cathode copper in China will further increase to RMB77.5 thousand per tonne in 2025.

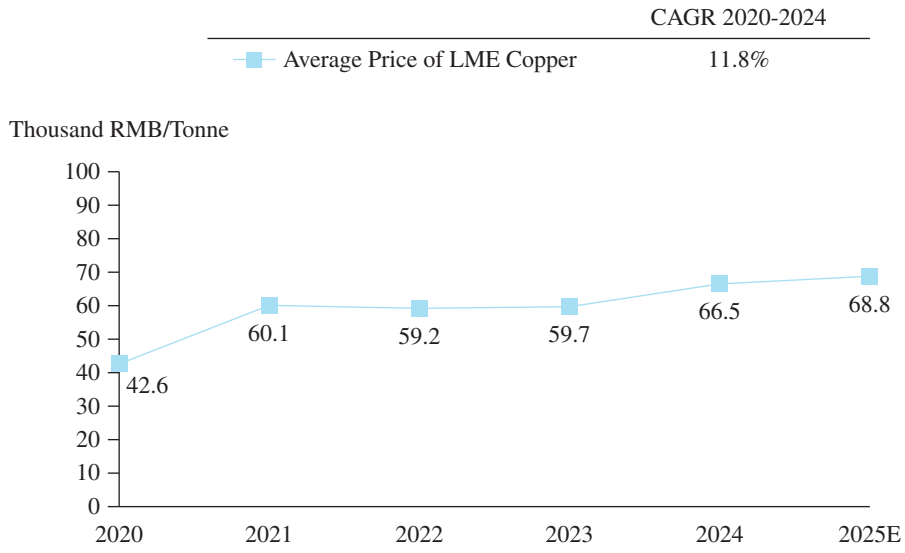
Average Price of Copper Cathode (China), 2020-2025E



RAW MATERIAL PRICE ANALYSIS OF GLOBAL COPPER CATHODE INDUSTRY

The rapid development of clean energy infrastructure, electric vehicles, and digital technologies has significantly driven up copper demand, given copper's critical role in power grids, batteries, and electronic devices. Reflecting this strong and growing demand, the global price of copper has shown a steady upward trend over the past few years, rising from RMB42.6 thousand per tonne in 2020 to RMB66.5 thousand per tonne in 2024. At present, the copper market remains in a state of tight supply-demand balance, as supply growth struggles to keep pace with accelerating consumption. This tension is expected to sustain upward pressure on prices in the short term.

Average Price of LME Copper, 2020-2025E



Source: LME, Frost & Sullivan

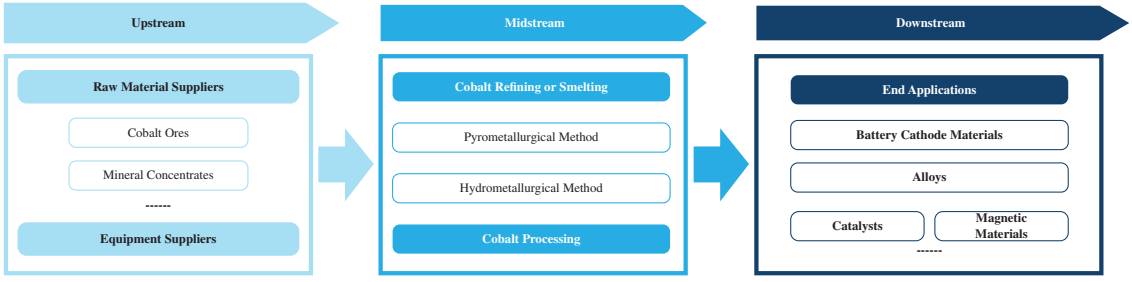
OVERVIEW OF GLOBAL COBALT INDUSTRY

Definition and Importance of 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.

Cobalt plays a vital role across multiple high-tech industries, making it an indispensable strategic resource. As a core material for lithium-ion batteries, cobalt significantly enhances battery cathode stability, energy density, and cycle life, which is critical amid the rising demand driven by electric vehicles and energy storage systems. In addition, cobalt is a key element in the production of high-performance alloys including superalloys, hard alloys, and corrosion-resistant alloys, where it boosts mechanical strength and thermal stability, especially in extreme environments such as aerospace, gas turbines, and nuclear applications. Moreover, cobalt serves as a core component in various industrial catalysts, particularly in petrochemical, fertilizer, and synthetic fuel production. Due to its limited and geographically concentrated supply, especially in the DR Congo, and its broad application across energy, chemical, and defense sectors, cobalt holds significant strategic importance, with its supply-demand dynamics influencing global technological and industrial development.

Value Chain Analysis of Cobalt Industry



Source: Interviews with Industry Experts, Frost & Sullivan

The upstream segment of the cobalt industry involves the mining and initial processing of cobalt ores. The majority of global cobalt production is concentrated in Africa, particularly in the DR Congo, which accounts for over 70% of the world's cobalt production. After mining, the ores undergo processes such as crushing and flotation to produce cobalt concentrates, which serve as raw materials for the midstream refining sector. Due to the uneven distribution of cobalt resources and the high technological barriers to extraction, the upstream sector holds significant control over supply, playing a crucial role in global cobalt availability.

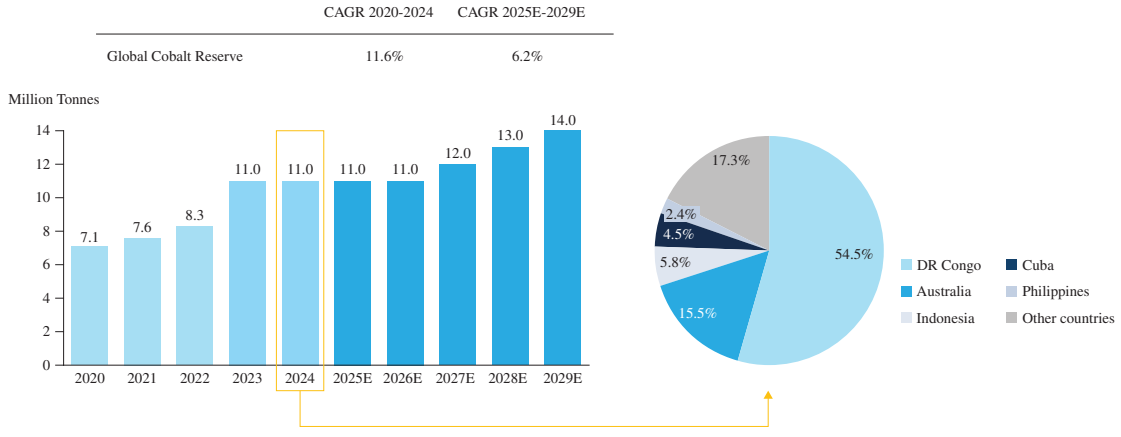
The midstream sector consists of refining cobalt concentrates, purification, and the production of cobalt-based chemical products. Refining processes are categorized into pyrometallurgical and hydrometallurgical methods, which yield high-purity metallic cobalt or cobalt compounds (e.g., cobalt hydroxide, cobalt sulfate). This stage requires advanced technology, strict environmental standards, and complex processing techniques. To enhance product quality and resource efficiency, companies must continuously innovate and optimize their production methods.

Cobalt has a wide range of applications in downstream industries, primarily in battery cathode materials, high-performance alloys, catalysts, and magnetic materials. Among these, the rapid growth of electric vehicles and energy storage batteries has significantly increased cobalt consumption in the battery sector. Additionally, cobalt-based high-performance alloys and catalysts are extensively used in high-value industries such as aerospace and petrochemicals. Technological advancements in these downstream applications directly drive the demand for cobalt.

Market Size of Global Cobalt Industry

The development and utilization of cobalt-rich seabed resources remain unfeasible due to current exploration and extraction technologies as well as economic constraints. Moreover, land-based cobalt deposits suitable for industrial use are highly unevenly distributed, with most cobalt reserve concentrated in just a few countries, including the DR Congo, Australia, Indonesia, Cuba, the Philippines, etc. As a result, cobalt's strategic importance has been increasingly recognized by nations worldwide, and many countries have designated it as a strategic mineral resource. The global cobalt reserve has steadily increased from 7.1 million tonnes in 2020 to 11.0 million tonnes in 2024 with a CAGR of 11.6%, and it is expected to reach 14.0 million tonnes in 2029. DR Congo has the largest copper reserves of any country, accounting for 54.5% of the global cobalt reserve in 2024, which is nearly over three times the reserves of Australia.

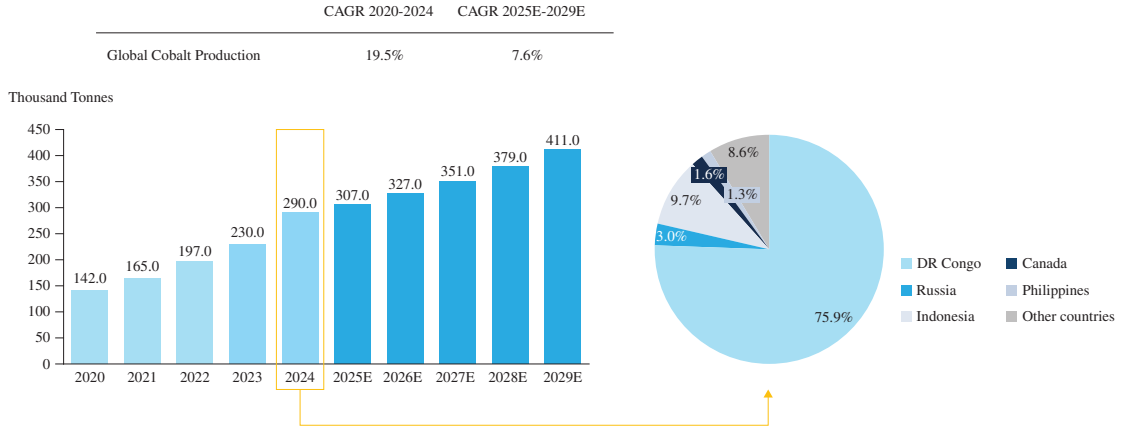
Market Size and Breakdown of Global Cobalt Reserve in Major Countries and Regions Worldwide, 2020-2029E



Source: Cobalt Institute, Interviews with Industry Experts, Frost & Sullivan

Between 2020 and 2024, global cobalt production volume grew significantly from 142.0 thousand tonnes to 290.0 thousand tonnes, reflecting a robust CAGR of 19.5%. This surge was primarily driven by the rapid expansion of the electric vehicle and energy storage sectors, which heavily rely on cobalt-rich batteries. The DR Congo remained the dominant player in the cobalt supply chain, accounting for 75.9% of global production in 2024, due to its abundant cobalt reserves and established mining infrastructure. While Zambia accounted for less than 0.5% of global production in 2024, as it largely extracted as a by-product of copper mining. Looking ahead, global cobalt production volume is projected to reach 307.0 thousand tonnes in 2025 and 411.0 thousand tonnes by 2029, indicating a CAGR of 7.6%. As demand for high-energy-density batteries and energy transition technologies continues, cobalt will remain a critical raw material, with supply concentration in DR Congo.

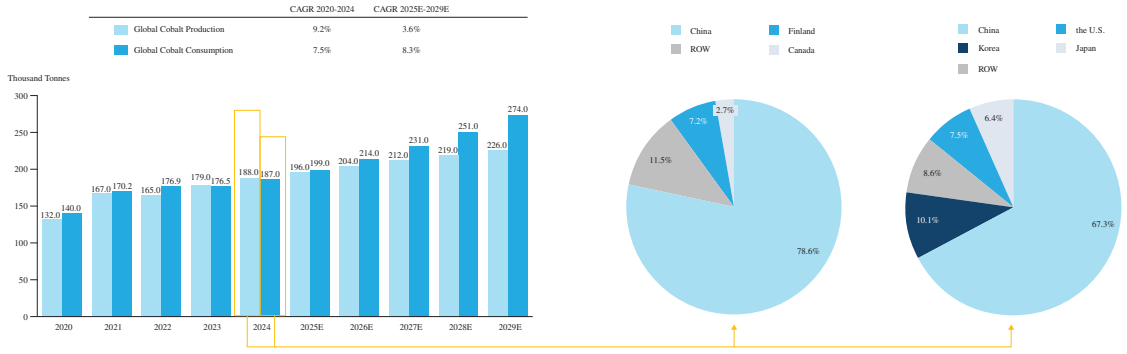
Market Size of Global Cobalt Production and Breakdown in Major Countries and Regions Worldwide, 2020-2029E and 2024



Source: Cobalt Institute, Interviews with Industry Experts, Frost & Sullivan

From 2020 to 2024, driven by booming demand from electric vehicles, energy storage systems, and consumer electronics, the global refined cobalt market has experienced steady growth. Refined cobalt production volume rose from 132.0 thousand tonnes in 2020 to 188.0 thousand tonnes in 2024, reflecting a CAGR of 9.2%, while consumption volume increased from 140.0 thousand tonnes to 187.0 thousand tonnes over the same period at a CAGR of 7.5%. Cobalt's wide application across batteries, aerospace, alloys, and the petrochemical industry is supported by its unique physical and chemical properties such as high hardness, corrosion resistance, ferromagnetism, and electrochemical performance. In 2024, China, Finland, and Canada accounted for market shares of 78.6%, 7.2%, and 2.7% in global refined cobalt production, respectively; while China, Korea, the U.S., and Japan took up market shares of 67.3%, 10.1%, 7.5%, and 6.4% in global refined cobalt consumption, respectively. Looking ahead, global refined cobalt consumption is projected to reach 274.0 thousand tonnes in 2029 compared to 226.0 thousand tonnes of production. This growing gap underscores the risk of future supply shortages, making cobalt a critical and strategic resource in the global transition to clean energy.

Market Size and Breakdown of Global Refined Cobalt Production and Consumption, 2020-2029E



Source: Cobalt Institute, Interviews with Industry Experts, Frost & Sullivan

Market Drivers and Trends Analysis of Global Cobalt Industry

Growing Demand Driven by Electric Vehicles and Energy Storage

The rapid development of electric vehicles and large-scale energy storage systems is a major driver of cobalt demand. As a critical battery material, cobalt enhances energy density and battery stability, making it essential for high-performance lithium-ion batteries. Governments worldwide are promoting carbon neutrality and electric mobility, fueling sustained demand growth. Cobalt-based batteries are also widely adopted in grid-level energy storage due to their long cycle life and efficiency, further reinforcing cobalt's strategic importance in the global clean energy transition.

Sustainable Development and Advancements in Eco-Friendly Production Technologies

Facing increasing environmental regulations, cobalt producers are shifting toward greener production methods by adopting low-emission smelting and improved recycling technologies. These advances help reduce energy consumption and carbon emissions while improving resource utilization. As sustainability becomes a key factor in industry development and investor preference, eco-friendly cobalt production not only ensures compliance but also enhances long-term competitiveness and supports the industry's environmental credibility.

Supply Chain Security and Implications for Future Development

Cobalt supply remains highly concentrated in the DR Congo, exposing the market to geopolitical and operational risks. To mitigate these vulnerabilities, mining companies are actively diversifying sourcing to other regions like Australia, Canada, and the Philippines. At the same time, advances in extraction efficiency and supply chain transparency are helping to stabilize supply. As demand continues to rise, especially from EVs and energy storage, ensuring a secure and diversified cobalt supply chain will be essential for long-term market sustainability.

Technological Innovation and Improvements in Production Efficiency

Technological advances in cobalt mining and smelting are improving production yields, reducing energy consumption, and lowering costs. Breakthroughs in green metallurgy and high-efficiency refining are enhancing the purity and quality of cobalt and cobalt hydroxide, which are vital for battery applications. These innovations support a more sustainable and profitable supply chain while enabling the industry to meet rising global demand across energy, mobility, and electronics sectors.

Policy Support in Downstream Applications

Government policies supporting electric vehicles, renewable energy, and decarbonization are directly boosting demand for cobalt. For instance, the U.S. IRA provides up to $7,500 in tax credits for EV purchases and includes sourcing requirements for critical minerals such as cobalt from domestic or free-trade partners. This has led to increased investment in local refining capacity and cobalt supply chain development. In the E.U., new battery regulations mandate that industrial batteries must include a minimum proportion of recycled cobalt by 2031, directly stimulating cobalt recycling and remanufacturing. In Africa, countries like South Africa, Zambia, and the DR Congo are promoting EV and battery value chains through local manufacturing incentives and the development of special economic zones focused on battery production, with cobalt as a key resource. In Asia, countries are scaling EV adoption through subsidies and infrastructure investment, indirectly driving cobalt demand through the expansion of battery usage. These Subsidies, tax incentives, and industrial development programs are accelerating the adoption of high-performance batteries that rely on cobalt-based materials. As global green transition policies expand, the cobalt industry particularly cobalt hydroxide used in batteries is expected to benefit from increased downstream demand and long-term structural support.

Competitive Landscape Overview of Global Cobalt Industry

DR Congo hold dominant positions in global cobalt production, driven by their control over key cobalt assets. The DR Congo remained the dominant player in the cobalt supply chain, accounting for approximately 75.9% of global production in 2024, supported by its abundant cobalt reserves and well-established mining infrastructure. Zambia accounted for less than 0.5% of global cobalt output in 2024, as cobalt is largely recovered there as a by-product of copper mining. The cobalt production market in the DR Congo and Zambia is characterized by a relatively concentrated competitive landscape, where a few leading producers dominate overall output. In 2024, China Molybdenum Co., Ltd. ("**CMOC**"), Huayou Cobalt, and Glencore accounted for approximately 40.0%, 16.9%, and 13.2% of cobalt production, respectively. Among them, CMOC and Huayou Cobalt are Chinese enterprises, while Glencore is a Swiss-based multinational, reflecting a market structure jointly led by both Chinese and international mining groups. A number of Chinese mining companies have actively developed mineral resources in both countries, leading to a concentration of skilled talent and fostering the growth of supporting industries such as engineering contracting, equipment supply, trade, and logistics. These enterprises typically operate integrated mining, beneficiation, and

smelting operations, producing cathode copper as the main product while recovering cobalt as a valuable by-product. Additionally, they procure copper-cobalt ores from local traders and mining companies to process into refined copper and intermediate cobalt products like crude cobalt hydroxide.

Chinese companies' involvement not only enhances production capacity but also strengthens local value chains by integrating upstream mining and midstream processing activities. Leveraging relatively low-cost financing, technological capabilities, and strong alignment with China's growing demand for cobalt, these enterprises have become influential players and their expanding footprint supports regional cobalt supply stability and promotes broader industrial development in DR Congo and Zambia.

During the Track Record Period, our headquarters was located at PRC and our principal business operations and/or our production facilities were located at multiple countries, including the PRC, DR Congo, Singapore, Peru and Zambia. We are subject to a variety of laws and regulations across a number of aspects of our business. This section sets forth a summary of the most significant laws and regulations that are applicable to our current business activities in the PRC, DR Congo, Singapore, Peru and Zambia.

LAWS AND REGULATIONS RELATED TO OUR BUSINESS IN THE PRC

INDUSTRY CLASSIFICATION

According to the Industry Classification of National Economy Activities (GB/T4754-2017) jointly issued by the General Administration of Quality Supervision, Inspection and Quarantine of the People's Republic of China and the National Standardization Administration of the People's Republic of China on June 30, 2017, the industry in which we are engaged falls within "C3211", under "C32 Nonferrous metal smelting and rolling processing industry".

PRC REGULATIONS RELATED TO SAFE PRODUCTION

Work Safety Law of the People's Republic of China (《中華人民共和國安全生產法》) was promulgated by the SCNPC on June 29, 2002 and latest revised on June 10, 2021. Production and business entities shall abide by this Law and other laws and regulations concerning work safety, strengthen work safety management, establish and improve a work safety responsibility system and work safety rules and systems for all employees, increase efforts to guarantee the input of funds, materials, technology, and personnel in work safety, improve work safety conditions, strengthen standardization and informatization of work safety, construct a dual prevention mechanism consisting of graded management and control of safety risks and examination and control of potential risks, improve the risk prevention and resolution mechanism, raise work safety levels, and ensure work safety. The law stipulates provisions on guarantee of safety by production and business operation entities, rights and obligations of employees relating to work safety, supervision and administration of work safety, emergency rescue, investigation, and handling of work safety accidents and legal responsibilities.

Regulations on Work Safety Licenses (《安全生產許可證條例》) was promulgated by the State Council on January 13, 2004 and latest revised on July 29, 2014. The State applies the work safety licensing system to enterprises engaged in mining, construction, and the production of dangerous chemicals, fireworks and crackers, and civil use explosive material. No enterprise may engage in production activities without a work safety license.

Administrative Regulations on the Safety of Hazardous Chemicals (《危險化學品安全管理條例》), which was promulgated on 26 January 2002 and last amended on 7 December 2013, firstly provides that the State implements the licensing system for the operation of hazardous chemicals (including storage management, hereinafter the same), and without being licensed, any units and individuals shall not deal in hazardous chemicals. Secondly, it provides that the

enterprises dealing in hyper-toxic chemicals or hazardous chemicals to make explosives shall file applications to the production safety supervision and administration departments of the local people's governments at municipality (with districts) level and the enterprises dealing in other hazardous chemicals shall file applications to the production safety supervision and administration departments of the local people's governments at county level (if the enterprise has storage facilities, it shall file applications to the production safety supervision and administration department of the local people's government at municipality (with districts) level). Thirdly, the authorities mentioned above shall examine such documents pursuant to laws, conduct on-site verification on the business premises and storage facilities of the applicants, and make the decision of approval or refusal (if the application is approved, the licences for dealing in hazardous chemicals shall be issued). At last, the applicants shall not deal in hazardous chemicals until they hold the licenses for dealing in hazardous chemicals to handle registration at AICs.

PRC REGULATIONS RELATING TO ENVIRONMENTAL PROTECTION

Environmental Protection Law of the People's Republic of China (《中華人民共和國環境保護法》) was promulgated by the SCNPC on December 26, 1989, latest revised on April 24, 2014 and took effect on January 1, 2015. For preparation of the relevant development and utilization plans and construction of environment-affected projects, the environmental impact assessment shall be conducted according to law. Any development and utilization plan without the environmental impact assessment conducted according to law may not be organized for implementation; and any construction project without the environmental impact assessment conducted according to law may not start construction. The pollution prevention and control facilities in construction projects shall be designed, constructed and put into operation along with the principal part of the project at the same time. The pollution prevention and control facilities shall meet the requirements specified in the approved documents regarding the environmental impact assessment and shall not be dismantled or left idle without authorization. Chemicals and materials containing radioactive substances must be produced, stored, transported, sold, used and disposed of in accordance with the relevant state provisions so as to prevent environmental pollution. The State implements the pollution discharge license management system in accordance with the law. Enterprises, public institutions and other producers and operators that implement the pollution discharge license management shall discharge pollutants according to the requirements of the pollution discharge license; those that fail to obtain the pollution discharge license shall not discharge pollutants. Natural resources shall be developed and utilized properly to protect biodiversity and ecological safety, and the relevant treatment plan for ecological protection and restoration shall be formulated and implemented according to law.

Law of the People's Republic of China on Environmental Impact Assessment (《中華人民共和國環境影響評價法》) was promulgated by the SCNPC on October 28, 2002 and latest revised on December 29, 2018. The State implements a classification-based management on environmental impact assessment of construction projects according to the impact of the construction projects on the environment. Construction entity shall prepare the environmental impact report or environmental impact statement or fill out the environmental impact

registration form according to the following rules: (i) for projects with potentially serious environmental impacts, an environmental impact report shall be prepared to provide a comprehensive assessment of their environmental impacts; (ii) for projects with potentially mild environmental impacts, an environmental impact statement shall be prepared to provide an analysis or specialized assessment of their environmental impacts; (iii) for projects with very small environmental impacts so that an environmental impact assessment is not required, an environmental impact registration form shall be filled out. The catalogs for the classification-based management of the environment impact assessment of the construction projects shall be determined and published by the administrative department of the State Council in charge of environmental protection. The environmental impact report or environmental impact statement of a construction project shall be submitted by the construction entity to the administrative department of ecology and environment with the approval authority for approval in accordance with the provisions of the State Council. The State shall implement a record-filing-based management on environmental impact registration form.

Regulations on the Administration of Construction Project Environmental Protection (《建設項目環境保護管理條例》) was promulgated by the State Council on November 29, 1998, latest revised on July 16, 2017 and took effect on October 1, 2017. State standards and local standards for the discharge of pollutants must be complied with in building construction projects that generate pollution; requirements for aggregate control of discharge of major pollutants must be met in areas under aggregate control of discharge of major pollutants. Industrial construction projects shall adopt clean production techniques with low energy consumption, low material consumption and low pollutant generation, and rationally exploit natural resources to prevent environmental pollution and ecological damage. Measures must be taken in reconstruction, expansion projects and technological transformation projects to treat original environmental pollution and ecological damage relating to the said projects. The State implements the construction project environmental impact evaluation system. For a construction project for which an environmental impact report or environmental impact statement shall be prepared, the construction entity shall submit, before starting construction, the environmental impact report or environmental impact statement to the competent administrative department of environmental protection with the authority of examination and approval for approval; if the environmental impact evaluation document of the construction project fails to be examined by the examination and approval department in accordance with the law or is not approved after examination, the construction unit may not start construction. For a construction project for which an environmental impact registration form shall be filled out in accordance with the law, the construction unit shall submit the environmental impact registration form to the competent administrative department of environmental protection at the county level of the locality of the construction project for record-filing, according to the provisions of the competent administrative department of environmental protection under the State Council. Environmental protection facilities required to be constructed must be designed, constructed and put into operation parallel to the progress of the principal part of the project. Construction projects for which the environment impact reports and environmental impact

statements are prepared must only be put into production or put into use after the environmental protection facilities are accepted; where such facilities are not accepted or deemed as disqualified in the acceptance, such projects are not allowed to be put into production or use.

The Interim Method for Completion Acceptance of Environmental Protection for Construction Projects (《建設項目竣工環境保護驗收暫行辦法》) was promulgated by the former Ministry of Environmental Protection (now Ministry of Ecology and Environment) on November 20, 2017 and became effect on the same day. This Method specifies the procedures and standards for construction units to carry out environmental protection acceptance after the construction of such projects is completed.

Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution (《中華人民共和國大氣污染防治法》) was promulgated by the SCNPC on September 5, 1987 and latest revised on October 26, 2018. Enterprises, public institutions and other producers and operators that build projects having impacts on the atmospheric environment shall conduct environmental impact assessment and disclose the environmental impact assessment documents to the public in accordance with the law; where pollutants are discharged to the atmosphere, the discharging units must comply with the discharging standard for atmospheric pollutants as well as the requirements on control of the total discharging amount of key atmospheric pollutants. Enterprises, public institution, producers and operators for the coal heating sources of central heating facilities discharging industrial waste gasses or discharging toxic and hazardous air pollutants listed in the catalog provided in this Law, as well as other entities subject to pollution discharge permit management in accordance with the law, shall obtain the pollution discharge permit. If iron and steel, building materials, non-ferrous metals, petroleum, chemical and other related enterprises discharge smoke and dust, sulfide and nitride oxides in the production process, they shall adopt clean production techniques, install the supporting facilities for dust removal, desulfurization and denitrification, or take other measures such as technical transformation to control the discharge of air pollutants. Petroleum and chemical enterprises as well as other enterprises producing and using organic solvents shall take measures to carry out daily maintenance and repair of the pipelines and equipment, reduce leakage of materials, and collect or dispose of the materials leaked in a timely manner.

The Law of the People's Republic of China on the Prevention and Control of Environmental Pollution caused by Solid Waste (《中華人民共和國固體廢物污染環境防治法》) was promulgated by the SCNPC on October 30, 1995, and was latest revised on April 29, 2020 and implemented on September 1, 2020. The construction of projects that produce, store, use, and treat solid wastes shall be performed with environmental impact assessment conducted as legally required and in compliance with the relevant provisions issued by the state concerning the management of environmental protection in respect of construction projects. The facilities for the prevention and control of environmental pollution by solid wastes required to be built as ancillaries determined in the environmental impact assessment document of a construction project shall be designed, built and put into operation at the same time as the main part of the project. The preliminary design of the construction project shall, as required

by the environmental protection design standards, incorporate the prevention and control of environmental pollution by solid wastes into the environmental impact assessment document and implement the measures for the prevention and control of environmental pollution and ecological damage by solid wastes and the investment estimates for facilities for the prevention and control of environmental pollution by solid wastes. The construction employer shall, as required by the relevant laws and regulations, conduct acceptance inspection of the facilities for the prevention and control of environmental pollution by solid wastes built as ancillaries, prepare an acceptance inspection report, and disclose it to the public. A mining enterprise shall adopt scientific mining methods and techniques for mineral separation so as to reduce the production and storage of tailings, coal gangue, waste rock and other mining solid wastes. The state shall encourage the use of advanced techniques to comprehensively utilize solid mining wastes such as tailings, coal gangue, and waste rock. After the facilities for storing tailings, coal gangue, waste rock, and other mining solid wastes are not used any more, a mining enterprise shall, according to state provisions on environmental protection, close the fields to prevent environmental pollution and ecological destroy. The ecology and environment department of the State Council shall, in conjunction with other relevant departments of the State Council, formulate a national list of hazardous wastes and lay down unified criteria and methods for identifying hazardous waste, distinguishing marks, and requirements for the administration of identification entities. The national list of hazardous wastes shall be adjusted dynamically. The ecology and environment department of the State Council shall, based on the harm characteristics and production of hazardous wastes, scientifically assess their environmental risks, exercise grade and classification-based administration, establish an informatized regulatory system, and manage and share data and information on the transfer of hazardous wastes by informatized means. A distinguishing mark of hazardous wastes shall be put on the containers and packages of hazardous wastes as well as on the facilities and sites for collection, storage, transportation and treatment of hazardous wastes. An entity that produces hazardous wastes shall work out a plan for managing hazardous wastes in accordance with the relevant provisions issued by the state; and keep a hazardous waste management journal, faithfully recording relevant information, and report the types, production, destination, storage, treatment and other relevant information to the local ecology and environment department through the National Hazardous Waste Information Management System.

The Law of the People's Republic of China on the Prevention and Control of Water Pollution (《中華人民共和國水污染防治法》) was promulgated by the SCNPC on May 11, 1984 and was latest revised on June 27, 2017 and implemented on January 1, 2018. Environmental Impact Assessment (the "**EIA**") must be carried out according to law for newly-formed projects and reconstruction, or extensions projects that directly or indirectly discharge pollutants to water bodies and other installations on water. The water pollution prevention and control facilities of construction projects shall be simultaneously designed, constructed and put into use together with main buildings. The water pollution prevention and control facilities shall meet the requirements of environmental impact assessment documents approved or filed for the record. Enterprises, institutions and other production and operation units directly or indirectly discharging industrial waste water and medical sewage to waters and enterprises, institutions and other production and operation units required to obtain pollutant discharging permit before discharging waste water and sewage must obtain the pollutant

discharging permit. The pollutant discharging permit specifies requirements on the types, concentration, total amount and discharging direction of the water pollutants to be discharged. Enterprises, public institutions and other manufacturers and operators subject to pollutant discharge license administration shall carry out self-monitoring of water pollutants discharged and retain original monitoring records in accordance with the relevant provisions and monitoring standards of the state and be responsible for the authenticity and accuracy of the monitoring data. Chemical manufacturers and the operators and entities operating and managing industrial agglomeration areas, mining areas, tailing ponds, hazardous waste disposal sites, landfills, etc. shall take anti-seepage and other measures, and construct ground water quality monitoring wells to carry out monitoring so as to prevent ground water pollution. When constructing underground facilities or conducting underground exploitation or mining activities, preventive measures must be taken to prevent groundwater pollution.

The Law of the People's Republic of China on the Prevention and Control of Noise Pollution (《中華人民共和國噪聲污染防治法》) was promulgated by the SCNPC on December 24, 2021 and take effect on June 5, 2022. New construction, reconstruction or expansion projects that may cause noise pollution shall be subject to the environmental impact assessment in accordance with the law. Facilities for prevention and control of environmental noise pollution must be designed, built and put into use simultaneously with the main part of a construction project. Before a construction project is put into production or use, its facilities for prevention and control of environmental noise pollution must conduct final inspection according to the standards and procedures prescribed by the state; if such facilities fail to meet the requirements of the State, the construction project may not be put into production or use.

PRC REGULATIONS RELATING TO LAND

Pursuant to the Land Administration Law of the PRC (《中華人民共和國土地管理法》), which was promulgated on 25 June 1986 and was revised on 29 December 1988, 29 August 1998, 28 August 2004 and 26 August 2019 respectively, and the Regulations on the Implementation of the Land Administration Law of the PRC (《中華人民共和國土地管理法實施條例》), which was promulgated on 27 December 1998 and was revised on 8 January 2011, 29 July 2014 and 2 July 2021, land in the PRC is either state-owned or collectively-owned. Land owned by the state and collectively-owned by villagers may be allocated to units or individuals for use according to law. Lawfully registered land ownership and land use rights are protected by law. In the case of temporary use of state-owned land or land collectively-owned by farmers for construction projects or by geological survey teams, approval shall be obtained from the land administrative department of the government at or above the county level. Land users shall sign contracts with relevant land administrative department or rural economic collective organisations or village committees for the temporary use of land, depending on the ownership of land and shall pay land compensation fees as stipulated in the contracts for the temporary use of land. The term for the temporary use of land shall generally not exceed two years. The state shall establish a territorial spatial planning system, and territorial spatial plans approved in accordance with the law shall be the primary basis for various activities of land development, protection, and construction. Where a territorial spatial plan has been worked out, the comprehensive plan for land utilisation and the urban-rural plan

shall no longer be effective. Before a territorial spatial plan is determined, the existing overall plan for land utilisation and urban-rural plan legally approved shall continue to be effective. The results of land surveys are of great importance in the preparation of territorial spatial plans, as well as the management, protection and utilisation of natural resources.

PRC REGULATIONS RELATING TO OVERSEAS INVESTMENT, FOREIGN INVESTMENT AND FOREIGN EXCHANGE

The Measures for the Administration of Overseas Investment of Enterprises (《企業境外投資管理辦法》) were promulgated by the NDRC on December 26, 2017 and came into effect on March 1, 2018. To make outbound investment, any investor shall go through the formalities to have a proposed overseas investment project approved or filed on the record, report relevant information, and cooperate with supervision and inspection. An investor shall, in overseas investment, neither violate the laws and regulations of China nor threaten or damage the national interests and national security of China.

Investment activities in China by foreign investors are principally governed by the Catalog of Industries for Encouraging Foreign Investment (《鼓勵外商投資產業目錄》), or the Encouraging Catalog, the Special Administrative Measures (Negative List) for Foreign Investment Access (《外商投資准入特別管理措施(負面清單)》), or the Negative List, which were promulgated and are amended from time to time by the MOFCOM and the NDRC, the Foreign Investment Law (《中華人民共和國外商投資法》), or the FIL, which promulgated on March 15, 2019 and took effect on January 1, 2020, and their respective implementation rules and ancillary regulations according to the needs for national economic and social development. The Encouraging Catalog and the Negative List lay out the basic framework for foreign investment in China, classifying businesses into three categories with regard to foreign investment: "encouraged", "restricted", and "prohibited". Industries not listed in the Negative List are generally deemed as falling into a fourth category, "permitted," unless specifically restricted by other PRC laws and regulations.

On October 26, 2022, the MOFCOM and the NDRC released the Catalog of Industries for Encouraging Foreign Investment (2022 Version) (《鼓勵外商投資產業目錄(2022年版)》), which became effective on January 1, 2023, to replace the previous Encouraging Catalog. On December 27, 2021, the MOFCOM and the NDRC released the Special Administrative Measures (Negative List) for Foreign Investment Access (2021 Edition) (《外商投資准入特別管理措施(負面清單)(2021年版)》), or the 2021 Negative List, which became effective on January 1, 2022, to replace the previous Negative List (2020 Version). The 2021 Negative List was further replaced by the Special Administrative Measures (Negative List) for Foreign Investment Access (2024 Edition) (《外商投資准入特別管理措施(負面清單)(2024年版)》), or the 2024 Negative List, which was promulgated on September 6, 2024 and became effective on November 1, 2024.

The Implementing Rules of Foreign Investment Law (《中華人民共和國外商投資法實施條例》), which was promulgated by the State Council on December 26, 2019 and became effective on January 1, 2020, further clarified that the state encourages and promotes foreign

investment, protects the lawful rights and interests of foreign investors, regulates foreign investment administration, continues to optimize the foreign investment environment, and advances a higher-level opening. On the same day, the Supreme People's Court issued an Interpretation on Certain Issues Concerning the Application of the Foreign Investment Law of the PRC, or the Interpretation (《最高人民法院關於適用<中華人民共和國外商投資法>若干問題的解釋》), which also came into effect on January 1, 2020. The Interpretation provides guidance on questions relating to the effectiveness and enforceability of agreements relating to foreign investments, such as shareholder agreements, share transfer agreements, and project contracts that may arise under the new negative list system for administration of foreign investment, according to which, investment agreements relating to foreign investment in violation of the negative list management system may be void.

The Notice of the SAFE on Issues Concerning the Foreign Exchange Administration of Overseas Listing (《國家外匯管理局關於境外上市外匯管理有關問題的通知》) was promulgated by the SAFE on December 26, 2014 and became effective on the same day. SAFE and its branches with foreign exchange authorities supervise, manage and inspect, among other things, the business registration, account opening and use, cross-border payments and capital exchange involved in the overseas listing of domestic companies. A domestic company shall conduct overseas listing registration with Foreign Exchange Bureaus at the place of its incorporation with the relevant materials within 15 working days after the completion of the offering of its overseas listing shares.

The Circular of the State Administration of Foreign Exchange on Reforming and Regulating Policies on the Control over Foreign Exchange Settlement of Capital Accounts (《國家外匯管理局關於改革和規範資本項目結匯管理政策的通知》, the "**SAFE Circular 16**") was promulgated by the State Administration of Foreign Exchange on June 9, 2016 and came into effect on the same day. According to the SAFE Circular 16, enterprises registered in PRC could settle the external debts in foreign currencies to Renminbi at their own discretion. The SAFE Circular 16 sets a uniform standard for discretionary settlement of foreign currencies under capital accounts (including but not limited to foreign currency capital, foreign debts and repatriated funds raised through overseas listing), which is applicable to all enterprises registered in PRC. On 4 December 2023, the SAFE promulgated the Notice on Further Deepening the Reform to Facilitate Cross-border Trade and Investment (《關於進一步深化改革促進跨境貿易投資便利化的通知》, the "**2023 SAFE Circular**"), which amended part of regulations of SAFE Circular 16 and became effective on the same day. According to the SAFE Circular 16 and 2023 SAFE Circular, the Renminbi funds obtained from the settlement of foreign currencies shall not be used directly or indirectly for purposes beyond the company's scope of business, and shall not be used directly or indirectly for domestic securities investment or investments and wealth management products other than products and structured deposit with risk assessment not higher than Level 2, unless otherwise expressly prescribed. Furthermore, such Renminbi funds shall not be used for disbursing loans to non-affiliated enterprises, unless the scope of business expressly provides so; and shall not be used to purchase real estate of residential nature not for self-use (except for enterprises engaged in real estate development or leasing management).

The Circular on Optimizing Administration of Foreign Exchange to Support the Development of Foreign-related Business (《關於優化外匯管理支持涉外業務發展的通知》) was promulgated by the SAFE on April 10, 2020 and became effective on the same day. Eligible enterprises are allowed to make domestic payments by using their capital, foreign credits and the income under capital accounts of overseas listing, with no need to provide the evidentiary materials concerning authenticity of such capital for banks in advance, provided that their capital use shall be authentic and in line with provisions, and conform to the prevailing administrative regulations on the use of income under capital accounts. The concerned bank shall conduct spot checking in accordance with the relevant requirements.

PRC REGULATIONS RELATING TO OVERSEAS LISTING

On February 17, 2023, the CSRC published the new regulations for the filing-based administration of overseas securities offering and listing by domestic companies, which came into effect on March 31, 2023. The newly released set of regulations consists of 6 documents, including the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) (the "**Trial Overseas Listing Measures**") and 5 supporting guidelines, along with the Notice of the Administrative Arrangements for the Filing of Overseas Securities Offering and Listing by Domestic Companies (《關於境內企業境外發行上市備案管理安排的通知》). Pursuant to the Trial Overseas Listing Measures, a PRC domestic company seeking offering and listing securities in overseas market, either directly or indirectly as defined in the Overseas Listing Measures, shall file with the CSRC and report relevant information.

The Trial Overseas Listing Measures also provide that where an issuer submits an application for initial public offering or listing to the competent overseas authorities, the issuer shall also file with the CSRC in accordance with the Trial Overseas Listing Measures within 3 business days upon submission of the overseas initial offering and listing application.

The Guidelines on the Application of Regulatory Rules — Overseas Issuance and Listing Category No. 7 (《監管規則適用指引—境外發行上市類第7號》) was issued by the CSRC on May 7, 2024, which sets out the regulatory requirements for the transfer of domestic enterprises from the offshore OTC market to overseas stock exchanges for the purpose of overseas issuance and listing. The Guidelines on the Application of Regulatory Rules — Overseas Issuance and Listing No. 6 (《監管規則適用指引—境外發行上市類第6號》) was issued by the CSRC on May 16, 2023, which provides guidelines on the application procedures, rules and material requirements for overseas issuance of GDRs by domestic listed companies.

In addition, pursuant to the Provisions on Strengthening Confidentiality and Archives Administration in Respect of Overseas Issuance and Listing of Securities by Domestic Enterprises (《關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定》), in the course of overseas issuance and listing of domestic enterprises, domestic enterprises and securities companies and securities service agencies which provide the corresponding services shall strictly comply with the relevant laws and regulations of the People's Republic of China and the requirements of these Provisions, strengthen legal awareness of confidentiality of State

secrets and archives administration, establish a sound system for confidentiality and archives work, adopt the requisite measures to perform the responsibilities of confidentiality and archives administration, and shall not divulge State secrets and work secrets of State agencies or harm State and public interests.

PRC REGULATIONS RELATING TO EMPLOYMENT AND SOCIAL WARFARE

Labor and Labor Contract

According to the Labor Law of the PRC (《中華人民共和國勞動法》) promulgated on July 5, 1994 and most recently amended in December 29, 2018 with immediate effect by SCNPC, enterprises and institutions must establish and improve their system of workplace safety and sanitation, strictly abide by state rules and standards on workplace safety, educate laborers in labor safety and sanitation in China. Labor safety and sanitation facilities must comply with state-fixed standards. Enterprises and institutions must provide laborers with a safe workplace and sanitation conditions which are in compliance with state stipulations and the relevant articles of labor protection.

The Labor Contract Law of the People's Republic of China (《中華人民共和國勞動合同法》) (promulgated by the SCNPC on June 29, 2007 and latest amended on December 28, 2012) and the Regulations on the Implementation of the Labor Contract Law of the People's Republic of China (《中華人民共和國勞動合同法實施條例》) (promulgated by the State Council on September 18, 2008 and came into effect on the same day) stipulate the rights and obligations of the parties to the labor contract, including the conclusion, performance, modification, rescission and termination of the labor contract, etc. Employers must enter into written labor contracts with workers and pay labor remuneration to workers timely and in full amount in accordance with the provisions of the labor contract and national regulations. Employers may terminate labor contracts with workers under certain circumstances and pay economic compensation to workers according to law.

On July 31, 2025, the Supreme People's Court promulgated the Labor Law Interpretation II, which came into effect on September 1, 2025. Labor Law Interpretation II aims to unify legal standards for socially concerning issues such as non-compete agreements, mixed employment, employment of foreign nationals, and social insurance disputes, thereby safeguarding the legitimate rights and interests of both employees and employers in accordance with the law. It stipulates that if an employer and an employee agree or an employee commits to the employer that there is no need to pay social insurance premiums, the people's court shall deem such an agreement or commitment invalid. Additionally, Labor Law Interpretation II repeals the provision in the Interpretation (I) of the Supreme People's Court on Issues Concerning the Application of Law in the Trial of Labor Dispute Cases which classified that the relationship between rehired retirees and companies as a labor service relationship, thereby strengthening the protection of rehired retirees' rights and interests.

Social Insurance and Housing Provident Fund

In accordance with the Social Insurance Law of the People's Republic of China (《中華人民共和國社會保險法》) which was promulgated by Standing Committee of the National People's Congress on October 28, 2010 and was latest amended on December 29, 2018, with the latest revision effective on the same date, employers are required to contribute, on behalf of their employees, to a number of social security funds, including funds for basic pension insurance, unemployment insurance, basic medical insurance, occupational injury insurance, and maternity insurance. Employers failed to promptly contribute social security premiums in full amount shall be ordered by the social security premium collection agency to make or supplement contributions within a stipulated period, and shall be subject to a late payment fine computed from the due date at the rate of 0.05% per day; where payment is not made within the stipulated period, the relevant administrative authorities shall impose a fine ranging from one to three times the amount of the amount in arrears.

In accordance with the Regulations on the Administration of Housing Provident Fund (《住房公積金管理條例》) which was promulgated by the State Council on April 3, 1999, and was latest amended on March 24, 2019, with the latest revision effective on the same date, an employer shall make registration of contribution to the housing provident fund with the housing provident fund management center, and go through the formalities of opening housing provident fund accounts on behalf of its employees. An employer fails to undertake contribution registration of housing provident fund or fails to go through the formalities of opening housing provident fund accounts for its employees, the housing provident fund management center shall order it to go through the formalities within a prescribed time limit; where failing to do so at the expiration of the time limit, a fine of not less than RMB10,000 nor more than RMB50,000 shall be imposed. An employer is overdue in the contribution of, or underpays, the housing provident fund, the housing provident fund management center shall order it to make the contribution within a prescribed time limit; where the contribution has not been made after the expiration of the time limit, an application may be made to a people's court for compulsory enforcement.

Prevention and control of occupational diseases

According to the Law of the PRC on the Prevention and Control of Occupational Diseases (《中華人民共和國職業病防治法》), which was promulgated on 27 October 2001 and was revised on 31 December 2011, 2 July 2016, 4 November 2017 and 29 December 2018 respectively, a construction entity shall conduct the pre-assessment of occupational hazards at the feasibility study stage if a construction project may cause any occupational hazards. The protective facilities against occupational diseases of the construction project shall be designed, constructed, and put to use in production and other operations at the same time as the main body of the project. Before the acceptance check of a construction project, the construction entity shall evaluate the effects of occupational hazard control.

PRC REGULATIONS RELATING TO INTELLECTUAL PROPERTY

According to the Civil Code, intellectual property rights are the proprietary rights enjoyed by right holders in accordance with the law in respect of the objects, including works, inventions, utility models, designs, trademarks and trade secrets. China has adopted comprehensive legislations governing intellectual property rights. China is a signatory to the primary international conventions on intellectual property rights and has been a member of the Agreement on Trade-Related Aspects of Intellectual Property Rights (《與貿易有關的知識產權協定》) since its accession to the World Trade Organization in December 2001.

Patents

The Patent Law of the People's Republic of China (《中華人民共和國專利法》) (promulgated by the SCNPC on March 12, 1984 and latest revised on October 17, 2020), the Implementation Rules of the Patent Law of the People's Republic of China (《中華人民共和國專利法實施細則》) (promulgated by the State Council on June 15, 2001 and latest revised on December 11, 2023) and the Interim Measures for the Processing of Patent-Related Examination Businesses for the Implementation of the Amended Patent Law and its Implementing Rules (《關於施行修改後的專利法及其實施細則相關審查業務處理過渡辦法的公告》) (promulgated by the China National Intellectual Property Administration on December 21, 2023 and effective on January 20, 2024) stipulate that an inventor, a designer, or the employer of the inventor of a service invention-creation may apply for the grant of an invention patent, a utility patent or a design patent. Assignment shall take effect as of the date of its registration. The patent right duration is 20 years for invention, 10 years for utility, and 15 years for design, starting from the date of patent application.

Trademarks

Trademarks are protected by the Trademark Law of the PRC (《中華人民共和國商標法》) which was promulgated on August 23, 1982, last amended on April 23, 2019, and became effective on November 1, 2019 by SCNPC as well as the Implementation Regulations of the Trademark Law of the PRC (《中華人民共和國商標法實施條例》), which was promulgated by the State Council on August 3, 2002 and amended on April 29, 2014 and became effective from May 1, 2014. In China, registered trademarks include commodity trademarks, service trademarks, collective marks, and certification marks.

The Trademark Office under the PRC State Administration for Industry and Commerce, or the Trademark Office, handles trademark registrations and grants a term of ten years to registered trademarks. Trademarks are renewable every ten years where a registered trademark needs to be used after the expiration of its validity term. A trademark registrant may license its registered trademark to another party by entering a trademark license contract. Trademark license agreements must be filed with the Trademark Office to be recorded. The licensor must supervise the quality of the commodities on which the trademark is used, and the licensee must guarantee the quality of such commodities. As for trademarks, the PRC Trademark Law has adopted a "first come, first file" principle with respect to trademark registration. Where

trademark for which a registration application has been made is identical or similar to another trademark which has already been registered or been subject to a preliminary examination and approval for use on the same kind of or similar commodities or services, the application for registration of such trademark may be rejected. Any person applying for the registration of a trademark may not prejudice the existing right first obtained by others, nor may any person register in advance a trademark that has already been used by another party and has already gained a "sufficient degree of reputation" through such party's use.

Copyrights

The Copyright Law of the People's Republic of China (《中華人民共和國著作權法》) (promulgated by the SCNPC on September 7, 1990 and latest revised on November 11, 2020) and the Regulations on the Implementation of the Copyright Law of the People's Republic of China (《中華人民共和國著作權法實施條例》) (promulgated by the State Council on August 2, 2002 and latest revised on January 30, 2013) stipulate that for the innovative and intellectual works that can be presented in certain tangible manners in respect of Chinese citizens, legal persons or non-legal person organizations, including literature, art and science, regardless of whether they are published or not, the owners enjoy the copyright. Where the copyright belongs to a legal entity or unincorporated organisation or in respect of a service work where the legal entity or unincorporated organisation enjoys the copyright (except the right of authorship), the protection period of publication right is 50 years, ending on 31 December of the 50th year after the creation of the work. The right stipulated in Items 5 to 17 of Paragraph 1 under Article 10 of the law shall be protected for a period of 50 years, ending on 31 December of the 50th year after the date on which the work is first published.

The Regulations on Computer Software Protection (《計算機軟件保護條例》) was promulgated by the State Council on June 4, 1991 and latest revised on January 30, 2013. Chinese residents, legal entities or other organizations enjoy copyright in any software which they have developed, whether published or not, in accordance with the regulations. Software copyright is created from the date when the development of the software is completed. With respect to a legal person's or other organization's software copyright, the term of protection shall be 50 years, and shall end on 31 December of the 50th year after the software's first release.

Domain Names

Pursuant to the Measures for the Administration of Internet Domain Names (《互聯網域名管理辦法》) promulgated by the MIIT on August 24, 2017, and effective on November 1, 2017, to replace the 2004 Domain Names Measures, "domain name" shall refer to the character mark of hierarchical structure, which identifies and locates a computer on the internet and corresponds to the internet protocol (IP) address of that computer. The principle of "first come, first serve" is followed for the domain name registration service. After completing the domain name registration, the applicant becomes the holder of the domain name registered by him/it.

Any organization or individual may file an application for settlement with the domain names dispute resolution institution or file a lawsuit in the People's Court in accordance with the law if such organization or individual consider its/his legal rights and interests to be infringed by domain names registered or used by others.

Trade Secrets

Pursuant to the PRC Anti-Unfair Competition Law (《中華人民共和國反不正當競爭法》) latest amended by SCNPC on April 23, 2019 with immediate effect, the term "trade secrets" refers to technical and business information that is unknown to the public, has utility, may create business interests or profits for its legal owners or holders, and is maintained as a secret by its legal owners or holders. Under the PRC Anti-Unfair Competition Law, business persons are prohibited from infringing others' trade secrets by: (i) obtaining trade secrets from the legal owners or holders by any unfair methods, such as theft, bribery, fraud, coercion, electronic intrusion, or any other illicit means; (ii) disclosing, using, or permitting others to use the trade secrets obtained illegally under item (i) above; or (iii) disclosing, using, or permitting others to use the trade secrets, in violation of any contractual agreements or any requirements of the legal owners or holders to keep such trade secrets in confidence. If a third party knows or should have known of the above-mentioned illegal conduct but nevertheless obtains, uses or discloses trade secrets of others, the third party may be deemed to have committed a misappropriation of the others' trade secrets. The parties whose trade secrets are being misappropriated may petition for administrative corrections, and regulatory authorities may stop any illegal activities and impose fines on the infringing parties.

PRC REGULATIONS RELATING TO TAX

Income Tax

The Law of the PRC on Enterprise Income Tax (《中華人民共和國企業所得税法》) was promulgated on March 16, 2007 and was most recently amended on December 29, 2018 by SCNPC, and its implementation rules (《中華人民共和國企業所得税法實施條例》), promulgated by the State Council on December 6, 2007 with the latest amendment on December 6, 2024 (collectively, the "**EIT Laws**"). According to the EIT Laws, enterprises consist of resident enterprises and non-resident enterprises. Resident enterprises are defined as enterprises that are established in PRC in accordance with the PRC laws, or that are established in accordance with the laws of foreign countries but whose actual or de facto control is administered from within China. Non-resident enterprises are defined as enterprises that are set up in accordance with the laws of foreign countries and whose actual administration is conducted outside China but have established institutions or premises in China, or have no such established institutions or premises but have income generated from inside the PRC. Under the EIT Laws a uniform corporate income tax rate of 25% is applicable. However, if non-resident enterprises have not formed permanent establishments or premises in China, or if they have formed permanent establishment institutions or premises in China but there is no actual

relationship between the relevant income derived in the PRC and the established institutions or premises set up by them, the enterprise income tax is, in that case, set at the rate of 10% for their income sourced from inside the PRC.

Income Tax in Relation to Dividend Distribution

The EIT Laws provide that an income tax rate of 10% will normally be applicable to dividends payable to investors that are "non-resident enterprises," and gains derived by such investors, which (a) do not have an establishment or place of business in China, or (b) have an establishment or place of business in China, but the relevant income is not effectively connected with the establishment or place of business to the extent such dividends and gains are derived from sources within China. Such income tax on the dividends may be reduced pursuant to a tax treaty between China and the jurisdictions in which our non-PRC shareholders reside. Pursuant to an Arrangement Between China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion With Respect to Tax on Income (《內地和香港特別行政區關於對所得避免雙重徵税和防止偷漏税的安排》), or the Double Tax Avoidance Arrangement, promulgated by the SAT on August 21, 2006, most recently amended on July 19, 2019 and became effective on December 6, 2019, and other applicable PRC laws, if a Hong Kong resident enterprise is determined by the competent PRC tax authority to have satisfied the relevant conditions and requirements under such Double Tax Avoidance Arrangement and other applicable laws, the 10% withholding tax on the dividends the Hong Kong resident enterprise receives from a PRC resident enterprise may be reduced to 5% upon receiving approval from in-charge tax authority. However, based on the Notice on Certain Issues with Respect to the Enforcement of Dividend Provisions in Tax Treaties (《國家税務總局關於執行税收協定股息條款有關問題的通知》) promulgated on February 20, 2009 by the SAT with immediate effect, if the relevant PRC tax authorities determine, in their discretion, that a company benefits from such reduced income tax rate due to a structure or arrangement that is primarily tax-driven, such PRC tax authorities may adjust the preferential tax treatment; and based on the Announcement of the SAT on Issues concerning "Beneficial Owners" in Tax Treaties (《國家税務總局關於税收協定中"受益所有人"有關問題的公告》), which was promulgated on February 3, 2018 by the SAT and became effective on April 1, 2018, conduit companies, which are established for the purpose of evading or reducing tax, or transferring or accumulating profits, may not be recognized as beneficial owners and thus, will not be entitled to the above-mentioned reduced income tax rate of 5% under the Double Tax Avoidance Arrangement.

Value-added Tax

According to the Temporary Regulations on Value-added Tax (《中華人民共和國增值税暫行條例》), promulgated by the State Council on December 13, 1993, last amended on November 19, 2017 with immediate effect, and the Detailed Implementing Rules of the Temporary Regulations on Value-added Tax (《中華人民共和國增值税暫行條例實施細則》), promulgated by the MOF on December 25, 1993, last amended on October 28, 2011 and became effective on November 1, 2011, all taxpayers selling goods, providing processing, repair or replacement services or importing goods within the PRC shall pay value-added taxes.

Furthermore, according to the Trial Scheme for the Conversion of Business Tax to Value-added Tax (《營業税改徵增值税試點方案》), promulgated by the MOF and the SAT on November 16, 2011, the State Council began to launch taxation reforms in a gradual manner in January 2012, whereby the collection of value-added tax in lieu of business tax items was implemented on a trial basis in regions showing significant radiating effects in economic development and providing outstanding reform examples, beginning with production service industries such as transportation and certain modern service industries. Pursuant to the Circular of Taxation on Full Launch of the Pilot Scheme on Levying Value-added Tax in Place of Business Tax (《關於全面推開營業税改徵增值税試點的通知》), which was jointly issued by the MOF and the SAT on March 23, 2016, partly amended by the MOF, the SAT and the General Administration of Customs on March 20, 2019 and took effect on April 1, 2019, upon approval of the State Council, the pilot program of the collection of value-added tax in lieu of business tax shall be promoted nationwide in a comprehensive manner starting from May 2016, and all taxpayers of business tax engaged in the construction industry, the real estate industry, the financial industry and the life science industry shall be included in the scope of the pilot program with regard to payment of value-added tax instead of business tax.

The Circular of the MOF and the SAT on Adjustment of Value-Added Tax Rates (《財政部、國家税務總局關於調整增值税税率的通知》), which was jointly promulgated by the MOF and the SAT on April 4, 2018 and became effective on May 1, 2018, set forth that (i) for VAT taxable sales acts or importation of goods originally subject to value-added tax rates of 17% and 11% respectively, such tax rates shall be adjusted to 16% and 10%, respectively; (ii) for purchase of agricultural products originally subject to deduction rate of 11%, such deduction rate shall be adjusted to 10%; (iii) for purchase of agricultural products for the purpose of production and sales or consigned processing of goods subject to tax rate of 16%, such tax shall be calculated at the deduction rate of 12%; (iv) for exported goods originally subject to tax rate of 17% and export tax refund rate of 17%, the export tax refund rate shall be adjusted to 16%; and (v) for exported goods and cross-border taxable acts originally subject to tax rate of 11% and export tax refund rate of 11%, the export tax refund rate shall be adjusted to 10%.

The Announcement on Policies for Deepening the VAT Reform (《關於深化增值税改革有關政策的公告》), which was jointly promulgated by the MOF, the SAT and General Administration of Customs on March 20, 2019 and became effective on April 1, 2019, set forth that (i) for VAT taxable sales acts or importation of goods originally subject to value-added tax rates of 16% and 10% respectively, such tax rates shall be adjusted to 13% and 9%, respectively; (ii) for purchase of agricultural products originally subject to deduction rate of 10%, such deduction rate shall be adjusted to 9%; (iii) for purchase of agricultural products for the purpose of production and sales or consigned processing of goods subject to tax rate of 13%, such tax shall be calculated at the deduction rate of 10%; (iv) for exported goods originally subject to tax rate of 16% and export tax refund rate of 16%, the export tax refund rate shall be adjusted to 13%; and (v) for exported goods and cross-border taxable acts originally subject to tax rate of 10% and export tax refund rate of 10%, the export tax refund rate shall be adjusted to 9%.

LAWS AND REGULATIONS RELATED TO OUR BUSINESS IN DR CONGO

Laws and Regulations relating to manufacturing facilities and manufacturing activities

DR Congo laws contain provisions applicable to the manufacturing facilities and manufacturing activities, essentially provided by:

- the Law No. 11/009 of 09 July 2011 on the Fundamental Principles of Environmental Code (the "**Environmental Code**");
- the Law No. 007/2002 of 11 July 2002 on the mining code, as amended and supplemented by Law No. 18/001 of 09 March 2018 (the "**Mining Code**");
- the Decree No. 038/2003 of 26 March 2003 on the mining regulations as amended and completed by Decree No. 18/024 of 08 June 2018 (the "**Mining Regulations**"); and
- the ministerial order No. 00131/CAB.MIN/MINES/01/2023 of 19 April 2023 regulating the activities of the smelting entities (the "**Smelting Order**").

Licensing and authorizations

Under the Smelting Order, the treatment of mineral substances requires a smelting license (the "**Smelting License**") issued by the mining minister (the "**Minister**"). The granting of the smelting license is conditional upon, among other things, the submission by the applicant of an environmental and social impact assessment (the "**ESIA**") and an environmental and social management plan for the project (the "**ESMP**").

The regime is therefore twofold: it comprises (i) the requirements and technical standards set out in the Environmental Code, the Mining Code and the Mining Regulations, which apply to all manufacturing facilities and manufacturing activities in the mining industry; and (ii) the mitigation measures set out in the ESIA and ESMP to reduce the negative impacts of these manufacturing facilities and manufacturing activities.

According to the Decree No. 13/015 of 29 May 2013 regulating classified facilities, facilities for processing mineral and similar materials are subject to authorization from the Minister of the Environment.

Environmental and Operational requirements

Under the Environmental Code, the facility must not be located in a protected area. Under the Mining Code, a protected area is a clearly defined geographical space dedicated to ensure the long-term conservation of nature, ecosystem services and associated cultural values.

Further, according to the Directive on environmental and social impact assessment annexed to the Mining Regulations, the design and construction of treatment facilities are subject to, among other things, the following regulatory obligations:

- Air pollution control devices must be installed in the processing facilities;
- During ore processing, the operator or processing/smelting entity must (i) carry out tests inside and outside its perimeter analyzing the levels of the contaminants; and (ii) record the test methods used, the results of these tests and, where applicable, the corrective measures to be taken in a register for this purpose;
- The operator or treatment entity must maximize the recirculation of mine wastewater to the plant and minimize the use of fresh water;
- The operator or processing/smelting entity is required to install a groundwater monitoring network around site components that may affect groundwater, particularly around the processing workshop or plant/facility and areas where acid-generating, leachable or high-risk mine discharges accumulate, in order to verify the safety of mining activities and detect any significant deterioration in groundwater quality; and
- Each section of the processing plant must have an independent system for collecting and recirculating wash water and overflow from the processing units in the plant.

Manufacturing activities

Under the Directive on environmental and social impact assessment appended to the Mining Regulations, the manufacturing activities are subject to, among other things, the following regulatory obligations:

- It is prohibited to discharge wastewater, mine drainage, mine waste or any other contaminant into surface water or within 100 meters of a source of drinking water or water used for human or livestock consumption;
- Contaminants must be stored and treated in such a way as to eliminate any risk of water pollution;
- No stream, lake or river may be used for the partial or total treatment of wastewater;
- No dilution of wastewater is permitted;
- Contaminated runoff from the treatment plant must be collected and treated before discharge at the point of discharge; and
- It is prohibited to mix mining wastewater with other water.

Reporting requirements

The Smelting Order imposes the following reporting requirements on processing/smelting entities:

- Submit annually its activity report to the Minister and other mining authorities;
- Submit monthly an ad hoc form to the Minister the mining environment protection department (the "**DPEM**") and other mining authorities;
- Keep up to date and submit, where applicable, the registers, journals and other documents; and
- Declare monthly to the mining department the quality, quantity and origin of the mineral substances purchased.

Penalties for non-compliance

Failure to comply with the above regulatory obligations can lead to the following penalties:

- *reporting and inspection obligations*: seven days to one month's imprisonment (for the person responsible) and a fine not exceeding the equivalent of USD10,000 in Congolese francs, or one of these penalties only;
- *other obligations*[4]: confiscation of the financial security. Under the Mining Code and Mining Regulations, mining operators and processing entities are required to establish financial security to ensure or guarantee the cost of environmental mitigation and rehabilitation measures; and
- *irregularities in mandatory documents*: suspension of the activities for a period of three months with a penalty payment equivalent to USD500 per day until the situation is regularized, if the mining permit owner or the mineral treatment entity is still not in compliance after the suspension period.

3 The form records the quantities of mineral substances purchased, received for processing, produced, sold or exported, their qualities, values, and the amounts of various taxes, duties, fees and charges due and paid to the public treasury.

4 *e.g.* obligation to submit the annual report on the implementation of exploitation, mitigation and rehabilitation works; the report evaluating the mitigation and rehabilitation measures; the environmental audit report on closure; the obligations of the holder towards the communities affected by the exploitation project; and the obligation to keep journals and registers, may result in the confiscation of the financial security.

Mineral processing and mining operations

Mining operations

Mining operations are mainly governed by the Mining Code and the Mining Regulation.

Under the Mining Code, underground minerals belong exclusively to DR Congo Government.

However, any private party may engage in mining activities, provided that the conditions of eligibility set forth in the Mining Code are met.

- ***Exploitation Permit***

  The Exploitation Permit authorizes its holder to exploit specific mineral substances within a designated perimeter, for a maximum of 25 years, renewable for periods not exceeding 15 years each. The operating permit may be extended to associated or non-associated substances.

  Further, to obtain the operating permit, the applicant must (i) submit a feasibility study demonstrating an economically exploitable deposit; (ii) provide proof of the financial resources for the project and a share capital of at least 40% of required financial resources; (iii) obtain prior approval of an ESIA and ESMP, and (iv) transfer 10 % of the share capital to DR Congo Government (free and non-dilutable).

  Holders of exploitation permits are also required to commence development and construction work on the plant within three years of the exploitation permit being issued.

  In addition, the holder of an Exploitation Permit is liable for surface tax on mining concessions ranges from USD0.4 to USD0.8 per hectare depending on the year of exploration.

  As of the Latest Practicable Date, Jinxun DR Congo held a mining exploitation permit notwithstanding it did not carry out any mining activities, considering (i) Jinxun DR Congo can prevent third parties from obtaining such underground mining right, thereby protecting the assets security and operation of Jinxun DR Congro by holding both the smelting permit, which is a surface processing right, and the mining exploitation permit, which is a underground mining right, simultaneously, and (ii) a holder of mining exploitation permit could be exempted from the obligation to transfer 50% of its share capital to Congolese nationals pursuant to the Mining Code of DR Congo. As advised by our legal advisors as to DR Congo laws, the regulations on mining operations in DR Congo apply to all holders of mining exploitation permit. Under the Mining Code of DR Congo, any legal entity who is not a holder of the mining rights permit and is solely engaged in the processing of mineral substances must dedicate at least 50% of the share capital to Congolese nationals. In practice, the Congolese authorities consider that the

obligation to dedicate 50% of the share capital to Congolese nationals applies only to processing entities that do not hold a mining exploitation permit. To maintain the mining exploitation permit, as further advised by our legal advisors as to DR Congo laws, Jinxun DR Congo shall (i) pay annual surface tax, (ii) commence development and construction work within three years of the title being issued, and (iii) comply with its environmental and social obligations as a mining permit holder towards the local communities.

Mineral processing

Mineral processing activities are governed by the Mining Code, the Mining Regulation and the Smelting Order.

Under the Mining Code, the processing of mineral substances may be carried out either by the holder of an exploitation permit or by a processing entity.

Under the Smelting Order, processing entities are classified into three categories:

- Category A: produce concentrate from mineral and pre-concentrates. They are not authorized to export pre-concentrates or concentrates and may only sell their products to Category B processing entities or request custom processing prior to export.

- Category B: produce refined or refined metal or an alloy from ores, slags, pre-concentrates or concentrates.

- Category C: clean and polishes precious and colored stones for improved decorative and lapidary properties.

Any person who intends to engage solely in the processing of mineral substances must apply for and obtain a processing license from the Minister of Mines. This license is valid for a specific mineral substance and in a well-defined geographical area for a period of four years[7].

The granting conditions include (i) being incorporated under DR Congo law, (ii) demonstrating financial capacity; (iii) submitting an ESIA and ESMP; (iv) providing a project feasibility study; (v) having qualified personnel (prioritizing DR Congo citizens); (vi) not being bankrupt; (vii) and guaranteeing a value-added rate of at least 35%.

7 Under penalty of forfeiture, the application for renewal must be submitted at the earliest six months and at the latest three months before the expiry date of the authorization.

Export of minerals

In principle, mining permit holders are free to sell their products to their customers at freely negotiated prices locally or overseas. However, DR Congo law grants the Minister of Economy, the Minister of Mines and the Minister of Foreign Trade the power to prohibit the export of certain commercial mining products for purposes of policy compliance as defined by the DR Congo government. In a circular note issued by the Minister of Mines, the Minister of Foreign Trade and the Minister of Economy dated March 6, 2025, the Ministers suspended the export of commercial mining products, including the cobalt hydroxides, white alloys, cobalt carbonates, mixed copper-cobalt concentrates, for a period of four (4) months, renewable after evaluation. The cobalt export ban was lifted on October 15, 2025, which was subsequently replaced by an export quota system. The export quota system allows the export of up to 18,125 tons of cobalt for the rest of 2025, with annual caps of 96,600 tons in 2026 and 2027. It also allows all mining, industrial, or semi-industrial operators who do not benefit from quotas to apply for quotas by submitting a quota allocation request to the Strategic Mineral Substances Market Regulation and Control Authority ("**ARECOMS**"). As of the Latest Practicable Date, 21 mining, industrial, or semi-industrial operators were granted export quotas totaling approximately 18,125 tons of cobalt for export of cobalt during the fourth quarter of 2025. As of the Latest Practicable Date, we are subject to such export quota system as advised by our legal advisors as to DR Congo laws. Although we were not granted export quotas for the rest of 2025, we plan to submit an application to ARECOMS for quota allocation in 2026.

During the Track Record Period, Jinxun DR Congo primarily sourced copper ores from upstream suppliers in DR Congo and is principally engaged in local processing of concentrates for the production of copper cathodes and cobalt hydroxide. Given that (i) we are not currently focusing on the production of cobalt hydroxide, which is merely a byproduct generated during our copper smelting process; (ii) we exported only approximately 83.7 tons of cobalt compounds during the Track Record Period, the revenue generated from such export sales was insignificant and represented only approximately 1.2% of our total revenue in the six months ended June 30, 2025; and (iii) we can procure cobalt hydroxide from other 21 suppliers in DR Congo holding an aggregated export quotas of 18,125 tons for the last quarter of 2025, which largely exceeds our annual production capacity of 4,500 tons of cobalt(II) hydroxide, or from other countries such as Australia, Indonesia, Cuba, and the Philippines with a total of approximately five million tons of cobalt reserves according to Frost & Sullivan, which we believe can provide stable supply for the operations of the processing plant in Anhui Province, our Directors are of the view that the aforementioned export restrictions did not have a material adverse impact on our operations and financial performance.

LAWS AND REGULATIONS RELATED TO OUR BUSINESS IN ZAMBIA

We operate smelting business in Zambia and our business in Zambia consisting of copper smelting. Below is an overview of the laws and regulations materially relevant to our business in Zambia.

Laws and Regulations Relating to Mining

A mineral processing licence is granted for a tenure of 25 years. Where a mining right is set to expire, section 76(1) of the Mines and Minerals Development Act, 2015 (the "**Mines Act**") allows a holder of a mining licence to renew a mining right in the prescribed manner and form upon the payment of the prescribed fee. Where the holder of a mining right applies for renewal of the mining right, the existing mining right shall remain in force until the application for renewal is either approved or rejected.

Regulation 21(1) (iii) of the The Mines and Minerals Development (General) Regulations, 2016 (the "**Mines Regulations**") goes further to provide for the renewal of a mining right and provides that when making an application for the renewal of a large-scale mining licence, the application must be submitted one year before the expiry date of the licence.

When an application for renewal is made it can either be accepted or rejected and when it is rejected, reasons for the rejection shall be given by the Ministry of Mines through its relevant office which allow the applicant to remedy the grounds of rejection where possible. If the application for renewal is rejected before the current licence expires, the licence will continue to be valid until the original date of its expiration and when the application for renewal is eventually accepted the licence will continue to exist until the date of renewal. Thus, if an application for renewal is submitted before a licence expires, then the holder of the licence has valid tenure until the outcome of the application is determined. Form XIII of the first schedule in the Mining Regulations, is the document to be filled out when making an application for renewal of mining license.

Export of minerals

All mineral exports require an export permit issued by the Ministry of Mines and Minerals Development through the Minerals Regulation Commission (the "**Commission**") under the Minerals Regulation Commission Act No. 14 of 2024 (the "**MRCA**"). Approval is required from the Commission under section 32 of the MRCA, which provides that a person shall not import or export a mineral, gemstone, ore or mineral product without a permit issued to that person by the Commission. Additional approval is required for the export of radioactive minerals.

During the Track Record Period, Rongxing Investment primarily sourced copper ores from upstream suppliers in Zambia. As of the Latest Practicable Date, Rongxing Investments holds a valid mineral exports permit for the exports of copper cathodes to Jinxun Singapore. As advised by our legal advisors as to Zambian laws, save as Rongxing Investments is required

to carry out its mineral export activities complying with the mineral exports permit, there are no other restrictions on the export of minerals affecting Rongxing Investment's business operation in all material respects. In addition, our legal advisors as to Zambian laws has confirmed that Rongxing Investments had been compliant with the requirements under the mineral exports permit during the Track Record Period and up to the Latest Practicable Date.

Laws and Regulations Relating to Environmental Protection

The Environmental Management Act is the principal statute addressing the protection of the environment and control of pollution. The Environmental Management Act generally prohibits the emission of a pollutant or contaminant into the environment without the relevant licence issued by Zambia Environmental Management Agency (the "**ZEMA**") under section 32 of the Act.

In terms of Section 29 of the Environmental Management Act a person may not undertake any project that may have an effect on the environment without the prior written approval of ZEMA and except in accordance with any conditions imposed in that approval. The Environmental Protection and Pollution Control (Environmental Impact Assessment) Regulations No. 28 of 1997 require that anyone conducting mining activities carry out an environmental impact assessment and are issued a Decision Letter by ZEMA prior to implementing the activities.

The Environmental Management (Licencing) Regulations 2013 provide for licences to be issued in respect of water and air pollution, waste management, pesticide and toxic substances and emission of noise. The Environmental Management Act also provides for certain powers of ZEMA in respect of the regulation of radioactive contamination of the environment.

Laws and Regulations Relating to Foreign Investment and Foreign Exchange

Foreign Investment

An investor can apply for an investment license with the Zambia Development Agency (the "**ZDA**") with businesses operating in the sectors including foreign investments, large-scale businesses, export-oriented businesses, manufacturing and processing businesses, tourism businesses, agricultural businesses and mining businesses.

Foreign exchange

There are currently no foreign exchange control regulations applicable in Zambia. The ITBDA provides that an investor can, subject to compliance with any other written law, can externalize funds through dividends, principal and loan repayments of any foreign loan, management fees, royalties and other charges in respect of any agreement; the net proceeds of sale or liquidation of a business; or any other liabilities.

Laws and Regulations Relating to Taxation

Tax compliance

Corporate Income tax

Income tax is a cornerstone of the taxation in Zambia. Levied on both individuals and businesses, the corporate tax rate generally stands at 30%. However, different rates may apply depending on the industry and other factors.

The standard corporate tax rate for companies is 30% on income earned from mineral processing. Income tax is payable annually by the 21st June of each year.

PAYE

PAYE is a form of income tax deducted from employees' salaries. Businesses are also required to register for Pay As You Earn (the "**PAYE**") where they decide to hire employees. This is a method of deducting tax from employees' emoluments in proportion to what they earn. Under this system, the employer is required to calculate tax payable by every employee, deduct tax due from the emoluments and remit tax deducted to ZRA. It is noteworthy that in 2023 the exemption threshold for PAYE was increased from ZMW4,500 to ZMW4,800 and therefore only employees above the prescribed threshold will be required to remit PAYE.

VAT

VAT is a consumption tax added to the value of goods and services at each stage of production or distribution. The standard rate is 16% as prescribed by the Value Added Tax. Businesses are required to register for VAT if their annual taxable turnover exceeds ZMW 800,000. Failure to register can result in penalties.

WITHHOLDING TAX

Withholding tax (WHT) is a system where the payer of certain types of income is required to deduct tax at the source and remit it to the Zambia Revenue Authority on behalf of the recipient. It applies to both resident and non-resident companies and individuals, although the rates and the finality of the tax may differ.

The following are general WHT rates applicable to various payments made by companies (residents only):

Category of Payment	Rate on Payment to Zambian Resident
	(%)
Dividends	15 (0% for mining companies)
Interest	15 (0% in some cases)
Management or Consultancy Fees	15
Royalties	15
Commodity Royalty	15
Reinsurance	0
Commissions	15
Rent	10 (final tax)

NAPSA

The NAPSA Act prescribes that an employer in Zambia must be registered with NAPSA. All employers are required to register their employees with the National Pensions Scheme Authority (the "**NAPSA**"). NAPSA requires that social security contributions be made to NAPSA by both the employee and the employer, at the rate of 5 per cent of the gross emoluments, each. The employer is required to remit the total amount to NAPSA on a monthly basis, accompanied by a monthly return. The contributions are applicable to both foreign and local staff.

NHIMA

The NHIMA Act requires employers to register all employees and to pay to the National Health Insurance Management Authority, 2 per cent of an employee's basic salary at the end of each month.

Laws and Regulations Relating to Employment

Employment regulation

Employer-employee relationships in Zambia are regulated by the Employment Code Act No. 3 of 2019 (the "**Employment Code**").

Expatriate employees

The Employment Code prescribes that an employer shall, in filling an employment vacancy, employ a citizen except where a citizen does not posses the skills required for that job or a citizen does not apply for that job. The laws governing the entry into Zambia and departure from Zambia are contained under the Immigration and Deportation Act No 18 of 2010 as well as the Immigration and Deportation (Amendment) Act No 19 of 2016 (the "**Immigration Act**"). A foreigner will need both a work permit and residence permit.

Health and safety of employees

The Factories Act, (Chapter 441 of the Laws of Zambia) (the "**Factories Act**") and the Occupational Health and Safety Act No. 36 of 2010 and provide laws on the health, welfare and safety of persons employed in factories, offices and shops and related matters.

Under the Factories Act, a factory is required to be registered with the Labour Commissioner. A certificate is issued once the commissioner is satisfied that the regulations have been met. It is also required to notify the chief inspector of the Factories Inspectorate of any accidents or deaths, ensure that the factory is properly ventilated, clean, well-lit and generally safe for its employees.

The local government Administration (Fire Services) Regulations of 1991, SI No. 121 of 1991 and the City Council under the oversight of the Local Government Act (Chapter 281 of the Laws of Zambia) are responsible for the issuance of the fire certificate. A company is required to apply for a fire certificate to be granted pursuant to an inspection on the premises by a representative from the city council. The certificate is to be displayed at the business premises.

Laws and Regulations Relating to Land

Under section 3(1) of the Lands Act, all land in Zambia is vested in the President to be held by him "in perpetuity for and on behalf of the people of Zambia". The rationale behind this is that land is to be administered and controlled by the President "for the use, or common benefit, direct or indirect, of the people of Zambia".

Ownership of land in Zambia is governed by the provisions of the Lands Act Cap 184 of the Laws of Zambia. Land can be held under customary tenure or leasehold tenure (on statutory lease of either 99 years or 100 years from 1975).

Absolute ownership of land in Zambia is evidenced by virtue of being in possession of a Certificate of Title indicating the name of the holder of the lease from the President of Zambia.

RELEVANT LAWS AND REGULATIONS TO OUR BUSINESS IN SINGAPORE

We operate trading business in Singapore and our business in Singapore consists of trading of copper cathodes and non-ferrous metal products. Below is an overview of the laws and regulations materially relevant to our business in Singapore.

Commodity Trading Act 1992

The Commodity Trading Act 1992 of Singapore ("**CTA**") is the main legislation governing spot commodity trading in Singapore. The CTA aims to promote *bona fide* business activities involving spot commodity trading as well as protects investors and the public against "bucket shops" in spot commodity trading. Under the CTA, "spot commodity trading" means the purchase or sale of a commodity at its current market or spot price, where it is intended that such transaction results in the physical delivery of the commodity.

Before a person or entity may engage in spot commodity trading unless and until the person or entity obtains a licence for spot commodity trading. However, a person or entity is exempted from needing a licence for spot commodity trading if the person or entity carries on spot commodity trading on the person's or entity's own account and does not solicit any funds from any member of the public or any section of the public in connection with the carrying out of any spot commodity trading.

As at the Latest Practicable Date, our business in Singapore is exempted from needing a licence for spot commodity trading pursuant to section 14A and the Schedule of the CTA.

Employment Act 1968

The Employment Act 1968 of Singapore (the "**Employment Act**") is the main legislation governing employment in Singapore. The Employment Act is administered by the Ministry of Manpower of Singapore (the "**MOM**") and sets out the basic terms and conditions of employment and responsibility of employers as well as employees.

Part IV of the Employment Act contains provisions relating to, *inter alia*, working hours, overtime, rest days, holidays, annual leave, payment of retrenchment benefit, priority of retirement benefit, annual wage supplement and other conditions of work or service and apply to: (a) workmen earning a salary not exceeding S$4,500 a month; and (b) employees (excluding workmen) earning a salary not exceeding S$2,600 a month. Part X of the Employment Act provides that paid public holidays and sick leave apply to all employees who are covered by the Employment Act regardless of salary levels.

Following the amendments to the Employment Act in effect from 1 April 2016, all employers must issue key employment terms (the "**KETs**") in writing to employees covered under the Employment Act. Such employees include employees who: (a) enter into a contract of service with the company on or after 1 April 2016; (b) are covered by the Employment Act; and (c) are employed for a continuous period of 14 days or more. KETs include, *inter alia*, full names of the employer and employees, job title, duties and responsibilities, start date of employment, duration of employment, basic salary, fixed allowances, fixed deductions, overtime pay, leave, medical benefits, probation period and notice period. KETs which are not applicable to specific employees may be excluded from their contracts.

Employment of Foreign Manpower Act 1990

The Employment of Foreign Manpower Act 1990 of Singapore (the "**EFMA**") governs the employment of foreign employees in Singapore. Under Section 5(1) of the EFMA, no person shall employ a foreign employee unless the foreign employee has a valid work pass issued by the MOM. Any person who contravenes Section 5(1) of the EFMA, shall be guilty of an offence and shall (a) be liable on conviction to a fine of not less than S$5,000 and not more than S$30,000 or to imprisonment for a term not exceeding 12 months or to both; and (b) on a second or subsequent conviction — (i) in the case of an individual, be punished with a fine of not less than S$10,000 and not more than S$30,000 and with imprisonment for a term of not less than one month and not more than 12 months; or (ii) in any other case, be punished with a fine of not less than S$20,000 and not more than S$60,000.

An employer of foreign workers is also subject to, *inter alia*, the Employment Act and the Immigration Act 1959 of Singapore.

Workplace Safety and Health Act 2006

The Workplace Safety and Health Act 2006 of Singapore (the "**WSHA**") and the regulations thereunder govern the safety, health and welfare of persons at work in workplaces. Among other things, the WSHA imposes a duty on employers to take, so far as it is reasonably practicable, such measures as are necessary to ensure the safety and health of their employees at work. These measures pursuant to section 12 of WSHA include:

- providing and maintaining for those persons a work environment which is safe, without risk to health, and adequate as regards facilities and arrangements for their welfare at work;

- ensuring that adequate safety measures are taken in respect of any machinery, equipment, plant, article or process used by those persons;

- ensuring that those persons are not exposed to hazards arising out of the arrangement, disposal, manipulation, organisation, processing, storage, transport, working or use of things in their workplace, or near their workplace and under the control of the employer;

- developing and implementing procedures for dealing with emergencies that may arise while those persons are at work; and

- ensuring that those persons at work have adequate instruction, information, training and supervision as is necessary for them to perform their work.

Personal Data Protection Act 2012

The Personal Data Protection Act 2012 of Singapore (the "**PDPA**") governs the collection, use and disclosure of personal data by organisations. For the purposes of the PDPA, "personal data" refers to data, whether true or not, about an individual who can be identified using that data, or from that data and other information to which the organisation has or is likely to have access to.

The PDPA imposes the following obligations on organisations collecting, using or disclosing personal data of individuals (the "**relevant persons**") are summarised as follows: (i) obligations of obtaining consent, giving notification and access and correction rights to the relevant persons, purpose limitation in respect of use of, and retention limitation and transfer limitation in respect of personal data collected, ensuring accuracy and protection of data collected and openness in making information available on its privacy policies and procedures relating to protection of personal data.

Laws and Regulations Relating to Taxation

Corporate Income Tax

Corporate taxpayers (both resident and non-resident) are subject to Singapore income tax on income accrued in or derived from Singapore (i.e. Singapore-sourced) and, subject to certain exceptions, on income received in Singapore from outside Singapore (i.e. foreign-sourced income received or deemed received in Singapore) unless specifically exempt from income tax.

Foreign-sourced income in the form of branch profits, dividends and service fee income received or deemed received in Singapore by a Singapore tax resident company on or after 1 June 2003 are exempted from Singapore tax provided that the following qualifying conditions are met:

- such income is subject to tax of a similar character to income tax under the law of the territory from which such income is received;

- at the time the income is received in Singapore, the highest rate of tax of a similar character to income tax (by whatever name called) levied under the law of the territory from which the income is received is at least 15.0%; and

- the Comptroller of Income Tax is satisfied that the tax exemption would be beneficial to the recipient of the specified foreign income.

The prevailing corporate income tax rate in Singapore is 17.0%, which applies to both local and foreign companies. With effect from the year of assessment 2020, 75% of the first S$10,000, and 50% of the next S$190,000 of a company's chargeable income (otherwise subject to normal taxation) is exempt from corporate tax. The remaining chargeable income that exceeds S$200,000 will be fully taxable at the prevailing corporate tax rate.

For the year of assessment 2025, a corporate income tax rebate of 50% of the corporate tax payable will be granted to all taxpaying companies, whether tax resident or not, with a rebate cash grant of S$2000 where applicable. As such, the total maximum benefits of corporate income tax rebate and rebate cash grant that a company may receive is S$40,000.

Other Taxes

Singapore does not currently impose withholding tax on dividends paid to resident or non-resident shareholders.

There is also no tax on capital gains in Singapore. Thus, any gains derived from the disposal of our Shares acquired for long-term investment will not be taxable in Singapore.

Foreign shareholders are advised to consult their own tax advisers to take into account the tax laws of their respective home countries/countries of residence and the applicability of any double taxation agreement which their country of residence may have with Singapore.

RELEVANT LAWS AND REGULATIONS TO OUR BUSINESS IN PERU

We operate trading business in Peru and our business in Peru consists of trading of non-ferrous metal products. Below is an overview of the laws and regulations materially relevant to our business in Peru.

General Regulatory Framework

The mining industry in Peru is mainly governed by the Single Ordered Text of the General Mining Law approved by Supreme Decree N° 014-92-EM (hereinafter, the "TUO of the LGM"), which establishes the legal framework applicable to the mining activities of prospecting, exploration, exploitation, general work, beneficiation, commercialization and mining transportation.

In this regard, it is important to point out that the exercise of mining activities regulated by the TUO of the LGM, except for exploration, prospecting and commercialization, is carried out exclusively under the concession system, which is accessed under procedures that are of public order.

Regarding the commercialization of minerals, the TUO of the LGM prescribes the following rules for its development:

i. The commercialization of mineral products is free, both internally and externally, and this activity is not subject to the concession system.

ii. The buyer is obliged to verify the origin of the mineral substances.

iii. The commercialization of raw or semi-processed gold, as well as gold obtained as a direct product of a mining or metallurgical process is free. The purchase, sale, possession, export and import of such products is totally free and without any restriction whatsoever.

Likewise, although the mining activity of commercialization of minerals is free, the verification of the origin of mineral substances is a legal obligation in force in the TUO of the LGM, and has been complemented in 2012, through the provisions of Legislative Decree No. 1107 and its Regulations.

On the other hand, Ministerial Resolution N° 249-2012-MEM-DM created the Special Registry of Gold Traders and Processors (REPCO), in which all natural or legal persons engaged in the purchase and sale and/or refining of gold must be registered and are required to keep a detailed record of their suppliers and the destination of the metallic gold. Consequently, considering that the Peruvian Subsidiary is engaged in the purchase and sale of gold, it is duly registered in the REPCO.

The regulatory framework for the operation of companies incorporated in Perú is set in Law No. 26887 — General Corporations Law, which regulates the requirements, standards and obligations of such corporations. The Peruvian Subsidiary is duly incorporated, validly existing and in good standing under the laws and regulations enforced in Peru and it is duly registered before the Peruvian Superintendency of Public Registries and complies with the applicable rules detailed in the Unified Text of the Peruvian Public Registry Regulations, approved by Resolution SUNARP No. 126-2012-SUNARP/SN and the Registry of Corporations Regulations approved by Resolution SUNARP No. 200-2001-SUNARP-SN.

The Peruvian Subsidiary complies with applicable business licensing requirements for entities engaged in the marketing and export of mineral products. It does not engage in activities that require environmental permits, mining concessions, mine closure plans, or technical operation reports typically associated with mining operators or concession holders.

Due to the fact that its corporate purpose is the commercialization of minerals as precious metals (gold, silver, etc.) and mineral ores, the Peruvian Subsidiary must comply with Peruvian Laws related to anti-money laundering and report to the Financial Intelligence Unit (Unidad de Inteligencia Financiera — UIF) of the SBS (the Peruvian regulatory authority). Resolution SBS No. 789-2018, amended by Resolution SBS No. 02351-2023, requires that companies which trade with precious minerals must implement a prevention system against money-laundering

and terrorism finance (SPLAFT), appoint a Compliance Officer and report suspicious operations. The UIF operates under Law No. 27693, and it is regulated by Supreme Decree No. 020-2017-JUS, which main objective is to prevent and detect activities related to money-laundering and terrorism finance. Therefore, the Peruvian Subsidiary is under the scope of the supervision of the UIF provided that the high value and risk of operating with precious minerals and mineral ores may be vulnerable to illegal practices.

The Peruvian Subsidiary has appointed a Compliance Officer, maintains a prevention system against money-laundering and terrorism finance, reports every year to the UIF and has not listed unusual or suspicious operations.

Considering that the corporate purpose of the Peruvian Subsidiary is the commercialization of minerals, it is subject to the general legal framework applicable to environmental matters, such as Law No. 28611, General Environmental Law, as well as the legal framework applicable to occupational health and safety, Law No. 29783, Occupational Health and Safety Law, in order to promote a culture of occupational risk prevention.

Operational Licenses

The Peruvian Subsidiary does not own any real property in Peru. It leases commercial office spaces located in the cities of Lima, Arequipa, and Trujillo. Each of these leased premises complies with local regulatory requirements, including having valid operational licenses (Licencia de Funcionamiento) and Safety Technical Inspections for Buildings (Certificado de Inspección Técnica de Seguridad en Edificaciones — ITSE), as required under Peruvian municipal and civil defense regulations[8]. These permits confirm that the offices meet the health, safety, and zoning standards necessary for lawful commercial occupancy.

Labor and Employment Compliance

The Peruvian Subsidiary is subject to the Peruvian Labor Law framework, principally governed by the Consolidated Text of Legislative Decree No. 728 — the Labor Productivity and Competitiveness Law approved by Supreme Decree No. 003-97-TR as well as the Law on Safety and Health at Work (Law No. 29783). The Peruvian Subsidiary maintains formal written employment contracts for its personnel, provides all mandatory employee benefits (including health insurance, pensions, vacation, and compensation for time of service — CTS), and complies with workplace safety obligations. Furthermore, the Peruvian Subsidiary has less than 20 employees, so it not obligated to create a Committee of Security and Health in the workplace, it just has to appoint a supervisor of Security and Health in the workplace.

8 This item is subject to further variations according to the review of the Company's statements and the information requested in the Request List.

Tax and Regulatory Compliance

The Peruvian Subsidiary is duly registered with the Peruvian Tax Authority (SUNAT) and complies with its formal tax obligations, including monthly and annual income tax declarations, value-added tax (IGV) reporting, withholding obligations for employee-related payments, the obligation to maintain accounting and/or tax books and records in accordance with the Texto Único Ordenado de la Ley del Impuesto a la Renta, approved by Supreme Decree No. 179-2004-EF and the Reglamento de la Ley del Impuesto a la Renta, approved by Supreme Decree No. 122-94-EF, as well as the submission of all the informative communications to SUNAT according to such regulations.

Environmental and Sectoral Regulation

As the Peruvian subsidiary is engaged in the commercialization of minerals, it is not subject to environmental permits or mining occupational health and safety supervision by the Ministry of Energy and Mines (MINEM) or the relevant regional government. Its business activities, consisting solely of mineral trading, are deemed low-impact from an environmental perspective under Peruvian law.

OVERVIEW

We are a leading manufacturer of high-quality copper cathode, with a strong presence in DR Congo and Zambia. Our history can be traced back to 2010, when our Company was established in the PRC by Mr. Yuan, our ultimate Controlling Shareholder, executive Director, chief executive officer, general manager and chairman of our Board. Being aware since early days that only by engaging in the core and more influential links of the non-ferrous metals industrial chain can we be better equipped to face and overcome challenges in the industry such as market cycles, our Company had been founded with the aspiration of eventually and ultimately engaging in manufacturing within the non-ferrous metals industry. In the early stages of our business development, our Group primarily engaged in the trading of non-ferrous metals. While being engaged in trading, we proactively seized opportunities to accumulate industry experience, including knowledge in the needs of downstream customers, developing price discovery abilities and the establishing of business connections. In order to expand our business coverage leveraging Africa's extensive copper reserves, our Group began expanding into localized processing and/or smelting of copper in Zambia and DR Congo in 2017 and 2023, respectively. Such expansion was preceded by a thorough and diligent preparation process which commenced in 2016 for Zambia and 2018 for DR Congo, spanning over, among others, areas of legal and regulatory preparation (including the application of relevant licenses and certificates and the incorporation of local subsidiaries); risk assessment and the drawing up of risk management measures; the securing of reliable suppliers; and the employment of a team of experienced and competent staff in the PRC, Zambia and DR Congo. Over time, our Group has evolved into its current business model, which integrates mineral processing, smelting and the trading of non-ferrous metals.

KEY BUSINESS DEVELOPMENT MILESTONES

The following sets forth of our Group's key business development milestones.

Year	Milestone events
2010	Our Company was established in the PRC and commenced the business of non-ferrous metals.
2016	Our first overseas subsidiary, Rong Xing Investments, was incorporated in Zambia.
2017	Our Shares were quoted on the NEEQ and were subsequently selected as one of the quoted companies in the innovation tier (創新層) of the NEEQ. We achieved our first overseas production milestone by commencing operation of our copper concentrate flotation plant in Zambia.

Year	Milestone events
2018	We launched our international trading platform in Singapore by incorporating a wholly-owned subsidiary in Singapore to expand our overseas business and sell our products to overseas third-party customers. We marked our business footprints in DR Congo by incorporating Jinxun DR Congo to develop local copper and cobalt resources.
2019	Our first copper smelter, namely Zambia copper smelter I, commenced production.
2020	We expanded our business presence to Peru through the trading of non-ferrous metal products.
2021	We commenced construction of our Zambia copper smelter II.
2022	We commenced construction of our DR Congo copper smelter I and a cobalt production line. Our Zambia copper smelter II commenced production. We established our wholly-owned subsidiary, Jinxun Anhui, preparing for our construction of our cobalt processing plant. We received an AAA credit rating from the China Nonferrous Metals Association.
2023	Our DR Congo copper smelter I commenced operation.
2024	Our DR Congo copper smelter I achieved an actual annual production volume of over 15,000 tons of copper cathodes. Our cobalt production line in DR Congo commenced production of cobalt hydroxide products.

OUR CORPORATE DEVELOPMENTS

Our principal operating subsidiaries

We have carried out our business through our subsidiaries during the Track Record Period and up to the Latest Practicable Date. Our principal operating subsidiaries comprise entities that have made a material contribution to our financial results during the Track Record Period and/or are otherwise material to our business operations. The table below sets out the names, principal business activities and the place and date of incorporation or establishment of each of our principal operating subsidiaries are set out below:

Name of company	Place of incorporation or establishment	Principal business activities	Date of incorporation or establishment
Jinxun Singapore	Singapore	Trading of copper cathodes and non-ferrous metal products	April 25, 2018
Jinxun DR Congo. . . .	DR Congo	Copper smelting	August 13, 2018
Rong Xing Investments	Zambia	Copper smelting	August 16, 2016
Jinxun Peru	Peru	Trading of non-ferrous metal products	October 14, 2020
Tibet Huiyi	PRC	Trading of non-ferrous metals	February 21, 2017

There have been no subsequent changes in the shareholding of our principal operating subsidiaries following their incorporation or establishment. Our Company did not conduct any major acquisition or disposal during the Track Record Period and up to the Latest Practicable Date.

Our Company

Establishment of our Company and initial shareholding changes

Our Company was established in Yunnan, the PRC, as a limited liability company on January 21, 2010 with an initial registered capital of RMB1,000,000, which was fully paid in cash. At the time of its establishment, our Company was owned as to 40% by Mr. Yuan, our Controlling Shareholder, and 60% by Mr. Wang Jiehua (王傑華), an Independent Third Party. Our Company was principally engaged in the business of non-ferrous metals since its establishment and during the early stage of our business development.

On March 25, 2010, Mr. Wang Jiehua transferred 60% of our registered capital to Mr. Yu Yabu (余亞卜), an Independent Third Party, at a consideration of RMB600,000 for the reason of focusing on other personal investment. The consideration was determined based on the paid-up registered capital of our Company and fully settled. Mr. Wang Jiehua ceased to be our Shareholder upon completion of such transfer.

On March 14, 2011, due to the change of personal expectation on business prospect and personal investment focus, Mr. Yu Yabu transferred 50% of our registered capital to Mr. Yuan and 10% of our registered capital to Mr. Chen Weijun (諶偉軍) at a consideration of RMB500,000 and RMB100,000, respectively. The consideration was determined based on the paid-up registered capital of our Company and fully settled. Mr. Chen Weijun was our employee at the time of such transfer acting as Mr. Yuan's nominee to hold our registered capital on Mr. Yuan's behalf. Such share entrustment was ceased 2016. At the material time, a company established in the PRC with one shareholder was prohibited by the PRC Company Law from establishing subsidiaries. The nominee arrangement was put in place to enable our Company to establish wholly-owned subsidiaries for our business expansion contemplated at the time. Upon completion of such share transfers, our Company was owned as to 90% by Mr. Yuan and 10% by Mr. Chen Weijun.

Subsequent to a series of capital increases during the period from March 2015 to April 2016, our registered capital was increased to RMB28,000,000. The increased share capital was contributed by Mr. Yuan and fully paid. Upon completion of such capital increases, our Company was owned as to 99.64% by Mr. Yuan and 0.36% by Mr. Chen Weijun.

Share Transfers involving our share incentive platform

Heli Investment was established as our share incentive platform to award our employees for their contributions to our Group and to incentivize them to further promote our development. See "— Share Incentive Platform" in the section for details of Heli Investment.

For the purpose of implementing our employee share incentive plan, optimizing our shareholding structure as well as releasing the previous share entrustment arrangement, on April 28, 2016, Mr. Chen Weijun transferred 0.36% of our registered capital to Heli Investment at a consideration of RMB100,000. On the same day, Mr. Yuan transferred 4.64% of the equity interest in our Company to Heli Investment at a consideration of RMB1,300,000. The consideration of such transfers was determined with reference to the paid up registered capital of our Company at the time of such transfers and was fully settled on July 11, 2016. Upon completion of above transfers, our Company was owned as to 95% by Mr. Yuan and 5% by Heli Investment.

Quotation on the NEEQ

To improve our corporate image and governance supporting our business expansion as well as to gain access to the domestic equity capital market preparing for future business expansion, our Company planned for a potential quotation of our Shares on the NEEQ. On July 15, 2016, in preparation for the quotation of our Shares on the NEEQ, our Company was converted from a limited liability company into a joint stock company with limited liability. Our registered capital was subsequently increased to RMB30,000,000, divided into 30,000,000 Shares with a nominal value of RMB1.00 each, which was fully paid as of August 18, 2016. Upon completion of this capital increase, our Company was owned as to approximately 89% by Mr. Yuan and 11% by Heli Investment. On January 23, 2017, we received approval for quoting our Shares on the NEEQ. On February 13, 2017, our Shares were quoted on the NEEQ under the stock short name "金潯股份" (stock code: 870844).

Our Directors confirm, and our PRC Legal Advisors are also of the view that, from the date on which our Shares been quoted on the NEEQ and up to the Latest Practicable Date, (i) our Company had been operating in compliance with the rules and regulations of the NEEQ in all material respects; and (ii) our Company had not been subject to any material administrative penalty or measures imposed by NEEQ or other competent securities regulatory authorities.

Based on the independent due diligence conducted by the Sole Sponsor, nothing material has come to the Sole Sponsor's attention that would cause it to disagree with the Directors' confirmation with regard to the compliance records of the Company on the NEEQ.

Given our Directors believe that being quoted on NEEQ and [**REDACTED**] on the Hong Kong Stock Exchange, while meeting the corporate governance requirements of both venues, will enhance market recognition and benefit our market expansion, and improve our corporate profile with business presence in multiple jurisdictions presence, our Company expects to remain [**REDACTED**] and quoted on the NEEQ following the [**REDACTED**].

Subsequent capital increases and Share transfers

Following a series of increases in our registered capital during the period from April 2017 to June 2021, our registered capital was increased to RMB68,629,022, divided into 68,629,022 Shares with a nominal value of RMB1.00 each as of June 10, 2021, which was fully paid.

On May 31, 2022, our registered capital was further increased to RMB102,943,533, divided into 102,943,533 Shares with a nominal value of RMB1.00 each, which was fully paid. Upon completion of such capital increases, the shareholding structure of our Company was as follows:

Name of the Shareholder	Number of Shares	Approximate percentage of shareholding
Mr. Yuan	93,877,502	91.19%
Heli Investment	8,973,467	8.72%
Other Non-H Shareholders[Note]	92,564	0.09%
Total:	**102,943,533**	**100%**

Note: Other Non-H Shareholders included 47 Independent Third Parties and became our Shareholders by their respective subscription and/or acquisition through the NEEQ.

On December 27, 2022, Chuanghe Xincai subscribed for 7,353,110 Shares, representing approximately 6.67% of our total issued Shares at a consideration of RMB50,000,000, which was determined after arm's length negotiations and with reference to the net assets attributable to our Company as at December 31, 2021 taking into account previous equity distribution and the growth prospect of our Company and was fully settled on December 22, 2022. Chuanghe Xincai, an Independent Third Party prior to the share subscription, is a limited partnership established in the PRC and principally engaged in equity investment activities.

After completion of the above share subscription, the shareholding structure of our Company was as follows:

Name of the Shareholder	Number of Shares	Approximate percentage of shareholding
Mr. Yuan	93,877,502	85.11%
Heli Investment	8,973,467	8.14%
Chuanghe Xincai	7,353,110	6.67%
Other Non-H Shareholders[Note]	92,564	0.08%
Total:	**110,296,643**	**100%**

Note: Other Non-H Shareholders included 32 Independent Third Parties and became our Shareholders by their respective subscription and/or transfer through the NEEQ.

Due to changes in its own investment arrangements and given that certain divestment conditions as agreed between Chuanghe Xincai and Mr. Yuan have satisfied on July 29, 2024, Chuanghe Xincai entered into a share transfer agreement with Mr. Yuan, pursuant to which Chuanghe Xincai transferred approximately 6.67% of our issued Shares to Mr. Yuan at a

consideration of RMB56,269,726.95. The consideration was determined based on the net profit attributable to our Company as of December 31, 2023 taking into account the investment period and dividends distributed to Chuanghe Xincai after arm's length negotiations between the relevant parties and were fully settled on September 13, 2024.

Upon completion of such share transfer and change of shareholder registration on February 12, 2025, Chuanghe Xincai ceased to be our Shareholder and the shareholding of our Company is set forth below:

Name of the Shareholder	Number of Shares	Approximate percentage of shareholding
Mr. Yuan	101,230,612	91.78%
Heli Investment	8,973,467	8.14%
Other Non-H Shareholders[Note]	92,564	0.08%
Total:	**110,296,643**	**100%**

Note: Other Non-H Shareholders included 17 individuals who were Independent Third Parties and became our Shareholders by their respective subscription and/or transfer through the NEEQ.

Share Incentive Platform

For the purpose of awarding our employees for their contributions to our Group and to incentivize them to further promote our development, Heli Investment was established in the PRC on April 18, 2016 as our share incentive platform to hold equity interests in our Company. The general partner of Heli Investment is Mr. Yuan, who held 10% of the partnership interest in Heli Investment and manages the daily affairs and exercises the voting rights for and on behalf of Heli Investment as our Shareholder pursuant to its partnership agreement. The remaining 90% interest in Heli Investment is owned by 19 limited partners, being Ms. Yuan Mei, our executive Director and Mr. Yuan's sister, who owns approximately 69.32%, Mr. Yang Yongchang, our executive Director, who owns approximately 4.02%, Mr. Chen Weijun, a director of Jinxun Anhui, who owns approximately 0.23% and 15 existing employees and one former employee who collectively owns approximately 16.43% as of the Latest Practicable Date.

Reasons for the [REDACTED] on the Hong Kong Stock Exchange

Our Shares are currently quoted on the NEEQ. We are seeking a [**REDACTED**] of our H Shares on the Hong Kong Stock Exchange in order to utilize the overseas financing platform to enhance our international profile, enhance our market recognition, attract equity investment through a recognized international stock exchange, and ultimately to maximize Shareholder value and support our capital structure optimization. See "Future Plans and [**REDACTED**]" and "Business" for further details.

Our Directors confirm that we have not experienced any material non-compliance of the rules and requirements of NEEQ during the Track Record Period and up to the Latest Practicable Date.

We had not been subject to administrative penalty, administrative supervision measures, or regulatory measures by the NEEQ or other competent securities regulatory authorities during the Track Record Period and up to the Latest Practicable Date.

Based on the independent due diligence conducted by the Sole Sponsor, nothing has come to the Sole Sponsor's attention that would cause it to disagree with the Directors' confirmation with regard to the compliance records of the Company on the NEEQ.

Share Transfer Restrictions and [REDACTED] Undertakings by our Shareholders

In accordance with the PRC Company Law, the shares issued prior to any [**REDACTED**] of shares by a company cannot be transferred within one year from the date on which such are [**REDACTED**] publicly [**REDACTED**] shares and traded on the relevant stock exchange. As such, the Shares issued by our Company prior to the issue of H Shares pursuant to the [**REDACTED**] (including the Shares held by our Controlling Shareholders) will be subject to such statutory restriction on transfer within a period of one year from the [**REDACTED**].

As our Shares are currently quoted on NEEQ, our Non-H Shareholders are subject to the transfer restrictions in the Business Rules of the NEEQ System (for Trial Implementation) (《全國中小企業股份轉讓系統業務規則(試行)》), which provide that our Shares directly or indirectly held by the controlling shareholders and the actual controllers of our Company prior to all issued Non-H Shares being quoted on the NEEQ shall be released from transfer restrictions in three batches on each of the quoting date on the NEEQ and the first and second anniversaries of the quoting date on the NEEQ, and the number of shares released from transfer restrictions in each batch is one-third of the shares held before [**REDACTED**]. As of the Latest Practicable Date, all issued Non-H Shares quoted on the NEEQ that are held by the controlling shareholder and the actual controller of our Company were released from transfer restrictions.

In addition, our Controlling Shareholders will, prior to the [**REDACTED**], provide a non-disposal undertaking pursuant to Rule 10.07 of the Listing Rules and the [**REDACTED**]. See "[**REDACTED**]" for further details. In accordance with the PRC Company Law, our Directors and the senior management members (as defined under the Articles of Association) of our Company shall declare their shareholdings in our Company and any changes in their shareholdings. Shares transferred by such Directors and the senior management members of our Company per annum during their tenure shall not exceed 25% of their total respective shareholdings in our Company. The Shares that the aforementioned persons held in our Company cannot be transferred within one year from the date on which the Shares are [**REDACTED**], nor within half a year after they leave their positions in our Company.

[**REDACTED**]

Rule 19A.13A of the Listing Rules requires that there must be an open market in the securities for which [**REDACTED**] is sought. Where a new applicant is a PRC issuer with no other [**REDACTED**] shares at the time of [**REDACTED**], where the expected market value of the class of shares to which H shares belong at the time of [**REDACTED**] does not exceed HK$6,000,000,000, at least 25% of the total number of shares in the class to which H shares belong must all times be held by the public.

Upon completion of the [**REDACTED**] (without taking into account any Shares which may be issued pursuant to the exercise of the [**REDACTED**]), Shares held by (i) Mr. Yuan, being our executive Director and Controlling Shareholder and (ii) Heli Investment which is controlled by Mr. Yuan as its general partner, will not be counted towards the [**REDACTED**] after the [**REDACTED**].

Save as disclosed above, to the best of our Directors' knowledge, each of other Non-H Shareholders is not our core connected person, and therefore Shares held by each of them will be counted towards the [**REDACTED**] after [**REDACTED**].

On the basis that no H Shares will be allocated under the [**REDACTED**] to any core connected person of our Company or person which is not regarded as a member of the public under Rule 8.24 of the Listing Rules, it is expected that an aggregate of [**REDACTED**] H Shares, representing approximately [25.0]% of the total number of issued Shares will be counted towards the public after [**REDACTED**], which will satisfy the public float requirement under Rule 19A.13A of the Listing Rules.

[**REDACTED**]

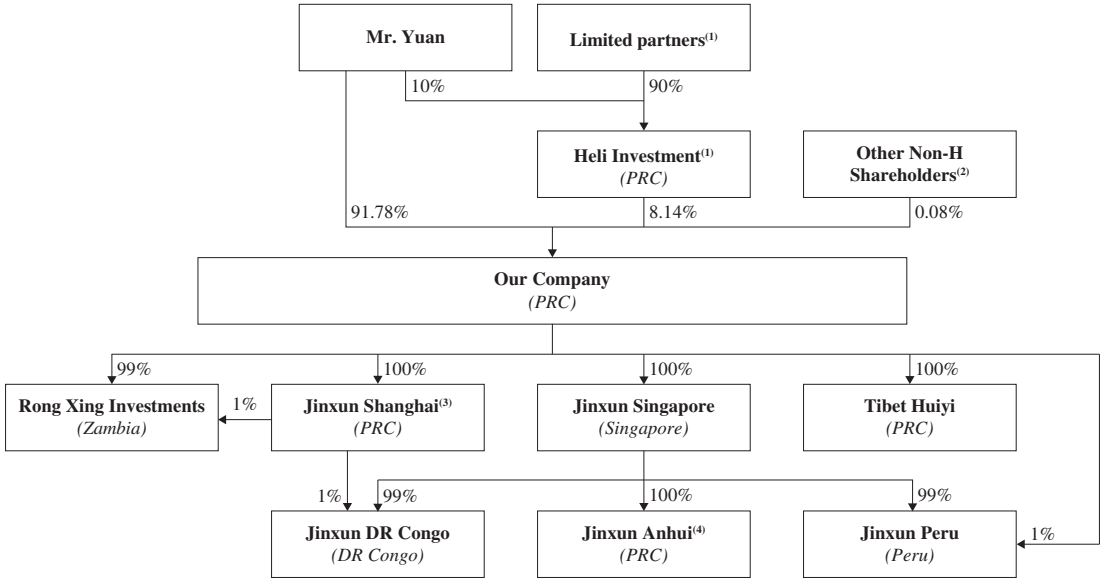
Rule 19A.13C of the Listing Rules requires that there must be sufficient shares for which listing is sought by a new applicant that are held by the public and available for trading upon listing. Where a new applicant is a PRC issuer with no other [**REDACTED**] shares at the time of [**REDACTED**], this will normally mean that the portion of H shares for which [**REDACTED**] is sought that are held by the public and not subject to any disposal restrictions (whether under contract, the Listing Rules, applicable laws or otherwise), at the time of [**REDACTED**], must (a) represent at least 10% of the total number of issued shares in the class to which H shares belong at the time of listing (excluding treasury shares), with an expected market value at the time of [**REDACTED**] of not less than HK$50,000,000; or (b) have an expected market value at the time of [**REDACTED**] of not less than HK$600,000,000.

On the basis that no H Shares will be allocated under the [**REDACTED**] to any core connected person of our Company or person which is not regarded as a member of the public under Rule 8.24 of the Listing Rules, based on the low-end of the [**REDACTED**] range of HK$[30], upon completion of the [**REDACTED**], it is expected that [**REDACTED**] H Shares, which will be all the [**REDACTED**], with an expected market value in excess of

HK$600,000,000, will be held by the public and not be subject to any disposal restrictions (whether under contract, the Listing Rules, applicable laws or otherwise) at the time of the [**REDACTED**], which will satisfy the free float requirement under Rule 19A.13C of the Listing Rules.

CORPORATE STRUCTURE IMMEDIATELY BEFORE THE COMPLETION OF THE [REDACTED]

The following chart sets forth the corporate structure of our Group immediately before the completion of the [**REDACTED**]:



Notes:

1. Limited partners of Heli Investment consist of Ms. Yuan Mei, our executive Director and Mr. Yuan's sister, who owns approximately 69.32%, Mr. Yang Yongchang, our executive Director, who owns approximately 4.02%, Mr. Chen Weijun, a director of Jinxun Anhui, who owns approximately 0.23% and 15 existing employees and one former employee who collectively owns approximately 16.43% as of the Latest Practicable Date. See "— Corporate Developments — Share Incentive Platform" in this section for further details.

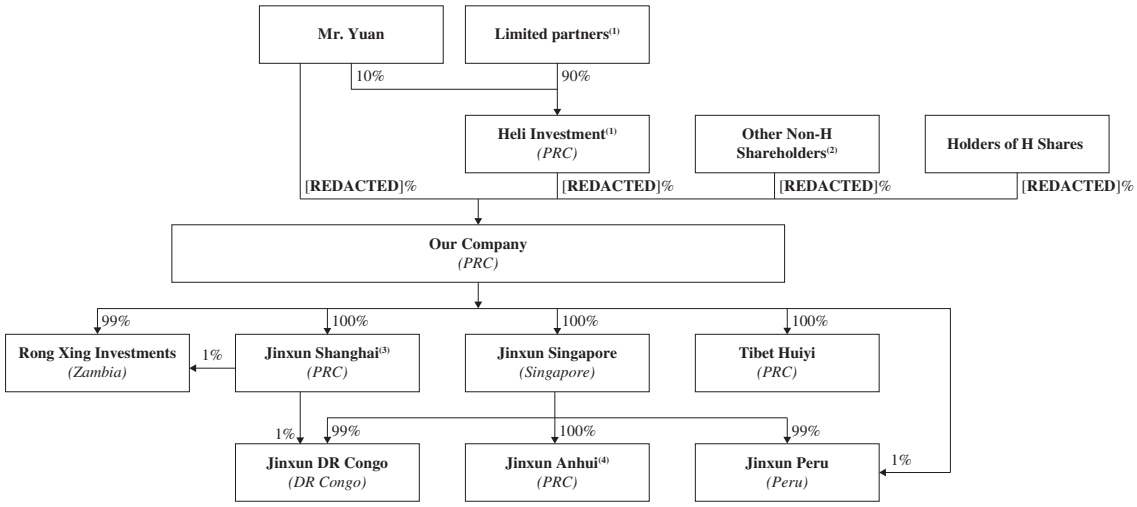
2. Other Non-H Shareholders refers to 18 individual Shareholders, all of whom are Independent Third Parties, as of the Latest Practicable Date.

3. Jinxun Shanghai is principally engaged in the trading of non-ferrous metals.

4. Jinxun Anhui has not yet commenced business operation and holds the cobalt processing plant that is currently under construction.

CORPORATE STRUCTURE IMMEDIATELY AFTER THE COMPLETION OF THE [REDACTED]

The following chart sets forth the corporate structure of our Group immediately after the completion of the [**REDACTED**] (without taking into account any Shares which may be issued pursuant to the exercise of the [**REDACTED**]):



Notes:

1 – 4. Please refer to the notes in "— Corporate Structure Immediately before the [**REDACTED**]" above.

PRC REGULATORY REQUIREMENTS

Compliance with PRC laws and regulations

Our PRC Legal Advisors has confirmed that the shareholding structure and changes in respect of our Company in the PRC have been registered with local registration authorities of the PRC in accordance with applicable PRC laws and regulations.

Regulations on Overseas [REDACTED]

On February 17, 2023, the CSRC published the new regulations for the filing-based administration of overseas securities [**REDACTED**] and [**REDACTED**] by domestic companies, which came into effect on March 31, 2023. The newly released set of regulations consists of 6 documents, including the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) (the "Trial Overseas Listing Measures") and 5 supporting guidelines, along with the Notice of the Administrative Arrangements for the Filing of Overseas Securities Offering and Listing by Domestic Companies (《關於境內企業境外發行上市備案管理安排的通知》).

Pursuant to the Trial Overseas Listing Measures, a PRC domestic company seeking offering and listing securities in overseas market, either directly or indirectly as defined in the Overseas Listing Measures, shall file with the CSRC and report relevant information.

Our PRC Legal Advisors is of the view that we are required to submit filings with the CSRC within three business days after we submit the [**REDACTED**] application for the [**REDACTED**].

Our Company submitted the filing documents to the CSRC on June 3, 2025 concerning the [**REDACTED**] application and the [**REDACTED**], in compliance with the Overseas Listing Trial Measures as considered by our PRC Legal Advisors. The CSRC acknowledged the acceptance of filing application on June 20, 2025. On November 26, 2025, the CSRC issued the notification of completion of the filing procedures for the [**REDACTED**] and the [**REDACTED**]. As advised by our PRC Legal Advisors, our Company has completed all necessary filings with the CSRC for the [**REDACTED**] and the [**REDACTED**].

OVERVIEW

We are a leading manufacturer of high-quality copper cathodes, with a strong presence in DR Congo and Zambia. According to Frost & Sullivan, as of December 31, 2024, we ranked fifth among PRC copper cathode producers by production volume in both DR Congo and Zambia, and were the only PRC company to rank among the top five in both jurisdictions. Specifically, we produced approximately 16.0 thousand tonnes and 5.0 thousand tonnes of copper cathodes in DR Congo and Zambia in 2024. Among PRC non-state-owned enterprises, we ranked third in DR Congo and first in Zambia in terms of production volume in 2024. We have achieved: (i) a year-over-year revenue growth rate of 161.9% and a return on equity of 43.8% in 2024; and (ii) a gross profit margin of 20.8% in the same year. These rankings and achievements underscore our strong operational capabilities, cost competitiveness, and growing international influence, particularly among Chinese producers expanding into resource-rich African markets.

We aspire to be recognized as a global premier supplier of non-ferrous metals and new energy materials. Aligned with China's national "Belt and Road" initiative and the "going global" strategy, we remain committed to overseas expansion, particularly in resource-rich regions in Africa and complementary market reserves in South America. Tailoring to this strategic global footprint, our ambition is to establish a renowned international brand.

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

China continues to be the world's largest copper consumer, with long-standing strong demand stemming from extensive power grid development, construction, and home appliance manufacturing. The copper market has historically experienced a supply-demand imbalance, which has been further exacerbated in recent years by the rapid growth of wind and solar power. The Chinese government's increasing investments in power generation, transmission, and distribution infrastructure to support renewable energy expansion have further driven copper consumption. Additionally, the copper intensity in electric vehicles is significantly higher than in traditional vehicles, and with China being the world's largest producer, consumer, and exporter of new energy vehicles, copper demand has surged even further as a material with high conductivity at a reasonable price. The rise of artificial intelligence (AI) and other emerging technologies has also fueled copper demand, with data centers and 5G base stations becoming a new growth driver for the industry. As a result, global copper consumption has remained strong, increasingly outpacing supply and widening the long-standing gap between demand and production.

As a result of the proliferation of electric vehicles, energy storage systems and consumer electronics, global refined cobalt consumption is projected to grow significantly, reaching 274.0 thousand tonnes by 2029, while global production is expected to be only 226.0 thousand tonnes. This projected shortfall highlights a persistent and intensifying supply-demand imbalance, reinforcing cobalt's role as a critical and strategic resource in the ongoing global energy transition.

To capitalize on this widening market gap, we are significantly expanding our production capacities. The second phase of our DR Congo copper project, designed to expand our total annual copper cathode production capacity in DR Congo to approximately 55,000 tons, is scheduled to commence and operations in 2026. Upon completion, complemented by technical upgrades at existing facilities and our proven record of 100% production-to-sales efficiency, we expect substantial enhancements in our financial performance, reinforcing our leading market position.

Our Business Model

Our 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. We leverage extensive industry experience, technological innovation, and effective resource management to maintain our competitive edge. Our 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 we process using advanced hydrometallurgical techniques. This process is optimal for oxide-rich African ores and ensures superior product quality and cost-efficiency, according to Frost & Sullivan.

The strength of our integrated model lies in our robust supply chain, underpinned by broadly sustainable partnerships with reputable suppliers, enabling stable and high-quality raw material procurement. Additionally, our strategic proximity to resource-rich mining regions significantly reduces raw material procurement and logistical costs, reinforcing our cost advantage.

Our advanced and strategically located production facilities are equipped with state-of-the-art technology, including jaw crusher, semi-autogenous ball grinding mills, thickeners, leaching agitation tank, extraction box, silicon controlled rectifier, and electrolysis tank, facilitating efficient mineral processing, smelting, and trading operations. Complemented by our robust infrastructure, including reliable power supply and advanced water treatment systems, we consistently achieve efficient, high-quality, and cost-competitive production.

We market and sell our high-purity copper cathodes and our copper concentrates primarily through our subsidiaries in Singapore and Zambia, respectively, strategically targeting leading global metal trading firms and non-ferrous metal producers, with a particular focus on the Chinese market, the largest copper market in the world. Our ability to integrate resource procurement, efficient production, and targeted sales has allowed us to effectively respond to market demands, maintain operational stability, and sustain financial growth.

Our vertically integrated model, combining procurement, processing, technological innovation, and effective risk management, positions us uniquely to capture emerging market opportunities and navigate fluctuations in global markets. This strategic integration ensures the continued growth of our business and contributes to enhanced long-term shareholder value.

Our primary products include:

- ***Copper Cathodes*:** High-purity copper refined through electrolytic processes, typically achieving purity levels equal to or exceeding 99.95%. These cathodes are mainly produced at our copper smelters in DR Congo and Zambia, with total production reaching 20,934.8 tons in 2024. With planned expansions, our annual production capacity will significantly increase, positioning us among the top-tier copper cathode producers in Africa.

- ***Copper Concentrates*:** Produced at our Zambia flotation plant, copper concentrates typically contain 25% to 30% copper and serve as raw materials for electrolytic copper production. In 2024, we had an output of 32.0 tons of copper concentrates, primarily sold directly to non-ferrous metal producers in Zambia. As a part of our strategic shift and our environmental protection initiative, we are in the process of downsizing our copper concentrate production.

- ***Non-ferrous Metal Products*:** We source non-ferrous metal products, including copper, silver, lead, and zinc, from suppliers in regions such as Peru and China, selling these primarily through our subsidiaries in Singapore and China to international metal trading companies and non-ferrous metal producers.

- ***Cobalt Hydroxide*:** During our copper smelting process, we produce cobalt(II) hydroxide as a valuable by-product. Recognizing the rapid growth in global demand for cobalt — driven by the new energy battery sector — we are constructing a dedicated processing plant in Anhui Province, China. Scheduled to initiate trial operations by the end of 2025 and officially commence operations in early 2026, this plant will produce cobalt sulfates and cobalt chlorides, which are essential raw materials for new-energy battery manufacturing.

For our trading business, we trade non-ferrous metal products, including copper, silver, lead, and zinc, both domestically and to international metal trading companies and non-ferrous metal producers. Our diversified product offerings, strong supplier relationships, and innovative processing technologies support our resilience against market fluctuations, enabling sustainable business growth and profitability. Throughout the Track Record Period, our financial performance demonstrated robust growth, underscoring our strong production management capabilities and favorable industry dynamics. Our revenue increased significantly from RMB637.3 million in 2022 to RMB1,769.8 million in 2024, representing a CAGR of 66.6%. Our revenue further increased by 61.7% from RMB596.0 million in the six months of June 30, 2024 to RMB963.8 million in the six months ended June 30, 2025. In the same periods, our net profit grew significantly from RMB83.5 million in 2022 to RMB202.4 million

in 2024, reflecting a CAGR of around 55.7%. Our net profit further increased by 45.0% from RMB93.1 million in the six months ended June 30, 2024 to RMB135.0 million in the six months ended June 30, 2025. This remarkable financial growth is primarily attributable to increased production capacity and corresponding sales volume, alongside favorable pricing of copper cathode driven by heightened market demand. For further financial details, please see "Financial Information" section in this document.

COMPETITIVE STRENGTHS

Strong Presence in Resource-rich Regions of Africa, particularly DR Congo and Zambia, with a High Return on Investment

Since our inception, we have strategically grown our international operations, developing substantial overseas production capabilities in regions rich in copper resources. Currently, our annual processing capacity of copper cathode smelting capacity exceeding 31,000 tons per year, primarily at our advanced facilities in DR Congo and Zambia. These operations capitalize on favorable resource endowments and strategic geographic positioning, significantly enhancing our cost competitiveness and market influence.

In particular, we were one of the largest PRC copper cathode producers in terms of production volume in DR Congo and Zambia in 2024. According to Frost & Sullivan, as of December 31, 2024, we ranked fifth among PRC copper cathode producers by production volume in both DR Congo and Zambia, and were the only PRC company to rank among the top five in both jurisdictions. Specifically, we produced approximately 16.0 thousand tonnes and 5.0 thousand tonnes of copper cathodes in DR Congo and Zambia in 2024, respectively. Among PRC non-state-owned enterprises, we ranked third in DR Congo and first in Zambia in terms of production volume in 2024. These rankings underscore our strong operational capabilities, cost competitiveness, and growing international influence, particularly among Chinese producers expanding into resource-rich African markets.

Over the years, we have systematically expanded and strengthened our business, creating an integrated industrial chain that spans mineral processing, smelting, deep processing, and trading. This integration reduces our reliance on external suppliers, optimizes resource utilization, enhances production efficiency, and allows us to consistently maintain a high profitability margin despite market fluctuations. Leveraging our integrated industrial chain, we have achieved a high return on investment. Our revenue grew significantly from RMB637.3 million in 2022 to RMB1,769.8 million in 2024, representing a CAGR of 66.6% from 2022 to 2024. Additionally, we achieved a year-over-year revenue growth rate of 161.9% from 2022 to 2024, as well as a return on equity of 43.8% and a gross profit margin of 20.8% in 2024. This exceptional performance reflects our robust integrated industrial chain, high operational efficiency, disciplined cost control, and sustained investment in process innovation.

Strategically Positioned Production Capacity Aligned with the "Going Global" Strategy in Resource-Rich Regions

We strategically position our copper cathode production facilities in resource-rich regions in Africa, particularly in DR Congo and Zambia. These regions offer abundant high-grade copper ore reserves, allowing us to leverage substantial resource advantages and cost efficiencies, significantly strengthening our competitive market position. China remains the world's largest copper consumer, accounting for over 60% of global copper demand, underscoring the strategic importance of our African operations. Our presence in these key locations directly aligns with China's "Belt and Road" initiative and national "Going Global" strategy, supporting our continued international expansion and growth.

In DR Congo, we operate an advanced hydrometallurgical smelter with a designed annual production capacity of approximately 24,600 tons of copper cathode and 4,500 tons of cobalt(II) hydroxide. In Zambia, our facilities include two hydrometallurgical smelters with a combined annual production capacity of approximately 6,600 tons of copper cathode per year. Additionally, we have established an indirect wholly-owned subsidiary in Peru, further diversifying our operational footprint and enhancing our capability for global resource integration.

By leveraging our geographical proximity to rich mineral deposits and our investments in advanced smelting technologies, we effectively minimize raw material procurement and transportation costs. This strategic positioning provides us with a distinct competitive advantage and ensures our sustained growth and profitability.

Efficient Raw Material Utilization and Industry-Leading Technical Capabilities Drive Cost Control

Our demonstrated industry-leading cost control capabilities are pivotal to differentiate us from the competitors. With over a decade of specialized experience in hydrometallurgy, we have established outstanding competitive advantages through advanced technological innovation and process capabilities. Unlike traditional copper production enterprises, where copper ore typically accounts for around two-thirds of total production costs, our specialized ore processing techniques, combining innovative hydrometallurgical methods and advanced processing technologies, underpinned our competitive edge in cost control measured by the following:

- the designed grade of acid-soluble copper entering the mill in the first phase of the project is nearly 2%, lower than the industry average of about 3% and represents a promising cost advantage when purchasing raw materials;

- the leaching rate of acid-soluble copper in production process is approximately 98%, surpassing the average rate of nearly 95% among traditional copper production enterprises;

- the unit consumption of sulfuric acid is 1.5 tons per ton of copper, which is superior than that the average sulfuric consumption at nearly 3 tons per ton of copper among traditional copper production enterprises;

- the power consumption is 2,650kwh per ton of copper, slightly better than that the average power consumption of 2,700kwh per ton of copper among traditional copper production enterprises;

- the total recovery rate of acid-soluble copper is roughly 94%, outperforming the average recover rate of 90% reported by traditional copper production enterprises; and

- the electrolytic current efficiency is approximately 95%, outperforming the rate of around 92% among traditional copper production enterprises.

DR Congo and Zambia are widely recognized as a concentrated zone of high-grade copper deposits, with copper grades generally exceeding 2.0%, far surpassing the global average copper grade (ranging from approximately 0.4% to 0.6%). According to Frost & Sullivan, the average copper metal content of ores in DR Congo ranges from approximately 2.0% to 3.5%, while that of ores in Zambia ranges from approximately 0.8% to 2.5%. In addition to high-grade sulfide ores, DR Congo and Zambia also possess a certain proportion of oxide ore resources with relatively lower copper grades. Low-grade ores refer to ores with a copper metal content below the average copper metal content of a specific region. In Zambia, low-grade ores denote ores with copper metal content below 0.8%, while in DR Congo, low-grade ores denote ores with copper metal content below 2.0%. These ores are characterized by ample reserves and low purchase prices in DR Congo and Zambia. We have seized the advantage and are deeply involved in the market development of low-grade copper-cobalt oxides, enabling us to precisely source ore with copper grades between 1.5% and 2.0% to meet the equipment design and production process requirements of our production facilities.

We excel in our ability to process and utilize different types and grades of ores, according to Frost & Sullivan. In particular, our continuous commitment to technological innovation and process optimization has significantly enhanced our capability to efficiently process low-grade copper ores, greatly improving resource utilization. Leveraging our proprietary process optimization, auxiliary material consumption control, and metal recovery enhancement technologies, we hold a competitive edge in processing cost reduction compared to local hydrometallurgical copper smelting enterprises according to Frost & Sullivan. To further improve energy efficiency, we employ advanced leaching and optimized electrolysis technologies, which enhance leaching kinetics and reduce power consumption during copper extraction. Moreover, through refined management in production line design, construction planning, and strategic equipment selection, we have successfully reduced overall investment and associated depreciation costs. We implemented a lean process layout and engineering design, fully leveraging the natural topographical elevation differences of the project site to scientifically plan and select locations for core production workshops (such as the extraction workshop and electrolysis workshop). This approach effectively utilizes the principle of

gravity flow for material and liquid transportation, significantly reducing equipment investment in the pumping system and subsequent operational power consumption, thereby minimizing fixed asset investment and energy costs. We have also equipped our processing facilities with equipment that are more streamlined, compact, and efficient than those of our competitors. In selecting core equipment, we prioritized high-efficiency, compact models. For critical production equipment, we proactively adopt technologically advanced models with higher efficiency per unit output. For example, while industry-standard equipment for equivalent processing capacity typically employs traditional thickeners with diameters up to 30 meters, we utilize high-efficiency thickeners with a diameter of only 22 meters that can deliver outstanding processing capacity and sedimentation efficiency within the same footprint. This approach reduces equipment procurement costs and land requirements while laying the foundation for an overall compact production layout. Consequently, it can reduce capital investment while achieving equivalent production capacity, and realize lower unit energy consumption and more resilient operating costs during long-term operation. Our lean personnel structure further optimizes labor costs, enhancing operational flexibility and enabling swift execution of management decisions, thus solidifying our cost competitiveness and supporting sustainable business performance.

Our exceptional cost efficiency is demonstrated by our robust gross profit margin. In particular, the gross profit margin for our trading of non-ferrous metal product business reached 2.3%, 3.8%, 5.5% and 8.6% in 2022, 2023, 2024 and the six months ended June 30, 2025, respectively, substantially outperforming the average gross profit margins among our comparable industry peers of 1.3%, 1.6%, 1.5%, and 2.7% in the same periods, respectively. This was primarily because comparable industry peers typically source and sell non-ferrous metal products within the PRC according to Frost & Sullivan, whereas we procure these non-ferrous metal products directly from the source—namely Peru—through our Peruvian subsidiary. This approach requires us to bear higher inventory risks, additional logistics time, and longer working capital occupancy cycles in exchange for lower prices than those obtained from suppliers in the PRC, thereby achieving a gross profit margin higher than comparable industry peers. This superior margin clearly illustrates our strategic procurement, regional and international layout strategies, and operational efficiency.

With global copper mine grades continuously declining since 2015, as noted by S&P Global, our ability to process lower-grade ores at higher efficiency positions us distinctively for future resource scenarios. Through stringent quality control and consistent technological enhancements, we have also significantly increased our product quality, even when dealing with low-grade ores. For instance, our state-of-the-art smelting facility in DR Congo has the capability to produce 100% Class A high-purity copper, which is the highest grade of purity in the industry standard. In contrast, majority of local producers in Zambia and DR Congo deliver copper with purities ranging from 99.90% to 99.95%, positioning us prominently in the global non-ferrous metals industry, according to Frost & Sullivan. This differentiated technological strength substantially boosts our market competitiveness and ensures our sustainable development.

Moreover, strategically designed for processing lower-grade ores, our DR Congo factory has reached an ore recovery rate of 98%, significantly exceeding the industry average in DR Congo. The ore recovery rate in production refers to the recovery rate of valuable metals, which represents one of the most crucial technical and economic indicators of metallurgical enterprises. The recovery rate calculated in our production is usually the total recovery rate, which is demonstrated in the below formula. Our total recovery rate of acid-soluble copper is roughly 94%, exceeding the average recover rate of 90% reported by local copper production enterprises in DR Congo, according to Frost & Sullivan. This superior efficiency reflects our advanced processing technologies and optimized resource management strategies, further reinforcing our cost leadership in the industry.

The following formula indicates the calculation of general recover rate:

$$\text{Total Recovery Rate} = \frac{\text{The amount of output of metal products} + \text{The amount of returned metal products}}{\text{The amount of metal contained in the raw materials}} \times 100\%$$

Specifically, our DR Congo production line is designed with a unique 2-degree feed-grade standard, significantly differentiating us from local industry peers, who lack a fixed-grade input strategy or operate at a lower-grade baseline, according to Frost & Sullivan. The 2-degree feed grade standard indicates that the copper purity ingredient of the copper ore currently purchased by the us is 2%, specifically, two tons of copper metal in every 100 tons of ore. Our current production line is designed to process 2-degree grade ore. Considering the grade of the ore is in parallel with the purchase cost, we are strategically securing both technical efficiency and cost predictability. On the procurement side, our production design enables us to achieve a tighter control over input quality and pricing, thereby reducing the cost per unit of recovered copper and enhancing our overall competitiveness against industry peers. From a processing perspective, the 2-degree feed-grade standard enables a more optimized and stable metallurgical flow. By integrating advanced solvent extraction and electrowinning (SX-EW) processes, which is well-suited to high-grade oxide ores, we strive to achieving superior metal recovery rates while minimizing reagent consumption, thereby reducing both operational costs and environmental impact. Additionally, our adoption of high-efficiency ion-exchange resins enhances the separation of impurities, ensuring consistently high-purity copper cathodes with minimal waste generation.

Besides, we have also implemented precise and scientific control measures in copper-cobalt production and processing, which, in turn, contributed to a number of production-related indicators spanning (i) comprehensive recovery rate of acid-soluble copper of roughly 94%; (ii) current efficiency at above 95%; and (iii) A-grade copper compliance rate stands around 95% and other gauges which performed better than local hydrometallurgical copper smelting enterprises, which are the cornerstone of maintaining our competitive edge in the industry. Committed to an innovation-driven development strategy, we consistently invest in scientific research annually. Leveraging established flotation and hydrometallurgical production technologies, we have successfully secured 30 authorized patents as of the Latest Practicable Date. Our expert consultancy team meticulously controls and optimizes each process, resulting in a distinctive and robust technical system.

Strong Service Capabilities Attracting Leading Industry Clients

Our strong market position and exceptional service capabilities have allowed us to cultivate long-term strategic partnerships with prestigious industry players. These valuable customer relationships form a solid foundation for our ongoing sustainable development.

Additionally, our rigorous risk management practices and robust operational discipline have consistently driven our profitability, even amidst significant market volatility and periods of low copper prices. Through continual optimization of production processes, rigorous cost management, and enhanced resource utilization efficiency, we have consistently maintained positive net profits and stable growth.

Our prudent management extends to our international operations, where we proactively mitigate risks by securing comprehensive overseas investment insurance from China Export and Credit Insurance Corporation. This strategic initiative ensures complete compensation coverage against potential country risks, effectively safeguarding our international assets and operations, strengthening investor confidence, and minimizing potential financial exposure.

Strategic Advantage of Yunnan Headquarters

Yunnan Province, known as the "Kingdom of Metals," is one of China's most prominent hubs for non-ferrous metal production and trading. The region is endowed with abundant mineral resources, particularly in copper, lead, zinc, and tin, making it a key pillar of China's metallurgical industry.

Beyond industrial advantages, Yunnan boasts a rich talent pool, with several leading universities and research institutes specializing in metallurgy, materials science, and engineering. As a region with an abundance of talent in our industry, we benefit greatly from our ability to efficiently recruit graduates and experts in Yunnan, allowing us to enrich our technological reserves and talent pool, while building a positive relationship with the local government by providing employment opportunities. Over the years, we have cultivated deep local expertise, benefitting from access to skilled professionals and cutting-edge research, further strengthening our technological innovation capabilities. Our long-standing presence in Yunnan has allowed us to build a solid foundation, combining local resource advantages with advanced processing expertise to support our sustainable growth and international expansion.

Experienced and Skilled Management Team with Extensive Industry Expertise

Our management team is characterized by strong coordination and collaboration, with most team members possessing substantial management experience and deep insights into the development trends within the non-ferrous metals industry. The stability and effectiveness of our leadership are significantly bolstered by our founder and chairman, Mr. Yuan Rong. Mr. Yuan serves as both Chairman and CEO, bringing extensive experience and profound expertise in the non-ferrous metals sector. Under his visionary leadership, the Company has successfully

implemented strategic expansions, achieving notable industry growth. His deep understanding of market dynamics and strategic foresight have consistently guided our strategic direction, ensuring sustainable development and ongoing competitiveness.

Additionally, most members of our management team are our co-founders, each bringing extensive professional backgrounds in metallurgy, international business management, finance, and corporate governance. Certain of our management have substantial experience operating in DR Congo and Zambia, developing deep expertise in local mining operations, regulatory frameworks, and business networks. Their long-standing presence in the region has been instrumental in establishing and expanding our African operations, enabling us to effectively navigate market complexities and optimize production efficiency. This shared depth of experience and expertise underpins their long-term commitment and ensures robust continuity in our strategic direction and operational excellence. This collective foundation guarantees sustained competitiveness and stability for the company's ongoing growth.

Furthermore, we have assembled a professional consulting team whose substantial industry knowledge and expertise constitute a significant competitive advantage. This team comprehensively supports our international operations — from strategic site selection and project design to construction management, production optimization, and sales strategies — thus ensuring seamless overseas expansion and robust operational performance.

DEVELOPMENT STRATEGY

Further Expansion of Our Production Capacity

As of June 30, 2025, our effective annual production capacity of copper cathodes stands at approximately 30,172 tons, with our Zambia and DR Congo projects contributing to this output. The first and second phases of our Zambia project commenced operations in September 2019 and March 2022, respectively, while the first phase of our DR Congo project began operations in August 2023.

Our planned expansion involves progressive scaling to achieve our total effective annual copper cathodes production capacity, comprising production capacity from both facilities in Zambia and DR Congo, to nearly 61,200 tons upon completion of our second phase of our DR Congo project. This capacity increase will be achieved through technological upgrades, efficiency improvements, and strategic infrastructure investments.

In Zambia, we will enhance the output of our existing smelting facilities by upgrading processing technologies and optimizing production efficiency. We will invest in new equipment and automation technologies for use in leaching, solvent extraction, and electrodeposition processes to improve recovery rates and reduce operational costs by lowering energy consumption and reducing the manpower required for production, ensuring stable long-term production growth. The new equipment and automation systems we plan to procure include, but are not limited to: online pH and redox potential monitors, variable-frequency stirring pump, and automated cathode peeling unit. In particular, (i) online pH and redox potential monitors

can ensure the leaching process consistently operates under optimal chemical conditions, thereby maximizing copper leaching rates; (ii) variable-frequency stirring pump can automatically adjust speed based on load to prevent overload operation, achieving up to 30% energy savings; and (iii) automated cathode stripping units can transform high-intensity, high-risk operations that previously required tens of workers into processes requiring only two to three personnel for monitoring, increasing stripping speed several fold. Additionally, further capital investment in infrastructure will support the seamless expansion of our Zambian operations.

DR Congo, with its abundant copper ore reserves and oxide-rich deposits ideally suited for hydrometallurgical processing, presents a significant growth opportunity. We will invest in the second phase of our DR Congo project, with an expected effective annual production capacity to reach 30,000 tons, by leveraging our experience and technological enhancements in building and operating the first phase project. We estimate that the second phase of this project to commence in 2026. Upon completion of the second phase, our total effective annual copper cathodes production capacity in DR Congo is expected to grow to approximately 59,000 tons, strengthening our position as a leading producer in the region. We also plan to upgrade the hydrometallurgical processing capability of our DR Congo copper smelter I, and to improve the production yield of its cobalt hydroxide production line. In particular, upon completion of the DR Congo copper smelter I improvement project, we anticipate (i) our total effective annual production capacity of copper cathodes in DR Congo will increase to approximately 63,000 tons; and (ii) the production efficiency and grade of the cobalt hydroxide we produce will be enhanced. We estimate that the DR Congo copper smelter I improvement project will be completed before 2028.

To expand our production capabilities, we also aim to strengthen our leading position in copper cathode and cobalt metal smelting and trading through continued enhancement of our technological capabilities to expand our production yield.

In terms of hydrometallurgical technology, we plan to significantly increase investment in research and development, particularly focusing on advanced solvent extraction and electrolysis processes. Our objectives include enhancing copper and cobalt recovery rates, reducing energy consumption, and minimizing environmental impacts through cleaner and more efficient processing techniques.

For copper-cobalt separation technology, we will emphasize developing highly efficient and selective separation processes. This will help us effectively address the growing market demand for high-purity copper and cobalt products, expand our product portfolio, and extend our industrial value chain, aligning with our broader strategic goals.

This expansion strategy empowered by new facilities and technological advancement aligns with our long-term goal of enhancing economies of scale, reducing production costs, and solidifying our competitive edge in the global copper market.

Expand Cobalt Industry Chain and Strategically Enter the New Energy Materials Sector

According to Frost & Sullivan, driven by the rapid expansion of high-performance lithium-ion power batteries and other new energy applications, global cobalt demand is projected to grow significantly — from 187,000 tons in 2024 to 274,000 tons in 2029. Based on this trajectory, the global cobalt market could potentially face a 17.5% supply shortage by 2029.

Leveraging the natural coexistence of copper and cobalt in our primary resource regions — Zambia and DR Congo — and recognizing the strong growth potential in the new energy materials market, we are actively developing advanced technologies for the efficient separation of copper and cobalt from mixed copper-cobalt ores. This strategic initiative includes ongoing research into enhanced recovery methods for extracting cobalt from copper concentrates, as well as efficient extraction of both copper and cobalt from metallurgical slags.

In October 2022, we established Jinxun Anhui in Anhui Province and commenced construction of a high-performance lithium-ion battery raw material project. The establishment of our cobalt compound facility in Anhui Province offers significant synergies in terms of both upstream and downstream integration. First, the facility benefits from efficient access to upstream resources via the Yangtze River, a major logistics artery, allowing us to source raw materials shipped from overseas through a well-developed transportation network. Second, by locating the facility within an industrial zone that is deeply integrated into the Yangtze River Delta Economic Zone (長三角經濟圈) — home to numerous leading battery and new energy enterprises — we are strategically positioned near key downstream customers. This proximity has enabled us to reduce logistics and supply chain costs by approximately 30%. The project focusing on a cobalt compound facility is currently undergoing the final pre-acceptance checking and is set to begin trial operations within 2025. With the successful completion and operation of our Anhui subsidiary, we aim to strategically extend our business model beyond traditional copper manufacturing, establishing a presence in the rapidly expanding new energy materials sector. Leveraging the proven advantages of high operating voltage, light weight, high energy, low pollution and prolonged life-cycle, high-performance lithium-ion batteries are destine for the mainstream products across a spectrum of industries covering mobile phones, digital products and new energy vehicles. As of now, China has poised to become the largest producer, consumer and exporter of high-performance lithium-ion battery materials. Given cobalt sulfate, cobalt chloride and manganese sulfate produced by Jinxun Anhui constitute key materials of producing high-performance lithium-ion batteries, this initiative further diversifies our business lines and revenue sources, thereby enabling us to tap into high-growth markets, and strengthens our overall market position and future revenue potential. We remain firmly committed to our core copper manufacturing business, given (i) the continued global supply shortage in the cathode copper industry and (ii) our longstanding presence in the sector, which has allowed us to accumulate extensive industry experience and advance our production technologies. In view of the potential upward trend in copper prices, our strategic focus on traditional copper production is expected to remain unchanged. Our expansion into the cobalt

industry chain and the trading of other new energy materials is intended to complement and extend our existing copper business, rather than replacing it. We do not expect this diversification to have any material impact on our overall operational or financial performance.

Extend the Upstream the Industry Chain and Seek Strategic Acquisition Opportunities

To further enhance our copper and cobalt resource base and to expand our downstream production capabilities, we will proactively pursue strategic acquisitions of suitable upstream copper and cobalt hydrometallurgical resources or facilities, focusing on opportunities in Africa, South America, and China. Our targeted acquisition approach will involve thorough and careful evaluation of potential targets. Specifically, we will meticulously assess various factors encompassing compliance with local regulatory standards, the quality and quantity of mineral reserves, deposit grades, projected investment returns, and alignment with our long-term strategic objectives and internal standards. Our strategic acquisitions are expected to take a variety of forms to strengthen our upstream resource base. These include:

(i) acquiring greenfield land with high mineralization potential, where we would be entitled to obtain mining rights upon the verification of mineral reserves. According to Frost & Sullivan, Zambia and the DR Congo remain the regions where possessing the most concentrated copper mineral resources globally. Their combined copper reverses accounted for over 10% of the total reserves detected in the world. Characterized by concentrated mineral belts, above-average copper grades and a high level of exploration advancement, these areas are the foundation of more than 100 target reserves for diversified acquisition approaches covering greenfield exploration, equity investments and acquisition of mature mining rights;

(ii) continuing to cooperate with existing mining companies by increasing our capital contributions in relation to equipment upgrades and machinery improvements, thereby enhancing mining efficiency and ore quality, with access to raw materials secured post-extraction. There are more than 70 small and medium-sized mining operators within the region, and almost each of them face challenges including outdated technology and equipment, inferior production efficiency and limited financial resources. These mining operators are generally open to external funding to undergo equipment upgrades or mineral processing optimization, with the aim to achieve mutually beneficial arrangements through "mineral-for-equity swaps." For enterprises which possess extensive local operational experience and capabilities in smelting or downstream integration, through active collaboration with existing local mining companies offers ample target resources, adaptable transaction structures and better liquidity, according to Frost & Sullivan;

(iii) participating in mining projects through equity investments, allowing us to secure strategic resource access while minimizing the operational risks associated with direct ownership. As advised by Frost & Sullivan, equity investment has manifested to be a critical strategy for mining companies to optimize capital allocation. In recent years, a number of mining funds and private equity firms have weighed on

liquidity requirements for their project equity holdings in light of the rising copper prices and demand for renewable energy. Through equity investments in mining projects, we are in the position to acquire strategic resources with proven reserves and stable production capacity, thereby further reducing direct operational risks; and

(iv) selectively acquiring mining rights through outright purchases of sites with confirmed reserves, enabling us to quickly scale up resource control in a targeted and risk-mitigated manner. Given the advancement in exploration technology and ongoing project development, certain mining areas have completed reserve exploration and process potentially exploitable resources. Meanwhile, international mining companies are adjusting their mining rights in corresponding to strategic shits or capital repatriation, which presents us with opportunities to acquire high-quality mining rights. By screening for high copper grades and target copper reserves, we are able to secure premium mining rights through direct acquisitions, which in turn enables swift upstream resource expansion and cost optimization, according to Frost & Sullivan.

We expect to prioritize in acquiring copper and cobalt reserves of 10,000 tons or above with an average copper grade higher than 2% in avoidance of the excessive mining costs associated with low-grade mines. We will focus on selecting mining reserves in Zambia and DR Congo in light of their possession of rich reserves and our extensive operation history in local communities. In the meantime, we will also strategically direct our attention to copper-rich countries such as Peru and Chile in South America. We intend to adopt a phased and risk-conscious approach to strategic acquisitions, beginning with lower-risk initiatives while gradually building our internal capabilities in mineral exploitation. Our initial focus will be on securing stable sources of raw materials, with plans to progressively initiate exploitation activities at newly identified and underdeveloped mining sites.

Our Directors are of the view that the aforementioned strategic acquisitions will benefit us in various aspects. By acquiring upstream mines, we are able to form a lasting and stable connection between local mining reserves and our production facilities to secure our raw material supply chains for our smelting operations. Meanwhile, sourcing mineral resources internally will lessen our dependence on raw material procurement from external suppliers, thereby achieving purchasing economies. In addition, upstream enterprises typically possess exceptional profitability due to the scarcity of their resources. Following the acquisitions, we will gain direct entry to and internalize the high-margin segment, which will progressive enhance our cash flow, gross profit margin and financial condition. However, our approach to make acquisitions will be in a measured and disciplined manner, particularly in light of the risks and challenges in making direct acquisitions in overseas, including (i) the substantial upfront acquisition expenditures and follow-on maintenance costs; (ii) a direct exposure to local operational risks taking into account of policy, legal and environmental elements; and (iii) other risks relating to global commodity price volatility. In light of the aforementioned risks and consistent with our overall acquisition strategy, we aim to pursue acquisitions in a

measured and disciplined manner, prioritizing risk control and sustainable growth. As of the Latest Practicable Date, our Directors confirm that we do not have any plan to make any acquisition with respect to downstream resources and facilities.

We remain committed to disciplined acquisitions that contribute significantly to enhancing our market competitiveness, expanding our resource reserves, and promoting sustainable growth. As of the Latest Practicable Date, we have not identified any specific acquisition targets nor entered into any formal acquisition agreements or memorandums of understanding. However, we continue to actively monitor and evaluate potential opportunities that can strategically reinforce our industry position and deliver substantial shareholder value.

Strengthen Talent Recruitment, Staff Training, and Corporate Social Responsibility Practices

We will continue to proactively recruit, train, and retain highly qualified personnel to effectively meet the growing needs of our expanding operations, particularly in other African countries and South America. With the ongoing development of our projects in DR Congo and Zambia, we aim to deepen our international presence and enhance our operational efficiency, aligning with China's "going global" and "One Belt, One Road" strategic initiatives. This approach will substantially strengthen our international competitiveness and sustainable growth prospects.

To achieve these goals, we plan to expand our workforce strategically, refining our talent selection processes to attract top-tier management and technical professionals from the industry. This will significantly enhance our technological and managerial capabilities. Concurrently, we will optimize our compensation and incentive structures for key personnel and management teams, ensuring we attract and retain talent effectively. We will provide ongoing internal training programs to equip our employees with cutting-edge industry knowledge, advanced technical skills, and essential insights into environmental, social, health, and safety standards relevant to our international operations, thereby improving our global operational capacity.

We place significant emphasis on corporate social responsibility, recognizing its crucial role in our international operations and corporate reputation. Since establishing our overseas subsidiaries, we have consistently invested in community-building initiatives, including educational support, local donations, and infrastructure projects such as well drilling and road construction. Looking ahead, we remain dedicated to enhancing the social and economic conditions of the regions in which we operate. For instance, we have entered into a donation agreement with the local communities in DR Congo. These proactive efforts contribute to local employment opportunities, improved socio-economic conditions, strengthened brand image, and robust governmental relationships, ultimately supporting the long-term sustainability and positive global impact of our business.

OUR OPERATIONS

We started from engaging in the trading of non-ferrous metals. After accumulating experience in the industry, we commenced the business of localized processing and smelting of copper in Zambia and DR Congo in 2017 and 2023, respectively, and gradually developed into our current business model that integrates mineral processing, smelting and trading of non-ferrous metals. We have a stable supply of copper raw materials based on long-term cooperation with suppliers, and we believe that our more than a decade of experience in the copper industry and our ability to produce high-quality copper-related products distinguish us from our competitors.

Our operations cover ore processing, smelting, as well as sales of copper products and trading of non-ferrous metals. The processing and smelting of copper ores are primarily carried out by our local production facilities located in Zambia and DR Congo, respectively. As of the Latest Practicable Date, save for the cobalt processing plant under construction in China, we own four production facilities, which include two copper smelters and one copper concentrate flotation plant in Zambia, and one copper smelter in DR Congo. Our non-ferrous metal trading business is conducted primarily through our subsidiaries in Singapore and China. During the Track Record Period, we generated revenue from (i) the production and sale of copper cathodes, (ii) the production and sale of copper concentrates, and (iii) the trading of non-ferrous metal products.

Production and Sale of Copper Cathodes

We produce copper cathodes in Zambia and DR Congo. We operate two copper smelters in Zambia, namely Zambia copper smelter I and Zambia copper smelter II, and one copper smelter in DR Congo, namely DR Congo Copper Smelter I. The Zambia Copper Smelter I and Zambia copper smelter II commenced production in September 2019 and March 2022, respectively, while the DR Congo copper smelter I commenced production in August 2023. Our copper smelters produce copper cathodes using a hydrometallurgical process that primarily involves grinding, leaching, extraction and electrowinning utilizing copper ores. During the Track Record Period, the copper cathodes we produced were primarily sold to a variety of commodity traders in Chinese Mainland. In light of our current production capacity, which remains below overall market demand, we believe that any short-term fluctuations in downstream demand are unlikely to materially affect our copper cathode sales volume.

Production and Sale of Copper Concentrates

We produce copper concentrates in Zambia. Our Zambian subsidiary operates a copper concentration flotation plant, namely Zambia flotation plant. The Zambia flotation plant commenced production in October 2017. We produce copper concentrates by crushing and grinding the ores and separating metals from waste rocks using a flotation process, and then classifying and dehydrating. During the Track Record Period, the copper concentrates we produced were primarily sold to local smelting companies. In addition, we also sold insignificant amount of copper concentrates to customers operating in Chinese Mainland.

Trading of Non-Ferrous Metal Products

We also procure non-ferrous metal products from local suppliers in Peru and China, and primarily sell to our customers through our subsidiaries in Singapore and China. We aim to further enhance our presence in Singapore, leveraging its incomparable attractiveness in providing tax incentives to foreign investors to build a regional hub that facilitates our overseas financing and trading activities. Non-ferrous metal products we trade primarily include copper, zinc, lead and silver. We serve both upstream suppliers and downstream customers in trading non-ferrous metals. Given our substantial procurement volume of non-ferrous metal products and diversified supply channels, we possess stronger bargaining power, enabling us to offer these products to downstream customers at competitive prices and favorable commercial terms. Furthermore, our global procurement network with sourcing channels spanning key resource regions including China, South America, and Africa not only ensures superior product quality and stable supply but also provides a wide variety of customized non-standard products tailored to specific customer requirements. Leveraging our robust creditworthiness and cross-border capital management capabilities, we can also provide upstream suppliers and downstream customers with more flexible payment terms and settlement arrangements to meet their individual needs. During the Track Record Period, the non-ferrous products we procured were mainly sold to the commodity traders and producers operating in Chinese Mainland and Peru. The downstream customers of our non-ferrous metal trading business are consisted mainly of large-scale non-ferrous metal smelting enterprises with considerable demand of non-ferrous metals in the PRC. In addition, we also received orders on an ad hoc basis from mid- to small non-ferrous metal trading enterprises in the PRC.

The following table sets out a breakdown of our revenue by business segment, each expressed in absolute amounts and as a percentage of our total revenue, for the years/periods indicated:

	Year ended December 31,						Six months ended June 30,			
	2022		2023		2024		2024		2025	
	RMB'000	*% of revenue*	*RMB'000*	*% of revenue*	*RMB'000*	*% of revenue*	*RMB'000*	*% of revenue*	*RMB'000*	*% of revenue*
							(unaudited)			
Copper production and processing										
Copper cathodes	328,220	51.5	404,785	59.9	1,228,967	69.4	448,256	75.2	828,021	85.9
Copper concentrates	62,396	9.8	12,177	1.8	946	0.1	946	0.3	1,179	0.1
Cobalt hydroxide	–	–	–	–	–	–	–	–	10,739	1.2
Subtotal	390,616	61.3	416,962	61.7	1,229,913	69.5	449,202	75.5	839,939	87.2
Trading of non-ferrous metal products	246,687	38.7	258,739	38.3	539,920	30.5	146,763	24.5	123,846	12.8
Total	**637,303**	**100.0**	**675,701**	**100.0**	**1,769,833**	**100.0**	**595,965**	**100.0**	**963,785**	**100.0**

The following table sets out a breakdown of revenue by geographic location[(1)] of our customers for the years/periods indicated:

	Years ended December 31,						Six months ended June 30,			
	2022		2023		2024		2024		2025	
	RMB'000	*% of revenue*	*RMB'000*	*% of revenue*	*RMB'000*	*% of revenue*	*RMB'000*	*% of revenue*	*RMB'000*	*% of revenue*
							(unaudited)			
Singapore	–	–	27,989	4.1	406,455	23.0	169,916	28.5	496,828	51.5
Switzerland	–	–	11,718	1.7	265,917	15.0	106,523	17.9	128,917	13.4
Chinese Mainland	241,754	37.9	350,521	51.9	634,035	35.8	199,708	33.5	120,965	12.6
Hong Kong	220,925	34.7	83,610	12.4	25,598	1.4	–	–	86,397	9.0
British Virgin Islands	107,295	16.8	192,513	28.5	266,201	15.0	98,266	16.5	78,255	8.1
Luxembourg	–	–	–	–	170,167	9.6	20,092	3.4	47,241	4.9
Peru	6,827	1.1	–	–	514	0.1	514	0.1	4,003	0.4
Zambia	60,502	9.5	9,350	1.4	946	0.1	946	0.1	1,179	0.1
Total	**637,303**	**100.0**	**675,701**	**100.0**	**1,769,833**	**100.0**	**595,965**	**100.0**	**963,785**	**100.0**

Note:

(1) The geographic location is based on the place of registration of the respective customer.

The following table sets out a breakdown of revenue by delivery location of our customers for the years/periods indicated:

	Years ended December 31,						Six months ended June 30,			
	2022		2023		2024		2024		2025	
	RMB'000	*% of revenue*	*RMB'000*	*% of revenue*	*RMB'000*	*% of revenue*	*RMB'000*	*% of revenue*	*RMB'000*	*% of revenue*
							(unaudited)			
DRC	–	–	126,370	18.7	877,004	49.6	308,104	51.7	699,681	72.6
Zambia	388,723	61.0	288,399	42.7	352,912	19.9	141,098	23.7	127,721	13.3
The PRC	241,754	37.9	260,932	38.6	409,070	23.1	112,465	18.9	84,029	8.7
Peru	6,826	1.1	–	–	130,847	7.4	34,298	5.8	52,354	5.4
Total	**637,303**	**100.0**	**675,701**	**100.0**	**1,769,833**	**100.0**	**595,965**	**100.0**	**963,785**	**100.0**

The following table sets forth our gross profit and gross profit margin by business lines for the years/periods indicated:

	Year ended December 31,						Six months ended June 30,			
	2022		2023		2024		2024		2025	
	Gross profit/ (loss)	Gross profit/ (loss) margin	Gross profit/ (loss)	Gross profit/ (loss) margin	Gross profit/ (loss)	Gross profit/ (loss) margin	Gross profit/ (loss)	Gross profit/ (loss) margin	Gross profit/ (loss)	Gross profit/ (loss) margin
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
							(unaudited)			
Copper production and processing										
Copper cathodes	155,250	47.3	121,525	30.0	339,821	27.7	130,140	29.0	208,858	25.2
Copper concentrates	9,689	15.5	(1,139)	(9.4)	(2,039)	(215.5)	(36)	(3.7)	508	43.1
Cobalt hydroxide	–	–	–	–	–	–	–	–	2,694	25.1
	164,939	42.2	120,386	28.9	337,782	27.5	130,104	29.0	212,060	25.3
Trading of non-ferrous metal products	5,554	2.3	9,757	3.8	29,885	5.5	15,549	10.6	10,620	8.6
Total/Overall	**170,493**	**26.8**	**130,143**	**19.3**	**367,667**	**20.8**	**145,653**	**24.4**	**222,680**	**23.1**

OUR PRODUCTS

Our main products are copper cathodes and copper concentrates. We also trade non-ferrous metal products procured from suppliers to other metal trading companies and non-ferrous metal producers.

The following table sets out our production volume of copper cathodes, copper concentrates and cobalt hydroxide for the years/periods indicated:

	Year ended December 31,			Six months ended June 30,	
	2022	2023	2024	2024	2025
	Production volume (tons)				
Copper cathodes	5,949.8	7,368.1	20,934.8	7,220.6	12,496.2
Copper concentrates	1,178.4	210.5	32.0	17.8	9.0
Cobalt hydroxide	–	–	128.2	–	171.0
Total	**7,128.2**	**7,578.6**	**21,095.0**	**7,238.4**	**12,676.2**

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

	Year ended December 31,			Six months ended June 30,	
	2022	2023	2024	2024	2025
			(tons)		
Product					
Copper cathodes	5,886.4	7,384.1	19,851.1	7,195.5	12,952.9
Copper concentrates	1,170.3	229.1	17.8	17.8	21.2
Cobalt hydroxide	–	–	–	–	83.7
Total	**7,056.7**	**7,613.2**	**19,868.9**	**7,213.3**	**13,057.8**

Copper Cathodes

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

In 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, we produced 5,949.8 tons, 7,368.1 tons, 20,934.8 tons, 7,220.6 tons and 12,946.2 tons, respectively, of copper cathodes. We plan to significantly increase our total copper cathode effective production capacity in DR Congo to approximately 25,000 tons by 2025 and approximately 55,000 tons upon completion of our second phase of our DR Congo project. Our expansion plans include increasing production at the Zambia copper smelter II by conducting technology reform and process optimization and the development of our DR Congo copper smelter II project for which we have completed the viability study.

We primarily sell our copper cathodes to metal trading companies for onward sale to end customers.

Copper Concentrates

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

In 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, the Zambia flotation plant had an output of 1,178.4 tons, 210.5 tons, 32.0 tons, 17.8 tons and 9.0 tons of copper concentrates, respectively, as a result of our decision to downsize our copper concentrate production.

We primarily sell our copper concentrates to non-ferrous metal producers.

Non-ferrous metal products

We also trade a variety of non-ferrous metal products, such as copper, silver, lead, and zinc, purchased from our suppliers and sell such metal products to metal trading companies or other non-ferrous metal producers.

Cobalt Hydroxide

We also use cobalt, which is a by-product generated during the copper smelting process, to produce and sell cobalt(II) hydroxide. The original ore used in our production facility in DR Congo contained a mix of copper and cobalt, and we produce cobalt hydroxide as a by product in the copper smelting process. During the Track Record Period, we produced a total of 299.2 tons of cobalt hydroxide of which approximately 83.7 tons produced by our factory were sold to third parties located in the PRC in 2025 for revenue generation purpose. As of June 30, 2025, our effective annual production capacity of cobalt(II) hydroxide was approximately 4,500 tons. Cobalt(II) hydroxide can be used to produce cobalt sulfates and cobalt chlorides, which are raw materials for new energy batteries. As such, we plan to expand our product portfolio to include cobalt sulfates, refined cobalt chlorides and battery-grade manganese sulfates.

PRODUCTION

Copper Resources

We rely on suppliers in Zambia and DR Congo for copper procurement where we enter into supply agreements with suppliers for copper sourcing. For more details, see "— Suppliers."

Production Planning

We typically prepare production plans on a periodic basis based on the anticipated market trends and discussions with our customers. Pursuant to these plans and existing inventory levels, we procure raw materials and prepare monthly production schedules.

Existing Production Facilities

As of the Latest Practicable Date, our production facilities are located in Zambia and DR Congo. The table below sets forth the location, product categories, year of commencement of operation and designed annual production capacity for these production facilities:

Facility Name	Location	Primary Products Manufactured	Commencement of Operation	Designed Annual Production Capacity[1]
Copper cathodes				
Zambia copper smelter I	Kalulushi District, Copperbelt Province, Zambia	Copper cathodes	September 2019	Copper cathodes: 1,800 tons
Zambia copper smelter II	Kalulushi District, Copperbelt Province, Zambia	Copper cathodes	March 2022	Copper cathodes: 4,800 tons
DR Congo copper smelter I	Kolwezi, Lualaba Province, DR Congo	Copper cathodes	August 2023	Copper cathodes: 24,600 tons
Copper concentrates				
Zambia flotation plant	Kalulushi District, Copperbelt Province, Zambia	Copper concentrates	October 2017	Copper concentrates: 100 tons

Note:

(1) Calculated by multiplying the average monthly output of each production facility by 12 months.

Production Capacity and Utilization

We have maintained relatively high utilization rates during the Track Record Period. The following table sets forth a summary of our annual production capacity (in tons) in terms of effective designed production capacity (in tons), output (in tons) and utilization rates for our key product lines for the periods indicated.

	Year ended December 31,									Six months ended June 30,					
	2022			2023			2024			2024			2025		
	Annual Effective Production Capacity[1]	Output	Utilization Rate[2]	Annual Effective Production Capacity[1]	Output	Utilization Rate[2]	Annual Effective Production Capacity[1]	Output	Utilization Rate[2]	Annual Effective Production Capacity[1]	Output	Utilization Rate[2]	Annual Effective Production Capacity[1]	Output	Utilization Rate[2]
	(tons)	*(tons)*	*(%)*	*(tons)*	*(tons)*	*(%)*	*(tons)*	*(tons)*	*(%)*	*(tons)*	*(tons)*	*(%)*	*(tons)*	*(tons)*	*(%)*
Copper cathodes[3]															
Zambia	7,600	5,949.8	78.3	6,485	5,006.9	77.2	6,540	5,041.9	77.1	2,693.2	2,255.0	83.7	2,944	1,862.3	63.3
DR Congo	–	–	–	3,215	2,361.1	73.4	24,660	15,892.9	64.4	10,475.9	4,965.6	47.4	12,144	10,633.8	87.6
Subtotal	**7,600**	**5,949.8**	**78.3**	**9,700**	**7,368.1**	**76.0**	**31,200**	**20,934.8**	**67.1**	**13,169**	**7,221**	**54.8**	**15,088**	**12,496.0**	**82.8**
Copper concentrates[4]															
Zambia	2,200	1,178.4	53.6	1,400	210.5	15.0	100	32.0	32.0	100	17.8	17.8	54	9.0	16.7

Notes:

(1) The annual effective production capacity of each period is calculated by multiplying the maximum monthly output of the corresponding period by the number of months with actual production, which could be higher than the designed annual production capacity by enhancing processing technologies and production efficiency in actual operations. For example, assuming stable power output, an efficiency rate of 95%, 30 effective production days per month, our historical maximum monthly output of approximately 2,600 tons in 2024, and full year operation, our annual effective production capacity 2024 is estimated at approximately 31,200 tons (i.e. 2,600 tons × 12 months). According to Frost & Sullivan, this calculation method is consistent with market practice. The gap between our annual effective production capacity and our output was primarily due to (i) the stability of local power supply to our production facilities in DR Congo since our production equipment cannot operate during power outages. During the Track Record Period, we experienced temporary power outages due to our production facility in DR Congo not being connected to the municipal grid from August 2023 and August 2024, coupled with insufficient power generation capacity from temporary generators. To enhance production efficiency and achieve maximum production capacity, we subsequently procured five new generator units and entered into a grid power supply agreement. As of the Latest Practicable Date, we have maintained stable power supply at our production facility in DR Congo; (ii) the stability of raw materials supply as unstable supply may lead to production interruptions, preventing us from carrying out production activities as planned, thereby resulting in reduced output and capacity utilization rates. During the Track Record Period, there was a reduction in market supply of sulfide ore and mixed ore for the production of copper concentrates in 2023 and 2024. As such, we strategically focused our resources on production of copper cathodes and only produced copper concentrates in small scale. Save for the aforementioned reduction in sulfide ore and mixed ore market supply, we did not experience other material supply shortages that resulted in prolonged suspension of our production operations during the Track Record Period and up to the Latest Practicable Date; and (iii) the scheduled maintenance of equipment of the production line.

(2) Utilization rates are calculated based on the output for the relevant period divided by the annual effective production capacity for the relevant period.

(3) During the Track Record Period, the utilization rates of our copper cathode production lines in Zambia were on a downward trend, primarily due to (i) shutdowns for maintenance caused by aging equipment; and (ii) a decline in production efficiency after we shifted to procure lower-grade ores in Zambia which contain relatively low concentrations of copper. The utilization rate of our copper cathode production line in DR Congo decreased slightly from 73.4% in 2023 to 64.4% in 2024, mainly because (i) it was still undergoing a ramp-up phase and process debugging period with unstable production output; and (ii) the relatively unstable power supply in DR Congo in the first half of 2024, and then the utilization rate increased significantly from 47.4% in the six months ended June 30, 2024 to 87.6% in the six months ended June 30, 2025, primarily attributable to (i) the completion of the production ramp-up phase and process debugging period; and (ii) the addition of five new generator units and the signing of a grid power supply agreement to support increased production activities.

(4) The annual effective production capacity and output of copper concentrates decreased significantly during the Track Record Period, mainly due to our strategic allocation of resources and equipment to the production of copper cathodes, which has a relatively high gross margin.

Production Expansion Plan

Currently we are improving or expanding the copper cathode production lines in Zambia and DR Congo. Our production improvement or expansion plans have been determined on the basis of, among other things, (i) forecast of market demand of the related products; (ii) prevailing and anticipated prices for relevant products; (iii) utilization of existing manufacturing facilities; (iv) estimated cost of development; and (v) availability and cost of capital resources. According to Frost & Sullivan, the consumption of copper cathodes has demonstrated a robust growth, from 22.5 million tons in 2020 to 27.0 million tons in 2024, with a CAGR of 4.7%, primarily driven by the surge in demand in the renewable energy and electric vehicle industries and massive infrastructure spending in emerging markets. The trend of growth in consumption of copper cathodes is projected to continue, from 27.8 million tons in 2025 to 30.5 million tons in 2029, with a CAGR of 2.3%. Underpinned by the prime use in power grids, batteries and electronic devices, the average prices of copper have demonstrated a steady upward trend in the past few years, increasing from approximately RMB42,600 per ton in 2020 to approximately RMB66,500 per ton in 2024. Given the demand for copper will still dramatically outstrip supply in the next few years, copper prices will face upward pressure in the short term. During the Track Record Period, the overall annual effective utilization rate of our existing copper cathode production lines had yet to reach the desired level. This was primarily due to the production facilities in Zambia and DR Congo, including Zambia copper smelters I and II and DR Congo copper smelter I, commenced production at different stages. When new production lines are put into operation, the overall annual effective utilization rate may be negatively impacted, as new production lines typically operate at lower output levels during their initial stages. In particular, production facilities will typically undergo a ramp-up phase and process debugging period after commissioning. During this time, their utilization rates will remain at relatively low levels until full integration is achieved and stable operation is attained, at which point their utilization rates will gradually increase. Our overall annual effective utilization rate during the Track Record Period varied between 67.1% to 82.8%.

We expect to reach the expected level of around 95% in 2025 assuming an annual effective production capacity of 30,176 tons, given that (i) since July 2025, our DR Congo copper smelter I has achieved stable monthly production with 100% utilization rate; (ii) we maintain sufficient raw material reserves for our DR Congo copper smelter I to cover more than four months of consumption; (iii) we have established a robust power supply system to ensure a more stable production; and (iv) we have achieved an overall effective utilization rate of our existing copper cathode production lines of approximately 92% for the ten months ended October 31, 2025, based on an effective production capacity of 25,147 tons. Accordingly, our expansion of production lines in Zambia and DR Congo is in conjunction with our estimates to the aforementioned contributing factors and is deemed to be reasonable. We confirm that the status of the expansion and the amount of expenditure incurred remain unchanged as of the Latest Practicable Date.

We believe our improvement or expansion projects will help us extend product lines to both upstream and downstream of the copper industry and further enlarge our revenue base. We may also invest in additional improvement or expansion projects as we continue to grow our market share and income. The table below sets forth the details of our estimated capital expenditure, additional planned production capacity and the expected operation commencement date.

Production Line	Key Products	Additional Planned Production Capacity	Estimated Capital Expenditure	Expected Time of Commencing Operation
		(tons/year)	*(RMB million)*	
Zambia copper smelter improvement project . .	Copper cathodes	1,000	71.5	Within 2027
DR Congo copper smelter I improvement project .	Copper cathodes	4,000	380.0	Before 2028
DR Congo copper smelter II project	Copper cathodes	30,000	576.0	Within 2026

We expect that the Zambia copper smelter improvement project and the DR Congo copper smelter II project above will be funded primarily by cash generated from our operations, while the DR Congo copper smelter I improvement project will be funded primarily by the net proceeds from the [**REDACTED**]. See "Future Plans and [**REDACTED**] — [**REDACTED**]" for details.

Production Process

Our optimized production process reflects our over a decade of industry experience that allows us to accelerate the pace of production, implement product requirement modifications more quickly and maintain relatively low defect rates. The production of copper cathodes generally involves four key steps, which may vary depending on the composition of the ore:

- **(i) Leaching**: Oxidized copper ore and copper-containing tailings are mixed with concentrated sulfuric acid in the leaching system. The resulting leaching liquid, which contains dissolved copper, is separated from the leaching residue and directed to the next stage. The leaching process at our production facility in the DR Congo typically takes approximately four to five hours; whereas at our production facilities in Zambia, it usually takes approximately two and a half to three hours.

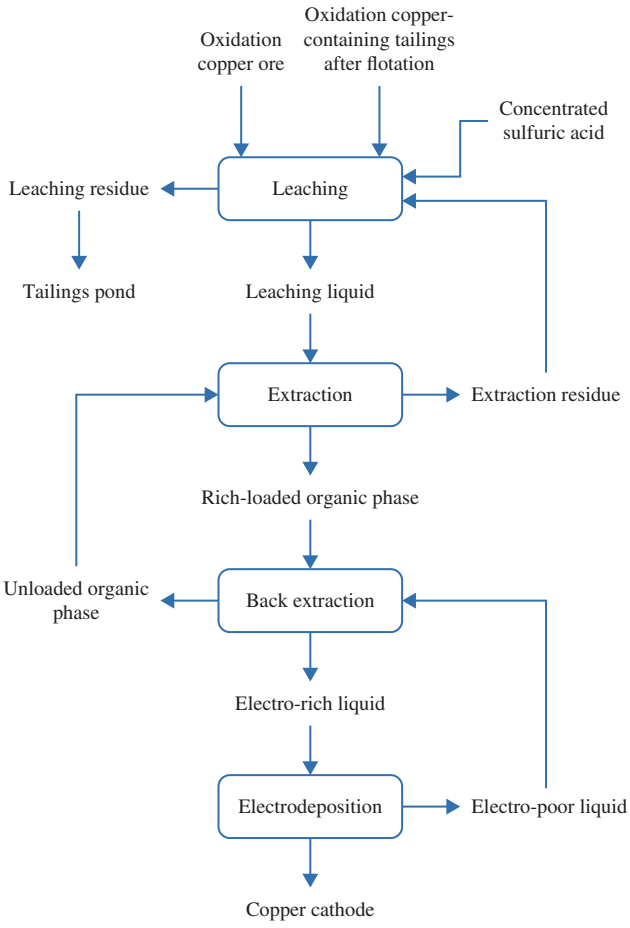
- **(ii) Extraction**: The leaching liquid undergoes solvent extraction, where it is mixed with an organic phase. Copper ions are selectively transferred into the organic phase, producing a rich-loaded organic solution. The remaining extraction residue is removed. The extraction process typically takes approximately two and a half to three minutes.

- **(iii) Back Extraction**: The copper-loaded organic phase then enters a back extraction process, where copper is stripped into an aqueous solution. The resulting electro-rich liquid contains high concentrations of copper and is separated from the unloaded organic phase for reuse. The back extraction process typically takes approximately two and a half to three minutes.

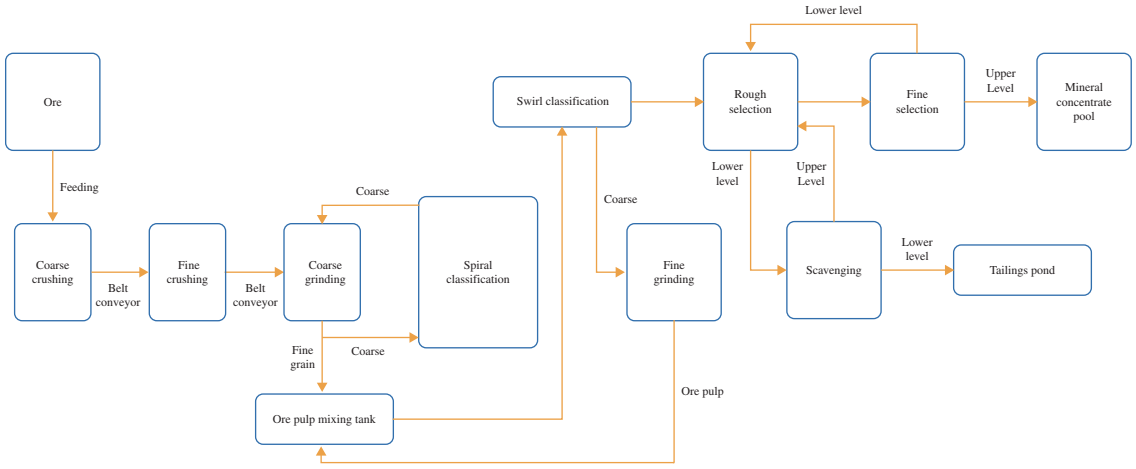
- **(iv) Electrodeposition**: The electro-rich liquid flows into the electrowinning cell system, where electric current is applied. Copper ions are reduced and plated onto cathodes, forming high-purity copper cathodes (typically 99.99%). The electrodeposition process typically takes approximately five days.

The following diagrams illustrate the production processes of copper cathodes and copper concentrates:

Copper Cathodes



Copper Concentrates



Critical Machinery and Equipment

We endeavor to equip our production facilities with state-of-the-art equipment, which we believe is essential for increasing automation and ensuring reliability, as well as for cost competitiveness. Many of the machines we utilize require limited human operation, allowing us to reduce labor costs and focus our manufacturing facility staffing on maintenance and supervisory personnel. We design, customize and integrate a variety of advanced technologies into our production processes. We have also internally developed many of the production technologies and equipment used in our production processes. The critical machinery and equipment applied in our production processes are set forth below:

- Jaw crusher, which is used to crush large materials to a certain size to improve ore grinding efficiency;

- Semi-autogenous ball grinding mill, which uses steel grinding balls and ore or rock fragments as grinding media to crush the ore into smaller particles to improve the efficiency of acid leaching;

- Ball grinding mill, which is used to further refine the ore rock that is processed by the semi-autogenous ball grinding mill by breaking the ore rock into millimeter of even micrometer-level particles, allowing an increased exposure area for reactions and boosting the leaching efficiency;

- Thickener, which is used to separate solid and liquid of the ore pulp to reduce the amount of water entering the system to improve water expansion problems;

- Leaching agitation tank, which is used to dissolve copper ions in the ore into solution by adding sulfuric acid for further extraction;

- Extraction box, which is used to extract and separate copper ions from the leachate and purify and concentrate them to the electrolyte;

- Silicon controlled rectifier, which is used to convert the alternating current into direct current to provide electricity for the electrolysis process; and

- Electrolysis tank, which is used in the electrodeposition process to generate an electrochemical reaction under the action of direct current, converting the copper ions enriched in the liquid to metallic copper and producing copper cathodes.

Maintenance

We conduct inspections and maintenance work at our production facilities on a periodic basis, while overhauls are generally carried out on the whole production facilities at a particular location from time to time. Depending on the specific equipment conditions, we may incur on average approximately three days of equipment and factory maintenance each month at our production facilities. We require our equipment suppliers to keep all their machinery and equipment in good and proper repair and conduct regular safety checks during the term of their services. For the machinery at our processing facilities and equipment that we own, we also conduct maintenance and overhaul on a regular basis.

We have developed and implemented internal procedures regarding maintenance protocols at our facilities periodically according to the characteristics and requirements of the specific equipment and machinery in order to ensure their proper function. During the Track Record Period and up to the Latest Practicable Date, we did not experience any material or prolonged suspension of operations due to failures of our machinery, equipment or other facilities.

Delivery and Transportation

For the raw materials we purchased through our local suppliers in Zambia and DR Congo, they were mostly delivered directly to our production sites by suppliers, though a small portion of raw ore were delivered to our Zambian factory through our self-arranged transportation. During the Track Record Period, the equipment and materials purchased locally for our factories in Zambia and DR Congo factories were transported by certified logistics providers. We believe that our suppliers and logistics providers have complied with all applicable safety regulations relating to the transportation of hazardous raw materials.

For sales of our copper products, our customers are typically responsible for transportation by way of entrusting a third-party logistics service provider with the requisite qualifications to send trucks to our production facilities to pick up the products, and we are responsible for customs clearance, including obtaining export licenses and other related documents. Our customers are typically responsible for bearing the logistics costs.

For trading of non-ferrous metal products, our suppliers are typically responsible for delivering the products to our customers' designated location and bearing the logistics costs.

SUPPLIERS AND CONTRACTORS

Raw Materials

The primary raw materials for copper cathodes and copper concentrates are copper ores including oxide ores, sulfide ores, and oxide-sulfide mixed ores. During the Track Record Period, we mainly sourced copper ores from upstream suppliers in Zambia, DR Congo, and Peru.

During the Track Record Period, the prices of our raw materials experienced fluctuations, and we take into account such fluctuation in raw material costs when pricing our products. Our raw materials are commodities that can be readily purchased, taking reference of the quotes from the London Metal Exchange on public markets at all market prices. Save for the reduction in sulfide ore and mixed ore market supply disclosed in this document, we did not experience other material supply shortages that resulted in prolonged suspension of our production operations during the Track Record Period and up to the Latest Practicable Date.

We closely monitor the quality of all raw materials provided by our suppliers to ensure they comply with our quality control requirements. Our quality control system covers the placing of purchase orders, pre-delivery inspections and laboratory tests. For our existing suppliers, we evaluate them periodically based on a range of factors, including the quality of raw materials delivered and punctuality of delivery. In addition, we have undertaken other quality control measures for raw materials. For more details, see "— Quality Controls."

Utilities

We consume a substantial amount of electricity in all of our business lines. In particular, electricity serves as the lifeline of our production activities, with its stability forming the cornerstone of production output and capacity utilization — since our production equipment cannot operate without power. As our production capabilities increase and our business grows, our consumption of electricity is expected to grow accordingly. For our production facilities in Zambia, we purchase electricity primarily from a power supplier in Zambia, and enter into electricity supply agreement with such power supplier annually. For our production facility in DR Congo, we purchase imported electricity primarily from a power supplier in Zambia and enter into electricity supply agreement with such power supplier annually. We have also installed several diesel generators at our DR Congo copper smelter I as a backup power source in the event of a power outage, which provides sufficient power to support our normal production operations. Our utilities costs constituted approximately 1.2%, 5.3%, 7.9%, 9.6% and 9.8% of our total cost of sales for the years ended December 31, 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, respectively. During the Track Record Period, we experienced temporary power outages due to our production facility in DR Congo not being connected to the municipal grid from August 2023 and August 2024, coupled with insufficient power generation capacity from temporary generators. To enhance production efficiency and achieve maximum production capacity, we subsequently procured five new generator units and entered into a grid power supply agreement. As of the Latest Practicable Date, we have maintained stable power supply at our production facility in DR Congo.

Suppliers

During the Track Record Period, our major suppliers consist mainly of commodity traders of copper ore, non-ferrous metals and chemical products, with connection with both state-owned enterprises and private companies around the world. Our major suppliers operate across a range of business segments, primarily including metal ore mining and wholesale distribution. In the selection of our suppliers, we consider factors such as price, quality, reliability of supply, lead time, business scale, production capability, and commercial reputation. We adhere to our procedures to properly manage risks associated with local suppliers and gather necessary information from suppliers before their engagement. We gather a broad range of information, including health, safety, environment, community relations, training and previous contracting experience with us, to assess suppliers' competence and ensure they meet the relevant regulatory requirements to conduct their activities. In line with the industry practice, we may also purchase certain commodities involving agents in connection with our nonferrous metal trading business in Peru.

For copper ores, we enter into supply contracts with suppliers in Zambia and DR Congo monthly or annually. The specifics of each order, such as the amount, price and quality of ores, are set out in each individual sale contract between us and relevant suppliers. We would typically stipulate the quality of the copper ores which can be measured by copper concentration and level of impurities, the transportation arrangement, sampling and assaying procedures, as well as the price determination mechanism which takes into consideration of factors such as grade of ore in the supply contracts.

Besides copper ores, most of our other raw materials are purchased on a short-term order basis or monthly basis from suppliers in China, and in overseas jurisdictions including Peru and DR Congo. under which we specify the product type, unit price, quantity, delivery timeline and other items in each purchase order. Payment terms granted by our suppliers vary depending on a number of factors including the size of the order and the raw materials purchased. While some of our suppliers require us to make payment in advance or do not grant us credit, our other suppliers generally provide us with a credit term of no more than 30 days. We typically settle our trade payables by bank transfers with overseas suppliers and by bank transfers or bank bills with suppliers in China.

Our quality control, procurement, production planning and warehousing departments periodically determine the amount and specification of raw materials to purchase based on our production needs. After placing our purchase orders and upon receiving the raw materials, we conduct sampling, verification and testing to make sure that the products are in line with our acceptance standards before settling with them. We also require all of our suppliers to ensure the products comply with the relevant environmental, health, safety and intellectual property laws and regulations.

The salient terms of a typical agreement with suppliers are illustrated as below:

- *Term*: For copper ore and non-ferrous metals, we typically enter into purchase agreements with our suppliers in Chinese Mainland, Zambia, DR Congo and Peru on a monthly basis in accordance with our production capacity.

- *Pricing*: For copper ore and other non-ferrous products, prices are subject to the procurement coefficient as stipulated in the purchase order to account for fluctuations in material costs. The quotation will adjust in alignment with the prices quoted on the London Metal Exchange.

- *Settlement and Payment*: Our suppliers require settlement in accordance with the spot average monthly price quoted on the London Metal Exchange. Upon receiving the confirmation from the results of the ore grade test report, the supplier could proceed to the settlement with the presence of requisite documents. This report is issued by us based on scientific analysis of specific batches of ore samples, detailing the content of useful components or minerals within the ore. It serves as the primary basis for determining the ore's value and settlement payments. We will complete the payment in accordance with the settlement periods stipulated in the contracts upon receiving the bill from the supplier.

- *Quality control (grade requirement)*: Our agreements with suppliers will set forth the quality control and grade requirement clauses, which strictly regulate the particle size and standard grade of the products. The final settlement grade is conditional on the test results issued by laboratory. We have the right to reject the orders if the suppliers failed to meet the agreed criteria. The agreements also stipulate the legality clause, that the suppliers will guarantee the legality of the source of the products and shall bear the legal consequences upon any contravention.

- *Transportation*: Our suppliers are responsible for transporting and delivering the orders to the premises and facilities designated by us.

In 2022, 2023, 2024 and the six months ended June 30, 2025, the purchases from our largest supplier accounted for 6.1%, 10.5%, 21.2% and 36.3% of our cost of sales, respectively, while our five largest suppliers for the same periods accounted for 25.1%, 37.6%, 57.8% and 62.1% of our cost of sales, respectively. We believe we maintain good business relationships with our cost of sales, and we have significant bargaining power over our suppliers as a result of our advantageous market position. While we benefit from a concentrated supplier portfolio, we believe we are not reliant on any single or any group of suppliers, and we may engage alternative supplier as needed without significant difficulties. For risks related to our business relationships with our suppliers, see "Risk Factors — Risks Relating to Our Business and Industry — Our copper and cobalt production depends on a stable, timely and adequate supply of energy, power and raw materials such as water and chemicals at commercially reasonable prices." To the best of our knowledge, during the Track Record Period and up to the Latest

Practicable Date, all of our five largest suppliers in each year during the Track Record Period were Independent Third Parties. To the best of our Directors' knowledge, none of our Directors or their respective close associates or any person who, to the knowledge of our Directors, owned more than 5% of our issued share capital, had any interest in any of our five largest suppliers in each year as of the Latest Practicable Date.

During the Track Record Period and up to the Latest Practicable Date, we did not have any material disputes with our suppliers.

The following table sets forth the details of our five largest suppliers in each year during the Track Record Period based on purchases from them.

For the year ended December 31, 2022

Ranking	Supplier	Principal business	Products/ Services purchased	Year of commencement of business relationship with us	Typical Credit terms	Payment method	Purchase amount	Percentage of cost of sales
							(RMB'000)	%
1	Supplier A	A private company incepted in Zambia that engages in the sales of minerals and conducts its business in Zambia	Oxidation copper ore	2020	10 days	Bank transfer	28,282	6.1
2	Supplier B	A private company incepted in Zambia that engages in the sales of minerals and conducts its business in Zambia	Oxidation copper ore	2020	10 days	Bank transfer	25,184	5.4
3	Supplier C	A private company incepted in Zambia that engages in the sales of minerals and conducts its business in Zambia	Oxidation copper ore	2019	10 days	Bank transfer	24,055	5.2

Ranking	Supplier	Principal business	Products/ Services purchased	Year of commencement of business relationship with us	Typical Credit terms	Payment method	Purchase amount	Percentage of cost of sales
							(RMB'000)	%
4	Supplier D	A state-owned company incepted in Qinghai Province that engages in mining and the sales of minerals and conducts its business in Chinese Mainland	Non-ferrous metal products	2017	3 days	Bank transfer	21,021	4.5
5	Supplier E	A private company incepted in Zhejiang Province that engages in the sales of minerals and conducts its business in Chinese Mainland	Trading business for non-ferrous metal	2022	5 days	Bank transfer	18,397	3.9
	Total						116,939	25.1

Note:

(1) We became acquainted with Suppliers A, B, C, D and E through formal business inquiries and engagement as part of our efforts to secure and expand our supply chain in response to growing production capacity.

For the year ended December 31, 2023

Ranking	Supplier	Principal business	Products/ Services purchased	Year of commencement of business relationship with us	Typical Credit terms	Payment method	Purchase amount	Percentage of cost of sales
							(RMB'000)	%
1	Supplier F	A private company incepted in DR Congo that engages in the sales of oxide minerals and conducts its business in DR Congo	Oxidation copper ore	2023	As agreed upon on a per order basis	Bank transfer	57,065	10.5
2	Supplier G	A private company incepted in Zambia that engages in the sales of oxide minerals and conducts its business in Zambia	Oxidation copper ore	2023	10 days	Bank transfer	51,798	9.5
3	Supplier H	A state-owned company incepted in Yunnan Province that engages in the sales of minerals and conducts its business in Chinese Mainland	Non-ferrous metal products	2023	1 day	Bank transfer	40,300	7.4
4	Supplier I	A private company incepted in Zambia that engages in the sales of oxide minerals and conducts its business in Zambia	Oxidation copper ore	2021	10 days	Bank transfer	38,224	7.0

Ranking	Supplier	Principal business	Products/ Services purchased	Year of commencement of business relationship with us	Typical Credit terms	Payment method	Purchase amount	Percentage of cost of sales
							(RMB'000)	%
5	Supplier J	A private company incepted in DR Congo that engages in the sales of sulfuric acid and conducts its business in DR Congo	Sulfuric acid	2023	15 days	Bank transfer	17,652	3.2
	Total						205,039	37.6

Notes:

(1) We became acquainted with Suppliers F, G, H and J through formal business inquiries and engagement as part of our efforts to secure and expand our supply chain in response to growing production capacity.

(2) We have acquainted with Supplier I through introduction by mutual industry customers who had long-standing cooperation with Supplier I.

For the year ended December 31, 2024

Ranking	Supplier	Principal business	Products/ Services purchased	Year of commencement of business relationship with us	Typical Credit terms	Payment method	Purchase amount	Percentage of cost of sales
							(RMB'000)	%
1	Supplier F	A private company incepted in DR Congo that engages in the sales of oxide minerals and conducts its business in DR Congo	Oxidation copper ore	2023	As agreed upon on a per order basis	Bank transfer	296,694	21.2

Ranking	Supplier	Principal business	Products/ Services purchased	Year of commencement of business relationship with us	Typical Credit terms	Payment method	Purchase amount	Percentage of cost of sales
							(RMB'000)	%
2	Supplier K	A private company incepted in Yunnan Province that engages in the sales of non-ferrous metals and conducts its business in Chinese Mainland	Non-ferrous metal products	2024	C/C	Bank transfer	173,684	12.4
3	Supplier L	A private company incepted in DR Congo that engages in the sales of oxide minerals and conducts its business in DR Congo	Oxidation copper ore	2024	30 days	Bank transfer	144,477	10.3
4	Supplier M	A private company incepted in Peru that engages in the sales of silver ores and conducts its business in Peru	Silver mine	2024	Payment in batches	Bank transfer	128,966	9.2
5	Supplier N	A private company incepted in DR Congo that engages in the sales of oxide minerals and conducts its business in DR Congo	Oxidation copper ore	2024	30 days	Bank transfer	66,227	4.7
	Total						810,228	57.8

Note:

(1) We became acquainted with Suppliers K, L, M and N through formal business inquiries and engagement as part of our efforts to secure and expand our supply chain in response to growing production capacity.

For the six months ended June 30, 2025

Ranking	Supplier	Principal business	Products/ Services purchased	Year of commencement of business relationship with us	Typical Credit terms	Payment method	Purchase amount	Percentage of cost of sales
							(RMB'000)	%
1	Supplier F	A private company incepted in DR Congo that engages in the sales of oxide minerals and conducts its business in DR Congo	Oxidation copper ore	2023	As agreed upon on a per order basis	Bank transfer	269,167	36.3
2	Supplier O	A state-owned company incepted in Beijing that engages in the investment and operational management of mines globally	Sulfuric acid	2017	30 days	Bank transfer	62,102	8.4
3	Supplier P	A private company incepted in Peru that engages in mineral mining	Copper concentrate	2024	30 days	Bank transfer	56,599	7.6
4	Supplier Q	A private company incepted in DR Congo that engages in power supply	Electricity	2023	15 days	Bank transfer	50,223	6.8
5	Supplier N	A private company incepted in DR Congo that engages in the sales of oxide minerals and conducts its business in DR Congo	Oxidation copper ore	2024	30 days	Bank transfer	22,076	3.0
	Total						460,166	62.1

Note:

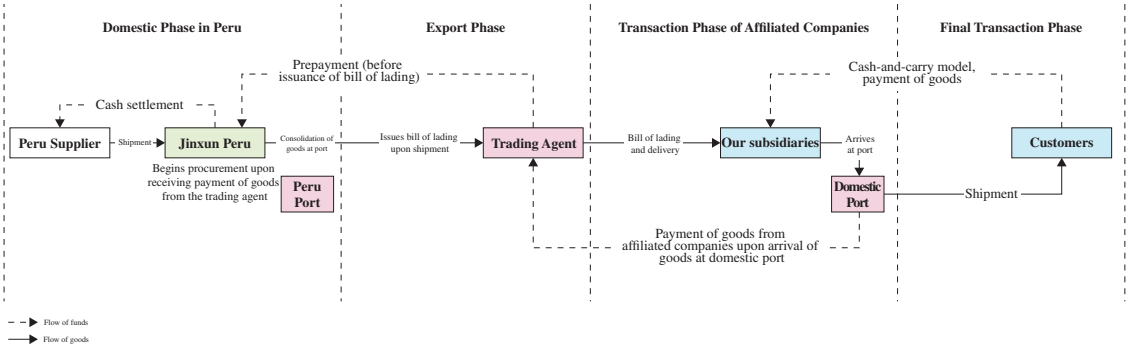
(1) We have acquainted with Suppliers O, P, and Q through formal business inquiries and engagement during the course of our business expansion.

The composition of our five largest suppliers during the Track Record Period underwent significant changes. This was primarily due to our strategic arrangements tailored to the characteristics of the raw material supply market, as well as its stability, compliance, and quality requirements to meet the commissioning and ramp-up requirements of DR Congo copper smelter I. Certain suppliers became our five largest suppliers shortly after their establishment, primarily because we chose to procure from these newly established companies after receiving purchase orders from our customers as they offered more competitive prices. Furthermore, certain suppliers became our five largest suppliers shortly after their commencement of business relationships with us, as we strategically shifted to establish partnership with ore suppliers possessing mining experience, stable supply capabilities, and ore grades that meet our production requirements to maintain stable raw material supply, considering that most established foreign and state-owned mining companies tend to operate their own smelters and process their ores internally rather than selling them externally in recent years.

Use of Trading Agents in Peru

In connection with our non-ferrous metal trading business in Peru, our Peruvian subsidiary, Jinxun Peru, procures copper concentrates and other non-ferrous metals from local suppliers. To support the execution of these purchases and to enhance capital efficiency, Jinxun Peru would first procure products from suppliers (the "**Procurement**"), then the Group would sell the products procured from suppliers to third-party trading agents (the "**Sale**"), who then onsell the same products to subsidiaries of the Group (the "**Onward Sale**"), typically in the PRC. In terms of fund flow, the trading agent prepays Jinxun Peru, which in turn pays its suppliers and subsequently another subsidiary of the Group in the PRC or Singapore pays the trading agent. The trading agent earns a margin between the two contracts and does not assume inventory or market risk, which was approximately 10% during the Track Record Period. Such margin was determined through negotiation between us and the trading agents.

The following diagram illustrates the flows of goods and funds under the arrangement with the use of trading agents in Peru:



The primary purpose of engaging trading agents is to leverage the supply chain financing capabilities of these trading agents, rather than to comply with relevant laws or regulations in Peru. Under this model, the agents essentially assists Jinxun Peru in paying the Group's suppliers, thereby enabling Jinxun Peru to complete more procurement cycles within a shorter time frame without relying solely on its own working capital. This has allowed Jinxun Peru to expand its procurement scale in Peru, accelerate inventory turnover, and strengthen its ability to meet downstream demand in the PRC.

The transaction involves two sequential contracts after the Procurement, which govern: (i) the Sale by Jinxun Peru to the trading agent; and (ii) the Onward Sale by the trading agent to a subsidiary of the Group. Title to the goods passes from Jinxun Peru to the agent upon shipment or delivery for the Sale, and from the trading agent to the subsidiary of the Group at the point of the Onward Sale. The primary function of the trading agents is to provide interim funding and enable cross-border settlement. This arrangement does not involve third-party bank lending or derivative financing structures. We chose to obtain interim funding through the trading agent arrangements rather than other means of financing after comprehensively evaluating the feasibility and efficiency of various financing channels, based on the following considerations: (i) the local financing environment in Peru primarily relies on banking channels, with relatively limited financing instruments available; (ii) Jinxun Peru lacks sufficient collateral to meet traditional bank loan guarantee requirements, making it unable to obtain corresponding bank financing; and (iii) bank credit approval processes are lengthy, making it difficult to match our operational cycle requirements for timely and efficient capital utilization. In contrast, the supply chain finance services provided by trading agents facilitate timely payments to suppliers, effectively supporting procurement cycle operations and enhancing capital utilization efficiency. Consequently, we believe this arrangement, as a supplement to traditional financing methods, offers greater flexibility and timeliness, helping Jinxun Peru maintain operational resilience under capital constraints.

The fund flow mirrors the transaction structure as described above. The margin between the aforementioned sequential contracts constitute the agent's financing cost involved in the transactions. From an accounting perspective, the sales by Jinxun Peru to the trading agent and the Onward Sale by the trading agent to a subsidiary of the Group (i.e. purchase from the trading agent) are eliminated in the consolidated financial statements with the differences (i.e. the surcharge by the trading agent) recorded as part of cost of sales.

According to Frost & Sullivan, this type of supply-chain-financed, agent-mediated structure is a widely adopted and commercially mature model in the international non-ferrous metal trading industry, particularly in markets such as Peru, where procurement volumes are large and liquidity efficiency is key. During the Track Record Period, we engaged six independent third-party trading agents, which are commodity trading companies providing supply chain finance service. These commodity trading companies possess established operational systems and extensive experience in commodity trading and supply chain finance services. In 2022, 2023, 2024 and the six months ended June 30, 2025, the purchase amount through the use of trading agents in relation to the non-ferrous metal trading business amounted to RMB59.4 million, RMB90.9 million, RMB127.1 million and RMB95.3 million,

respectively, accounting for approximately 12.7%, 16.7%, 9.1% and 12.9% of our cost of sales. During the Track Record Period, the financing costs we paid to the trading agents amounted to RMB4.1 million, RMB1.6 million, RMB2.6 million and RMB1.6 million in 2022, 2023, 2024 and the six months ended June 30, 2025, respectively. We have adopted internal control procedures to ensure the commercial rationale, counterparty risk, and transactional fairness of these arrangements are adequately reviewed and monitored in accordance with industry standards, including: (i) periodically assessing customers' and suppliers' creditworthiness, operational strength, and potential risks; (ii) reviewing whether arrangements involving the use of trading agents comply with industry practices and requiring approvals from both legal and finance departments during the contract approval process; (iii) requiring that the occupancy cost rates shall not exceed the interest rates we could obtain for similar financing in the open market and shall adhere to fair transaction principles; (iv) strictly complying with payment terms specified in the relevant agreements; and (v) requiring payment requests to be accompanied by supporting documents such as contracts, invoices, and approval records. As advised by our legal advisors as to Peruvian laws, the Group's trading agent arrangement had been in compliance with relevant laws and regulations in Peru in all material respects during the Track Record Period and up to the Latest Practicable Date.

SALES AND MARKETING

We primarily market and sell our products of copper cathodes and copper concentrates to customers in China, Hong Kong, Singapore and Europe, and trade non-ferrous metal products to customers in China. As of June 30, 2025, we had a sales and marketing team of 28 personnel in China, focusing on business development, customer service and industry coverage. Our sales and marketing team is responsible for both domestic and overseas markets for each of our copper cathode and copper concentrate business lines. They analyze the dynamics of existing customers and trends in key markets to determine where opportunities exist, and implement strategies across different regions.

Our sales and marketing team regularly contacts our existing and potential customers about our current offerings and development plans. They also gather feedback from customers on our products and assist us in understanding and responding to the customization and other demands as to our products. Besides maintaining frequent communication with our existing customers, our sales and marketing team also seeks to expand our customer base through presenting our strength and showcasing our products and services to potential customers.

In 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, our distribution and selling expenses were RMB9.5 million, RMB10.2 million, RMB11.6 million, RMB5.2 million and RMB6.3 million, respectively, accounting for 1.5%, 1.5%, 0.7%, 0.9% and 0.6%, of our revenue during the same years/periods, respectively.

Pricing

We price our products based on the quotations listed on the London Metal Exchange, the Shanghai Futures Exchange, the Shanghai Metals Market and the Shanghai Gold Exchange, as well as the grade of our products. The prices of our products are also affected by the global and domestic economic environment and the demand for products as well as market competition in the relevant industry.

Customers

During the Track Record Period, we have fostered a large-scale customer base spanning copper cathodes trading companies, copper concentrates and non-ferrous metal producers and traders in Chinese Mainland. We serve a broad range of state-owned enterprises and private companies in the mining and metallurgy industries in China. Our customer base was comparatively limited and stable prior to 2024 in light of our production capacity. Commencing from 2024, we have started engaging and trading with customers through online and offline public inquiries. With our production capacity piling up, we have been approached by an increased number of customers with inquiries of product prices and payment channels. To diversify and foster our customer base, we took both price quotations and payment methods into account when selecting new customers. During the Track Record Period, we have experienced a moderate change of the composition of our major customers, primarily due to an enlarged volume of inquiries from newly-acquired customers in relation to product prices in the aftermath of the production capacity enhancement in the DR Congo. Besides, the fluctuations in rankings among our major customers during the Track Record Period reflect the changes in supply-demand of products from our major customers. We believe that our customer composition will stabilize when our production capacity stabilizes.

Over the years, our ability to consistently meet and exceed our customers' high quality and sophisticated requirements has allowed us to develop and retain strong relationships with them and attract more globally leading customers. We typically receive purchase orders from our customers on a regular basis. Each purchase order sets forth the terms and conditions of the specified order, including the pricing terms, specifications of our products to be provided, quantity and date of delivery. We make our production planning based on client demands and market condition. In general, our customers negotiate the selling prices and confirm the product specifications with us after providing us with a forecast, showing the overall volume of products they expect to order from us during the specified period covered by the forecast. While these forecasts are not binding, we generally secure and allocate our internal resources to plan for our production and manage our inventory level in accordance with these forecasts, subject to any downward or upward revisions that our customers may make. Our sales of products are usually settled by wire transfer, and we generally require our customers to make 95% payment before the products leave our production facilities and 5% payment within one to two months after shipment.

A significant amount of revenue was contributed by our top customers in the Track Record Period. In 2022, 2023, 2024 and six months ended June 30, 2025, the sales to our largest customer accounted for 44.2%, 28.5%, 15.0% and 24.6% of our total revenue, respectively, while our five largest customers for the same years/periods accounted for 79.9%, 78.4%, 56.9% and 67.8% of our total revenue, respectively. In addition, sales to our five largest metal trading customers for the years ended December 31, 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025 amounted to RMB448.4 million, RMB520.6 million, RMB1,008.1 million and RMB653.6 million, accounting for 70.4%, 77.1%, 57.0% and 67.8% of our total revenue in those years/periods, respectively. In the metal processing industry, this level of concentration is in line with the market, according to Frost & Sullivan. We believe that we do not rely on any particular customer to maintain our current level of profitability and would not need to find replacement if any major customer ceases to conduct business with us. This is evidenced by our shift in customer portfolio in 2024. See "Risk Factors — Risks Relating to Our Business and Industry — We may be exposed to customer concentration risk."

The salient terms of a typical agreement with customers relating to copper cathodes and copper concentrates are set forth as following:

Material and quality clauses: For copper cathodes, we typically enter into sales agreements with our customers with the incorporation of several material and quality clauses at the forefront of the agreements, spanning the level of the copper cathodes or concentrates, origin of the raw materials, dimensions, packaging and quantity descriptions as agreed between the parties. The customers are entitled to reject the orders if the products contain any excessive or contaminated elements.

Pricing: For copper cathodes and concentrates, prices will be determined in accordance with the average LME Cash Settlement Price over quotation period (i.e. M+N[(1)]), minus the applicable discount level stipulated in the agreement (which is determined by the grade indicated in the test report, logistics costs, insurance expenses, and/or market conditions). Under the free carrier model, the customer shall bear the logistics costs; whereas under the direct delivery model, the logistics costs shall be borne by us. This pricing basis is in line with the industry norm, according to Frost & Sullivan.

Delivery and transportation: Our agreements typically prescribe dual ways for delivery: (i) free carrier model, whereby we provide the information with respect to the pickup location to the customers and the customers send trucks to the pickup location on time to pick up the products; and (ii) direct delivery model, whereby we are responsible for delivering copper concentrates to the customers' designated port for pickup. For the second method, we normally entrust qualified third-party logistics providers to complete the delivery. Our customers also require that all materials purchased from us are duly licensed for exporting from the relevant jurisdictions.

Note:

(1) M typically denotes the month of shipment, while N represents the specific number of months after the month of shipment.

Payment: We normally require a 95% of provisional value in USD to be settled once we have sent the requisite documents to the customers, including the invoice, packing list and other certificates. Customers are typically required to pay the remaining 5% upon receipt of the final invoice issued by us according to the pre-agreed quotation period, which is usually within one to two months after shipment. Customers are obliged to facilitate the payments within three to five working days.

The salient terms of a typical agreement with customers in connection with non-ferrous metals are set forth as following:

Material and quality clauses: For non-ferrous metals, we typically enter into sales agreements with our customers with the insertion of certain quality and technical standards clauses. We are subject to payment deductions if the purity of the non-ferrous metals fails to comply with the pre-agreed standards.

Pricing: For non-ferrous metals, the prices are calculated by reference to the actual quantity delivered to the customers. Some of our customers may refer to the monthly average prices published by the authorized metal trading websites(1) when negotiating prices with us.

Delivery and transportation: We are responsible for delivering the products to the premises and facilities designated by our customers. We will entrust qualified third-party logistics providers to complete the delivery.

Payment: We typically require upfront payments upon confirmation of the orders from the customers. We shall arrange products shipping once the payment has been received.

To the best of our knowledge, during the Track Record Period and up to the Latest Practicable Date, all of our five largest customers in each year during the Track Record Period were Independent Third Parties. To the best of our Directors' knowledge, none of our Directors or their respective close associates or any person who, to the knowledge of our Directors, owned more than 5% of our issued share capital, had any interest in any of our five largest customers in each year as of the Latest Practicable Date. Our Directors confirm that, to the best of our knowledge, after making reasonable inquiries and exercising reasonable care, save for the sales transactions disclosed in this document, there had been no other or former relationships between the Group and any of our five largest customers during the Track Record Period.

Note:

(1) For transactions with overseas customers, authorized metal trading websites typically include official websites of London Metal Exchange, London Bullion Market Association, and Metal Bulletin; while for transactions with customers in the Chinese Mainland, authorized metal trading websites typically include official websites of Shanghai Futures Exchange, Shanghai Metals Market, and Shanghai Gold Exchange, as well as **www.ebaiyin.com**.

During the Track Record Period and up to the Latest Practicable Date, we did not have any material disputes with our customers.

The following tables set out the details of our five largest customers in each year based on their revenue contribution during the Track Record Period.

For the year ended December 31, 2022

Ranking	Customer	Principal business	Products sold/ Services provided	Year of commencement of business relationship with us	Typical credit terms	Payment method	Revenue	Percentage of total revenue
							(RMB'000)	%
1	Customer A	A state-owned group incepted in Beijing in January 1997 with a registered capital of RMB6.1 billion that primarily engages in mining, processing and trading of non-ferrous metals.	Copper cathodes and concentrates	2017	5 days*	Bank transfer	281,428	44.2
2	Customer B	A private company incepted in British Virgin Islands in November 2003 with a registered capital of US$20.0 million that primarily engages in trading of non-ferrous metals, with its principal place of business being in Beijing.	Copper cathodes	2022	3 days*	Bank transfer	107,295	16.8

Ranking	Customer	Principal business	Products sold/ Services provided	Year of commencement of business relationship with us	Typical credit terms	Payment method	Revenue	Percentage of total revenue
							(RMB'000)	%
3	Customer C	A state-owned company incepted in Henan Province in August 2013 with a registered capital of RMB1.5 billion that primarily engages in non-ferrous metal smelting and rolling processing.	Trading business for non-ferrous metal	2022	5 days	Bank transfer	74,563	11.7
4	Customer D	A state-owned company incepted in Shanghai in November 2018 with a registered capital of RMB600.0 million that primarily engages in trading of copper and other non-ferrous metals.	Trading business for non-ferrous metal	2019	30 days	Bank transfer	24,063	3.8
5	Customer E	A private company incepted in Gansu Province in January 2002 with a registered capital of RMB40.0 million that primarily engages in processing of non-ferrous metals.	Trading business for non-ferrous metal	2019	7 days	Bank transfer	21,526	3.4
	Total						508,875	79.9

Note:

(1) We became acquainted with Customers A, B, C, D and E through ordinary business development activities and direct commercial engagement.

* Refers to the typical credit terms for the 5% of the price not paid upfront

For the year ended December 31, 2023

Ranking	Customer	Principal business	Products sold/ Services provided	Year of commencement of business relationship with us	Typical credit terms	Payment method	Revenue	Percentage of total revenue
							(RMB'000)	%
1	Customer B	A private company incepted in British Virgin Islands in November 2003 with a registered capital of US$20.0 million that primarily engages in trading of non-ferrous metals, with its principal place of business being in Beijing.	Copper cathodes	2022	3 days*	Bank transfer	192,513	28.5
2	Customer D	A state-owned company incepted in Shanghai in November 2018 with a registered capital of RMB600.0 million that primarily engages in trading of copper and other non-ferrous metals.	Trading business for non-ferrous metal	2019	30 days	Bank transfer	124,466	18.4
3	Customer A	A state-owned group incepted in Beijing in January 1997 with a registered capital of RMB6.1 billion that primarily engages in mining, processing and trading of non-ferrous metals.	Copper cathodes and concentrates	2017	5 days*	Bank transfer	92,960	13.8

Ranking	Customer	Principal business	Products sold/ Services provided	Year of commencement of business relationship with us	Typical credit terms	Payment method	Revenue	Percentage of total revenue
							(RMB'000)	%
4	Customer C	A state-owned company incepted in Henan Province in August 2013 with a registered capital of RMB1.5 billion that primarily engages in non-ferrous metal smelting and rolling processing.	Trading business for non-ferrous metal	2022	5 days	Bank transfer	61,671	9.1
5	Customer F	A state-owned company incepted in Hong Kong in May 2011 with a registered capital of US$40.0 million that mainly engages in scientific instruments, supply chain management and commodity trading and conducts business in China.	Copper cathodes	2023	10 days*	Bank transfer	58,324	8.6
	Total						529,934	78.4

Note:

(1) We have acquainted with Customer F following initial contact at an industry conference or forum.

* Refers to the typical credit terms for the 5% of the price not paid upfront

For the year ended December 31, 2024

Ranking	Customer	Principal business	Products sold/ Services provided	Year of commencement of business relationship with us	Typical credit terms	Payment method	Revenue	Percentage of total revenue
							(RMB'000)	%
1	Customer B	A private company incepted in British Virgin Islands in November 2003 with a registered capital of US$20.0 million that primarily engages in trading of non-ferrous metals, with its principal place of business being in Beijing.	Copper cathodes	2022	3 days*	Bank transfer	266,201	15.0
2	Customer G	A private company incepted in Singapore in May 2023 with a registered capital of SGD100.0 that mainly engages in commodity trading and conducts business in many jurisdictions in the world.	Copper cathodes	2024	5 days*	Bank transfer	233,377	13.2
3	Customer H	A state-owned company incepted in Yunnan Province in January 2014 with a registered capital of RMB1.8 billion that primarily engages in sales of petroleum products, minerals and industrial chemicals.	Trading business for non-ferrous metal	2024	C/C	Bank transfer	173,916	9.8

Ranking	Customer	Principal business	Products sold/ Services provided	Year of commencement of business relationship with us	Typical credit terms	Payment method	Revenue	Percentage of total revenue
							(RMB'000)	%
4	Traxys Europe S.A.	A global commodity trading firm incepted in Luxembourg in December 2005 with a registered capital of US$9.0 million engaging in sourcing, marketing, financing and logistics of metals and minerals.	Copper cathodes	2024	3 days*	Bank transfer	170,167	9.6
5	Customer I	A private company incepted in Switzerland in June 1996 with a registered capital of CHF3.0 million that mainly engages in sourcing of metals and minerals and conducts business in many jurisdictions in the world.	Copper cathodes	2023	3 days*	Bank transfer	164,475	9.3
	Total						1,008,136	56.9

Notes:

(1) We became acquainted with Customers G and I following initial contact at an industry conference or forum.

(2) We became acquainted with Customer H through ordinary business development activities and direct commercial engagement.

* Refers to the typical credit terms for the 5% of the price not paid upfront

For the six months ended June 30, 2025

Ranking	Customer	Principal business	Products sold/ Services provided	Year of commencement of business relationship with us	Typical Credit terms	Payment method	Revenue	Percentage of total revenue
							(RMB'000)	%
1	Customer K	A state-owned company incepted in Xiamen in November 1995 with a registered capital of RMB1.8 billion that primarily engages in commodity supply chain and urban development and operations.	Copper cathodes	2024	3 days	Bank transfer	237,235	24.6
2	Customer G	A private company incepted in Singapore in May 2023 with a registered capital of SGD100.0 that mainly engages in commodity trading and conducts business in many jurisdictions in the world.	Copper cathodes	2024	3 days*	Bank transfer	150,760	15.6
3	Customer I	A private company incepted in Switzerland in June 1996 with a registered capital of CHF3.0 million that mainly engages in sourcing of metals and minerals and conducts business in many jurisdictions in the world.	Copper cathodes	2023	3 days*	Bank transfer	128,917	13.4

Ranking	Customer	Principal business	Products sold/ Services provided	Year of commencement of business relationship with us	Typical Credit terms	Payment method	Revenue	Percentage of total revenue
							(RMB'000)	%
4	Customer B	A private company incepted in British Virgin Islands in November 2003 with a registered capital of US$20.0 million that primarily engages in trading of nonferrous metals, with its principal place of business being in Beijing.	Copper cathodes	2022	3 days*	Bank transfer	78,255	8.1
5	Customer L	A private company incepted in Singapore in January 2020 with a registered capital of US$1.0 million that primarily engages in trading of nonferrous metals.	Copper cathodes	2024	3 days	Bank transfer	58,393	6.1
	Total						653,561	67.8

Note:

(1) We became acquainted with Customers K and L through ordinary business development activities and direct commercial engagement.

* Refers to the typical credit terms for the 5% of the price not paid upfront

OVERLAPPING OF CUSTOMERS AND SUPPLIERS

To expand our production capacity, secure the quality of the raw materials for producing our copper cathodes and concentrates, we constantly seek procurement of superior raw materials from renowned domestic and overseas suppliers. Leveraging our enhanced production capacity and competitive product quality, we have fostered our customer base to encompass a number of copper and non-ferrous metal traders and producers, which resulted in overlapping customers and suppliers.

In 2022 and 2023, three and two of our five largest customers, respectively, were also our suppliers, from whom we procured raw materials. Our purchase amount attributable to these customer-suppliers accounted for 5.9% and 10.8% of our cost of sales in 2022 and 2023, respectively. Our sales amount attributable to these supplier-customers accounted for 47.9% and 22.4% of our total revenue in 2022 and 2023, respectively.

Supplier H, one of our five largest suppliers in 2023, is a wholly-owned subsidiary of Customer F, which served as one of our five largest customers in 2023. Supplier H contributed to RMB40.3 million and nil of our cost of sales in years ended December 31, 2023 and 2024 respectively. Customer F, on the other hand, contributed RMB58.3 million and RMB123.5 million of our revenue in the same years, respectively, with gross profit margins of 23.3% and 33.5%, respectively. The volume of raw materials we procured from Supplier H amounted to 598.2 tons and nil tons in years ended December 31, 2023 and 2024, respectively. The amount of copper cathodes purchased by Customer F from us amounted to 1,150.7 tons and 2,055.6 tons in the same years, respectively. Customer F primarily engages in the business of sales of metal ores, metal materials and non-ferrous alloys. Supplier H, being the wholly-owned subsidiary of Customer F, engages in the business of wholesaling of oxide mineral products. In light of our production capacity, we procured raw materials including copper concentrate from Supplier H. Likewise, Customer F purchased our copper cathodes in the same years. The overlapping purchases and sales were based on genuine business needs and dealings. According to Frost & Sullivan, it is an industry norm to have sales and purchases with other players. The arrangements aforementioned with both Supplier H and Customer F were neither bundled nor on a back-to-back trading basis. Instead, the arrangements allowed us to maintain a stable supply chain with respect to the raw materials.

Supplier D, one of our five largest suppliers in 2022, is affiliated to the same ultimate controlling shareholder of Customer D, which served as one of our five largest customers in 2022 and 2023. Supplier D contributed to RMB21.0 million and nil of our cost of sales in years ended December 31, 2022 and 2023, respectively. Customer D, on the other hand, contributed to RMB24.1 million and RMB124.5 million of our revenue in the same years, respectively, with gross profit margins of 0.1% and negative 1.1%, respectively. We recorded gross loss margin in 2023 because we did not fully meet the supply volume requested by Customer D in 2023, which led to a reduced sales settlement amount. The amount of copper and zinc concentrates we procured from Suppliers D amounted to 274.0 tons and 804.8 tons in the year ended December 31, 2022, respectively. The amount of copper concentrates and silver ores purchased by Customer D from us amounted to 388.0 tons and 1.0 tons in the year ended

December 31, 2022, respectively, and 2,032.1 tons and 33.3 tons in the year ended December 31, 2023, respectively. Supplier D a state-owned enterprise mainly engages in the business of mining and selling of mineral products whilst Customer D is a state-owned enterprise mainly engages in the sales of metal ores, metal materials and non-ferrous alloys. The overlapping purchases and sales occurred in the Track Record Period were due to genuine business needs and dealings. According to Frost & Sullivan, it is an industry norm to have sales and purchases with other players. The arrangements aforementioned with both Supplier D and Customer D were neither bundled nor on a back-to-back trading basis. Instead, they were negotiated and entered through separate processes due to Supplier D and Customer D are under difference corporate groups.

Customer A, one of our five largest customers in 2022 and 2023, was also one of our five largest suppliers in the six months ended June 30, 2025, namely Supplier O. During the Track Record Period, we primarily procured sulfuric acid from Supplier O. Customer A primarily procured copper cathodes and concentrates from us in 2022 and 2023. Purchases from Supplier O contributed to RMB6.6 million, RMB18.8 million, RMB63.6 million and RMB62.1 million of our cost of sales in 2022, 2023, 2024 and the six months ended June 30, 2025, respectively; while revenue generated from the sales to Customer A contributed to RMB281.4 million, RMB93.0 million, RMB0.9 million and RMB1.2 million of our revenue in 2022, 2023, 2024 and the six months ended June 30, 2025, respectively, with gross profit margins of 41.3%, 35.5%, negative 215.5% and 43.1% respectively.

Our aggregate sales to our five largest overlapping customers and suppliers amounted to RMB305.5 million, RMB151.3 million, nil and nil in years ended December 31, 2022, 2023, 2024 and the six months ended June 30, 2025, accounting for 47.9%, 22.4%, nil and nil of our total sales in the same years/periods, respectively. Our aggregate purchases from our five largest overlapping customers and suppliers amounted to RMB27.6 million, RMB59.1 million, nil and nil in years ended December 31, 2022, 2023, 2024 and the six months ended June 30, 2025, accounting for 5.9%, 10.8%, nil and nil of our cost of sales in the same years/periods, respectively.

During the Track Record Period, our gross profit margins generated from our overlapping customers and suppliers were commensurate with those generated from our other customers Our negotiations of the terms in the sales and purchase agreements in connection with the overlapping customers and suppliers were conducted on a case-by-case basis and were not inter-conditional with each other. During the Track Record Period, there were no bundled or back-to-back trading arrangements and the key terms among overlapping customers and suppliers are generally not deviated from those of our other customers and suppliers. Considering that the pricing model and credit policy applied to our overlapping customers and suppliers, as well as the gross profit margins generated from our overlapping customers and suppliers, were commensurate with those generated from our other customers, our Directors are of the view that these arrangements are within our ordinary course of business and under normal commercial terms. Our Directors further confirm that the terms and transactions were in conformity with industry norm, namely, certain suppliers or customers are multinational enterprises or large state-owned enterprises which differentiate business lines through various

of subsidiaries. It is in line with the industry norm for having certain subsidiaries selling raw materials to us whilst other subsidiaries in the same group may purchase copper cathodes and non-ferrous metals from us to meet their demand. Our Directors confirm that none of the products procured by the Group from each of the relevant suppliers were subsequently sold by the Group to customers within the same overlapping supplier-customer group.

INVENTORY MANAGEMENT

Our inventory primarily consists of raw materials, spare parts and consumables, work-in-progress and finished goods. We use our system to assist us in planning and managing our inventory control. We conduct inventory review and aging analysis on a regular basis. Our team monitors our inventory levels, inventory age, inventory composition and inventory turnover rate. We also carry out physical stock counts on a regular basis. In 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, our inventory turnover days were 54 days, 80 days, 80 days, 94 days and 104 days, respectively. To ensure a stable supply of copper raw materials, as well as a continuous operation, we carry a certain period worth of raw materials for production at different locations, including at our production facilities. We also purchase raw materials depending on the market condition and operational needs. For more details, see "Financial Information."

QUALITY CONTROLS

Our commitment to high quality and reliability helps strengthen the recognition and trust among our customers. As of June 30, 2025, we had a quality control workforce of 15 personnel. As a result of our commitment to stringent quality control, during the Track Record Period and up to the Latest Practicable Date, there was no incident of failure in our quality control systems which had a material impact on us. We implement an internal quality control system to perform various inspections over the course of the entire manufacturing process.

We have received various certifications from recognized organizations. As of the Latest Practicable Date, we had obtained ISO 9001:2015 quality management system, ISO 14001:2015 environmental management system and ISO 45001:2018 occupational health and safety management system certifications, all of which are evidence that our quality control system is on par with international practices.

We take a holistic approach to quality control and implement high standards in all aspects of our business, from procurement, production, warehousing and inventory storage to delivery, to ensure the full compliance with the stringent benchmarks and specifications of our customers and ourselves. We have robust quality control programs in place at our production facilities. Our quality control team is responsible for establishing the quality control systems and inspection guidelines for our production, while our respective teams at our production facilities are responsible for implementing the quality control standards and procedures. Our quality control team also carries out regular system audits on production facilities, conducts performance reviews and statistical analysis and provides training on the concept of quality and inspection techniques, to ensure the effectiveness of the overall system.

We are required to comply with specific guidelines based on international product safety and restricted and hazardous materials laws and regulations that are applicable in the jurisdictions into which our customers sell their products. During the Track Record Period, we had been in full compliance with our customers' quality control requirements.

Procurement

We typically procure raw materials from suppliers who have passed our quality and reliability assessment. We evaluate our suppliers periodically based on a range of factors, including raw material quality and the ability to meet our delivery timeline. We conduct random sample tests on incoming raw materials upon delivery to ensure a high-quality, low-cost and rapid supply chain. We test the raw materials in our internal laboratory and return raw materials that fail to pass inspection. Our operations department is responsible for the purchase of raw materials and auxiliary materials. The raw materials we procured for the production of copper cathodes and copper concentrates are mainly copper ores in Zambia and DR Congo, which are either directly purchased from third party mining companies and trading companies. In DR Congo, we require that each batch of raw materials shall be accompanied by legal documentation and certificates of origin issued by the Minister of Mines of the DR Congo. Furthermore, the Minister of Mines has stationed dedicated inspectors at our production facility since it commenced production to verify the legality of incoming raw materials. Any raw materials lacking complete compliance documentation are immediately rejected, preventing illegal materials from entering the production process. In Zambia, we require our suppliers to ensure all raw materials supplied to us originate from legal sources as stipulated in the agreements. We only purchase from suppliers holding a mineral trading permit issued by the Minerals Regulation Commission. To ensure the legality of ore sources, we require our suppliers to provide their mineral trading permit and issue tax invoices for each batch of ores. Furthermore, we conduct periodic on-site inspections of ore suppliers to assess their production and supply operations, as well as the legality of their ore sources. We also procure non-ferrous metal products for our trading business from third party non-ferrous metal producers. The main auxiliary materials we purchased are, among others, sulfuric acid, extractant and diesel fuel, along with spare parts used for product lines and equipment upgrade and repair.

Production

We strictly follow our customers' quality requirements and specifications and all relevant industry standards for the production of our products, including national standards and our internal quality standards. At designated checkpoint stages on our product lines, our quality control team conducts periodic tests and inspections of semi-finished products in accordance with the our internally designed quality control processes. These tests are intended to ensure that our products meet the quality standards and compliance requirements of both us and our customers at each stage of the production process. In terms of production safety, we have employed a safety inspection policy, where our respective production manager, facility manager and production department staff regularly inspect the production workshop at least once a week to ensure production safety. Our quality control team prepares quality analysis

reports on a monthly basis that are submitted to our senior management, as well as the relevant production team, to maintain or refine our production processes as necessary. We have taken several initiatives in recent years to improve our production efficiency, including developing new production technologies, installing advanced equipment and machinery, and optimizing the production processes and techniques. For more details, see "— Research and Development."

Warehousing

Our finished products are first packaged in the production facilities and stored at our warehouses before being transported and delivered. Finished products are stored in designated zones within our warehouses according to type and production date. Additionally, we take safety measures to minimize fire hazards, water damage and other similar risks to our products.

Delivery

We conduct sample checks for every batch of finished products prior to the delivery of products. Our quality control team collaborates with the relevant production team to ensure that our packaging is well-designed and sufficient to safeguard the quality of our finished products during transportation. Packaging thereby tends to vary with the volume, type, and customer requirements of each product.

RESEARCH AND DEVELOPMENT

We constantly seek breakthroughs in the traditional production processes and techniques of copper products and strive to enhance product quality, ensure cost efficiency, achieve speed to market and promote our overall profitability. We have developed a series of innovative production techniques and installed advanced equipment to optimize the manufacturing process. For example, we conducted R&D on the salvage and control method of three-phase and emulsion, we also used box self-absorption and anti-extraction front-end organic pool bottom circulation suction to reduce entrainment, ensuring better quality of copper cathodes. For example, we have developed methods to salvage and control the emulsified layer or the third phase, and also use box self-priming and anti-extraction front-end organic pool bottom recirculation pumps to reduce entrainment and ensure better copper cathode quality.

In addition, we transformed the original "countercurrent extraction" wet extraction system of Zambia copper smelter I to "continuous extraction" in January 2025, and to "double extraction" in February 2025 using our existing equipment, which solves the problems of low raw material grade, low leaching rate and low leaching efficiency in the current market. Through such transformation, the processing capacity of such wet extraction system has been increased from 100 m^3/h to 180 m^3/h, resulting in an 80% increase in production capacity. We also procured new industrial PH meter online monitoring equipment to replace manual acidity

test paper colorimetric detection method, in order to improve the accuracy of acidity during leaching process. We have also procured new industrial PH meter online monitoring equipment to replace the manual acidity paper colorimetric testing method for better control of acidity in the leaching process.

TRANSFER PRICING ARRANGEMENT

Our intra-group transactions

During the Track Record Period, we have engaged, and are continuing to engage in the following intra-group transactions which can be broadly categorized into four categories, namely (i) purchases and sales of mineral products; (ii) purchases and sales of equipment and material; (iii) service provisions and (iv) financing arrangements.

Purchases and sales of mineral products

Jinxun Singapore purchases mineral products such as copper cathodes, copper concentrates, gold and silver ore, and cobalt hydroxide from overseas related parties such as Jinxun DR Congo, Rong Xing Investments, and Jinxun Peru, and then sells them to overseas third-party customers and our domestic entities such as our Company and Tibet Huiyi in small quantities. The production and sale of copper cathode and other concentrates is our main model of mineral product trading, whereby overseas entities of ours such as Jinxun DR Congo and Rong Xing Investments act as production plants, responsible for the purchase of raw ore and the production of cathode copper and other concentrates, which are then sold mainly to overseas third-party customers through Jinxun Singapore.

Jinxun Peru sells locally purchased refined ore, silver ore and other products to third parties and related parties in the PRC and abroad. Jinxun Peru is responsible for the local purchase of copper concentrate, silver ore and other mineral products for trading in non-ferrous metal ores other than copper cathode, and sells them to our entities in the PRC and abroad.

Purchases and sales of equipment and material

Our PRC entities such as our Company and Jinxun Shanghai purchase equipment and materials from within the PRC and sell them to overseas related parties such as Jinxun DR Congo, Rong Xing Investments, and Jinxun Peru for use in their local mineral product businesses. Some of the equipment and materials purchased domestically are sold to overseas related parties through Jinxun Singapore.

Service provisions

Tibet Huiyi and our Company provide marketing support services related to mineral product trading for Jinxun Singapore and assist Jinxun Singapore in mineral product trading activities.

As Tibet Huiyi offers services to support Jinxun Singapore's marketing efforts, our Company provides strategic consulting and business support to Tibet Huiyi.

Our Company sends personnel to our overseas mineral product production entities (Jinxun DR Congo, Rong Xing Investments, and Jinxun Peru) while Jinxun Singapore advances the salaries of the expatriate personnel to the overseas mineral product production entities. The salaries advanced by Jinxun Singapore is then collected from our Company.

Financing agreements

Jinxun Singapore provides loans to Jinxun DR Congo and Jinxun Peru and obtains interest payments from the loans provided.

Assessment of our intra-group transactions

We have engaged an independent transfer pricing tax consultant (the "**Transfer Pricing Consultant**"), to assess the reasonability of the terms of our intra-group transactions described above during the Track Record Period.

Purchases and sales of mineral products

To assess the terms of Jinxun Singapore's mineral products transactions with our other entities, the Transfer Pricing Consultant selected eight comparable companies as references. The full range of the weighted average operating profit margin before interest and taxes for the comparable companies from 2021 to 2023 was 1.57% to 9.67%, with a quartile range of 2.28% to 5.71% and a median value of 2.59%. Jinxun Singapore's weighted average operating profit margin before interest and tax during the review period was 3.64%, which was within the quartile range. Therefore, it can be concluded that the pricing policy for mineral product purchase and sale transactions between Jinxun Singapore and our other entities during the Track Record Period was in line with the arm's length principle.

To assess the terms of Jinxun Peru's mineral products transactions with our other entities, the Transfer Pricing Consultant selected six comparable companies as references. The full range of the weighted average operating profit margin before interest and taxes for comparable companies from 2021 to 2023 is -3.24% to 7.08%, with a quartile range of -0.87% to 2.22% and a median value of 0.07%. Jinxun Peru's weighted average operating profit margin before interest and taxes during the review period was 0.51%, which was within the quartile range. Therefore, it can be considered that the pricing policy for mineral product purchase and sale transactions between Jinxun Peru and our other entities during the review period was in line with the arm's length principle.

Purchases and sales of equipment and material

To assess the terms of equipment and material with our other entities, the Transfer Pricing Consultant selected 10 comparable companies as references. The full range of the weighted average full cost markup rate for comparable companies from 2021 to 2023 is 0.95% to 12.79%, with a quartile range of 2.00% to 8.46% and a median value of 4.82%. The markup rate applicable to domestic related parties during the review period was 2.00% to 8.00%, falling within the quartile range. Therefore, it can be concluded that the pricing policy for transactions involving the purchase of equipment and materials between our entities during the review period complies with the arm's length principle.

Service provisions

To assess the terms of our PRC entities' provision of consulting services to Jinxun Singapore, the Transfer Pricing Consultant selected eight comparable agreements as references. The full range of comparable agreement service fees is 2.00% to 20.00%, with a quartile range of 4.00% to 10.00% and a median value of 10.00%. During the reporting period, Tibet Huiyi received a marketing support service fee rate of 9.83% from Jinxun Singapore, and our Company received a marketing support service fee rate of 2.80% from Jinxun Singapore, which were within the full range of marketing support service fee rates stated in the comparable agreements. Therefore, it can be considered that the pricing policy for marketing support services provided by our PRC entities to Jinxun Singapore during the review period is in line with the arm's length principle.

To assess the terms of our Company provision of consulting services to Tibet Huiyi, the Transfer Pricing Consultant selected nine comparable agreements as references. The full range of the weighted average markup rate for fully absorbed costs of comparable companies from 2021 to 2023 is 7.33% to 41.75%, with a quartile range of 14.37% to 28.01% and a median value of 19.45%. The full cost markup rate applicable to our Company during the review period was 19.45%, which was within the quartile range. According to China's transfer pricing regulations and the OECD Transfer Pricing Guidelines, the cost base for service fees should include all direct and indirect costs related to the provision of services. During the review period, the cost base for the service fees charged by our Company included the wage costs of the personnel providing services to Tibet Huiyi and the corresponding allocated management expenses. The calculation method of the cost base (i.e., the sum of direct and indirect costs) is in line with general transfer pricing principles. Therefore, it can be considered that the transfer pricing policy for the strategic consulting and business support services provided by our Company to Tibet Huiyi during the review period is in line with the arm's length principle.

Financing agreements

To assess the terms of Jinxun Singapore's provision of loans to our other entities, the Transfer Pricing Consultant selected nine comparable companies as references. The full range of the borrowing interest rate of comparable borrowing agreements is 2.08% to 13.06%, with a quartile range of 5.36% to 8.68% and a median value of 6.72%. During the review period, the borrowing interest rate applicable to Jinxun Singapore was 10%–12%, which was within the range of interest rates for comparable loan agreements. Therefore, it can be considered that the pricing policy of loans provided by Jinxun Singapore during the review period was in line with the arm's length principle.

After considering the analysis results and reviewing the transfer pricing reports prepared by the Transfer Pricing Consultant, our Directors are of the view that the transfer pricing arrangements under the aforementioned intra-group transactions are considered arm's length in nature, reasonable and in compliance with the applicable transfer pricing rules, guidance in all jurisdictions involved.

Measure to ensure on-going compliance

Our transfer pricing arrangements are part of our normal business operation where an arm's length transaction price needs to be established. We have implemented a general pricing policy to follow the arm's length principle and to achieve an arm's length outcome. Our management had been and will continue to closely monitor our transfer pricing arrangements including reviewing the reasonableness of the transfer pricing policy of our intra-group transactions from time to time to ensure compliance with the arm's length principle.

THIRD-PARTY PAYMENT ARRANGEMENT

Background

During the Track Record Period, two of our customers based in the PRC within the same group settled their outstanding payments to us through a third party payer, which is these customers' parent company. The aggregate amount of third-party payments that was settled through third party constituted an insignificant proportion of our total revenue for each year during the Track Record Period. Since December 1, 2024, we have ceased to allow and accept our customers to settle payments through Third-Party Payers and all new orders thereafter are only allowed to be settled through our customers' own accounts. To the best knowledge of our Directors after making reasonable inquiries, the Group has not been involved in any third-party payment arrangements since December 1, 2024 and up to the Latest Practicable Date.

Internal Control Measures for Third-Party Payment Arrangements

Our Directors are responsible for formulating and overseeing the implementation of the internal control measures and the effectiveness of the overall internal control system of the Group. To safeguard the Group's interest against potential risks in connection with Third-Party Payment Arrangements, we have adopted the following internal control measures:

(1) In July 2025, our finance department issued the "Notice on Prohibition of Third-Party Payment Arrangements on Behalf of Others and Risk Prevention" (《關於禁止第三方代付貨款及防範風險的通知》), which stipulates that the customer's payment account must be a bank account identical to name of the party of the contract;

(2) Payment or collection by a third-party without any reasonable business reasons is prohibited.

Considering the revenue generated from Third-Party Payment Arrangements as a percentage of our total revenue was insignificant and immaterial, our Directors confirm that the cessation of the Third-Party Payment Arrangements would not cause any material adverse impact on the business, financial conditions and results of operations of our Group.

COMPETITION

We compete with a number of Chinese and international copper producers. The competition in copper cathode in DR Congo and Zambia is fragmented. In either market, no single competitor occupies more than 15% of market share as of June 30, 2025. The top five market participants, including us, are all headquartered in the PRC or Hong Kong. For more information, see "Industry Overview."

According to Frost & Sullivan, the key barriers to entering into the copper industry include, among others: material supply barrier, capital barrier, technological barrier, environmental barrier and supply chain barrier.

We believe the most important competitive factors are price, quality of products, research and development capabilities, delivery schedule and customer service. We are confident that we are well positioned to compete against industry peers with our high-quality copper product, extensive networks and entire industrial chain covering ore procurement, preliminary processing, and smelting.

PROPERTIES

We occupy certain properties in China, Zambia, DR Congo, Singapore, and Peru in connection with our business operations. These properties are used for non-property activities as defined under Rule 5.01(2) of the Listing Rules. They mainly include premises for our production facilities, warehouses, offices and dormitories.

Pursuant to Rule 5.01A of the Listing Rules, this document is exempt from the requirement to include valuation on property interests of non-property activities if the carrying amount of a property interest is less than 15% of our total assets. A similar exemption applies under section 6 of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong), with respect to the requirement under section 38(1) of, and paragraph 34(2) of the Third Schedule to, the Companies (Winding Up and Miscellaneous Provisions) Ordinance. As of June 30, 2025, none of our properties had a carrying amount of 15% or more of our consolidated total assets.

We are required to obtain various of licenses and permits to store the raw materials for our operations in Zambia and DR Congo. Our DR Congo operations require the permit for the transport and storage of petroleum products. Our Zambia operations require, among others, fire certificate, acid storage permit, gas storage permit, diesel storage permit, petroleum storage permit and pesticide and toxic substance license. During the Track Record Period and up to the

Latest Practicable Date, we have obtained the necessary licenses and permits for warehousing of the raw materials prescribed by the relevant under the applicable local laws in the respective place of incorporation or establishment in relation to our current operations.

Owned Properties

As of the Latest Practicable Date, we owned 21 parcels of land in China, Zambia and DR Congo with a total site area of 3,648,235 sq.m. The following table sets forth a summary of certain information regarding our owned lands as of the Latest Practicable Date:

Name of member of the Group	Purpose	Approximate Gross Land Area
		(sq.m.)
Jinxun DR Congo	Production and office	2,473,000
Rong Xing Investments	Production and office	1,089,985
Jinxun Anhui	Production	85,250
Total		**3,648,235**

As of the Latest Practicable Date, we had obtained all relevant properties title certificates and other relevant land use rights certificates for such parcels of land and buildings.

Leased Properties

As of the Latest Practicable Date, we had leased properties in China, Singapore, Zambia and Peru, with an aggregate GFA of 5,394.26 square meters, which are used as offices and dormitories. Our lease agreements in respect of the abovementioned leased properties generally have lease terms of one year. As of the Latest Practicable Date, the lease agreements we entered into are legal and valid, and except for seven properties leased by Jinxun Anhui, which lack ownership certificates due to their nature as resettlement housing, the lessors have obtained relevant ownership certificates for such properties and have the right to lease the properties to us. We have obtained the certification document from the local competent regulatory agency, Longqiao Community Residents' Committee, which explicitly states that the aforementioned seven properties are all resettlement housing units, and therefore do not have property ownership certificates. As of the Latest Practicable Date, we have not received any administrative penalties or rectification notices regarding the non-compliance of the leased properties, nor are there any related disputes or potential disputes. As advised by our PRC Legal Advisors, we were not subject to any administrative penalties under the PRC laws and regulations in connection with the lease of such seven properties. Considering that we have not obtained property ownership certificates for such leased properties, disputes regarding the ownership of such properties may arise in the future and our actual use of these properties may be adversely affected if the lessor has not legally obtained ownership of these properties. However, we consider this risk to be relatively low, as the local competent regulatory agency has issued the certification document confirming the absence of property ownership

certificates. Furthermore, given that these leased properties are only used as employee dormitories and are highly substitutable, we believe that even if we cannot continue to occupy such properties, it would be relatively easy for us to find alternative properties. Therefore, our Directors are of the view that the absence of such property ownership certificates would not have a material adverse impact on our operations.

As of the Latest Practicable Date, we had not completed the administrative filings of the lease agreement relating to 12 properties we leased for business and employee dormitory purposes. We were advised by our PRC Legal Advisors that such non-filing of lease agreement would not affect the validity of such lease, but we might be ordered to rectify this non-compliance by competent authorities and if we do not rectify within a prescribed period, a penalty of RMB1,000 to RMB10,000 may be imposed on us as a result of such non-filing. See "Risk Factors — Risks Relating to Doing Business in the PRC — We may be required to pay administrative fines for our failure to register some of our lease agreements with housing administration authorities." As of the Latest Practicable Date, our Directors confirm that we had not received any notice from any regulatory authority with respect to potential administrative penalties or enforcement actions as a result of our failure to file the lease agreement described above. As such, our Directors are of the view that such non-filing would not have a material impact on our business operations.

AWARDS AND ACHIEVEMENTS

As of June 30, 2025, we had received various awards, honors and recognitions, including the following:

Year	Awards and recognitions	Issuing authorities
2022	Yunnan Provincial specialized and sophisticated small and medium-sized enterprise (雲南省省級專精特新中小企業)	Department of Industry and Information Technology of Yunnan Province (雲南省工業和信息化廳)
2022	Yunnan Provincial "Golden Seed" Enterprises (雲南省"金種子"企業)	Yunnan Provincial Office of the Leading Group for Promoting the Three-year Action of Doubling the Listing of Enterprises (雲南省推進企業上市倍增三年行動工作領導小組辦公室)

Year	Awards and recognitions	Issuing authorities
2022	The Ninth Yunnan Provincial Excellent and Strong Private Enterprises (第九屆雲南省優強民營企業)	Yunnan Provincial Department of Industry and Information Technology (雲南省工業和信息化廳); Yunnan Provincial Department of Human Resources and Social Security (雲南省人力資源和社會保障廳)
2020	Yunnan Provincial Growing Small and Medium-sized Enterprises (雲南省省級成長型中小企業)	Department of Industry and Information Technology of Yunnan Province (雲南省工業和信息化廳)
2019	Yunnan Provincial Science and Technology Small and Medium-sized Enterprises (雲南省科技型中小企業)	Yunnan Province Science and Technology Department (雲南省科學技術廳)

INTELLECTUAL PROPERTY

We rely on a combination of trademark, trade secret, patent, copyright and other intellectual property laws, as well as confidentiality agreements with our employees, suppliers, customers and others, to protect our intellectual property. As of the Latest Practicable Date, we had 30 registered patents, 31 copyrights and 12 trademarks in China, all of which are material to our business.

For more details, see "Appendix VI — Statutory and General Information — B. Further Information about Our Business — 2. Intellectual Property Rights of Our Group."

During the Track Record Period and up to the Latest Practicable Date, our Directors confirmed that, so far as they were aware, there was no material violation or infringement of any intellectual property rights owned by us or by any third parties, and we were not aware of any threatened material proceedings or claims relating to intellectual property rights against us. Moreover, despite our best efforts, we cannot be certain that third parties will not infringe or misappropriate our intellectual property rights or that we will not be sued for intellectual property infringement. See "Risk Factors — Risks Relating to Our Business and Industry — Our business depends on our ability to protect our intellectual property rights, and we may be exposed to intellectual property infringement and other claims by third parties, which, if successful, could cause us to pay significant damage awards and incur other costs."

IMPACT OF THE COVID-19 OUTBREAK

During the COVID-19 outbreak in 2022, we experienced approximately 10 days of customs clearance delays. However, such delays did not affect customer payment schedules, and all copper cathode customers fulfilled their payment obligations as stipulated in the contracts. This was attributable to the adoption of the free carrier terms in our sales model, under which the seller is responsible for transporting goods to the designated port and completing export formalities; upon arrival at the designated port, the buyer assumes all related costs and risks, such as logistics costs and detention risks. Under this model, customers are required to prepay 95% of the provisional payment in the month of shipment, with the remaining 5% settled after the quotation period concludes. There was also a logistics delay in steel supply occurred during the construction of the DR Congo copper smelter I, which was originally scheduled for dispatch in mid-May 2022, with an expected arrival at the construction site for deployment in September 2022. Due to the impact of the COVID-19 outbreak, the shipment was not formally exported until August 4, 2022, and ultimately arrived at the site in April 2023, resulting in a delay of seven months. However, we promptly addressed the situation by procuring temporary steel locally and flexibly adjusting the project schedule. Thus, this incident did not cause significant adverse effects on the construction project.

Although global concerns over narrowing copper production from China have pushed up the selling price of our copper products, the COVID-19 outbreak did not have a substantial impact on our production and sales of copper products. For example, we produced 5,949.8 tons and 7,368.1 tons of copper cathodes in 2022 and 2023, respectively, all of which were sold promptly during the COVID-19 outbreak. Therefore, our Directors are of the view that COVID-19 had no material adverse effect to our business operations and financial performance during the Track Record Period.

INSURANCE

During the Track Record Period, we provided social insurance for our employees, such as pension insurance, unemployment insurance, work injury insurance and medical insurance. See: "Risk Factors — Risks Relating to Doing Business in the PRC — Failure to comply with the PRC labor laws and regulations in relation to social insurance and housing fund contributions for our employees could subject us to fines and other legal or administrative sanctions." In addition, we maintain insurances such as overseas investment insurance, group personal accident insurance, life insurance and property insurance for our business operation and management. As of the Latest Practicable Date, we had not received any material insurance claims against us. Consistent with what we believe to be customary practice in our industry, we generally do not maintain any business interruption insurance. We believe that the existing insurance coverage of our business is adequate and is in line with the general industry practice. However, the insurance policies maintained by us may not be sufficient to cover claims in respect of personal injury or property or environmental damage arising from accidents on our properties or relating to our operations, or to cover business interruption risks. Such coverage is not mandatory according to the applicable laws and regulations.

EMPLOYEES

We place great importance on attracting and retaining qualified employees. We are committed to investing in our employees' training and development. As of June 30, 2025, we had 901 full-time employees worldwide based in China, Zambia, DR Congo, Singapore, and Peru. The following table sets forth a breakdown of our employees categorized by function as of June 30, 2025.

Function	Number of Employees	Percentage of Total
		(%)
Management	41	4.6
Research and Development	14	15.5
Sales and Marketing	28	3.1
Procurement and Supply Chain	24	2.7
Production	593	65.8
Quality Control	15	1.7
Administrative	186	20.6
Total	**901**	**100.0**

The table below sets forth the breakdown of our employees categorized by gender and geographic location for the year/periods indicated.

	For the year ended December 31,			For the six months ended June 30,
	2022	2023	2024	2025
Total number of employees	687	782	826	901
Number of employees by gender				
Male	607	716	754	822
Female	80	66	72	79
Number of employees by region				
Chinese Mainland	149	134	152	188
DR Congo	241	354	273	294
Zambia	288	286	390	409
Peru	9	8	11	10

We emphasize the training of our employees in order to enhance their technical and product knowledge, as well as their personal development, job challenge and satisfaction, recognition, work environment, work safety and career advancement. We have adopted a compensation structure and incentive schemes linked to our Group's performance in order to further motivate our employees. We typically enter into employment agreements with intellectual property assignment clauses included, confidentiality agreements and non-competition agreements with our employees based in China.

We currently recruit our employees primarily through on-campus recruiting programs, advertisements on recruitment websites, job fairs, and employee referrals. There are labor unions for our employees in China and Zambia. During the Track Record Period and up to the Latest Practicable Date, we had no material disputes with the labor unions.

We focus on employee welfare and maintain constant communications with our employees. We believe that we generally maintain good working relationship with our employees. During the Track Record Period and up to the Latest Practicable Date, we did not experience any material disputes with our employees.

CERTIFICATES, LICENSES, PERMITS AND APPROVALS

The table below sets forth our material licenses and permits and their corresponding expiry dates.

Entity	Name of Certificate/ License/Permit/Approval	Issuing Jurisdiction	Expiry Date
Rong Xing Investments .	Mineral Processing License	Zambia	November 6, 2044
	Emission License (Flotation Overflow)	Zambia	June 12, 2026
Jinxun DR Congo.	Smelting Permit	DR Congo	June 4, 2029
	Mineral Exploitation Permit	DR Congo	August 31, 2039

The DR Congo mining code requires (i) 10% of the share capital of DR Congo subsidiary to be transferred to the State when it obtains a mineral exploitation permit (the "**Share Transfer Rule**"), (ii) an additional 5% of the share capital to be transferred to the State upon each renewal of the exploitation permit. According to the laws of DR Congo, the CAMI generally sends notifications to the holder of the mining permit requesting it to provide evidence of compliance with these restrictions. If the subsidiary concerned has received notification from the CAMI, failure to comply with these restrictions may result in (i) the direct cancellation of the operating permit and therefore affect the subsidiary's activities in the DR Congo in the event of non-compliance; and (ii) CAMI may send our local subsidiary a notification requesting it to provide evidence of compliance with the Share Transfer Rule within a specified period (generally 45 days). Although CAMI's request is to provide evidence of compliance with the Share Transfer Rule, our local subsidiary may, following this notification, proceed to comply with the Share Transfer Rule. As advised by our legal advisors as to DR Congo laws, the second scenario is more likely to occur and the risk of receiving a direct cancellation notification from CAMI is low, given (a) the current government of the DR Congo's initiatives to improve the business investment environment, which may prompt it to

adopt the second scenario to comply with the Share Transfer Rule; (b) the first scenario has not occurred in the past five years based on the experience of our legal advisors as to DR Congo laws; and (c) the transfer period has expired, and as of the Latest Practicable Date, CAMI had yet to notify our local subsidiary to revoke its operating permit. Notwithstanding that Jinxun DR Congo holds the mineral exploitation permit, it has never engaged in any mining business. See "Regulatory Overview—Laws and Regulations Related to Our Business in DR Congo—Mineral Processing and Mining Operations—Mining Operations—Exploitation Permit" for more details. Our Directors believe that even in the worst-case scenario, where the mineral exploitation permit held by Jinxun DR Congo is revoked and Jinxun DR Congo is required to transfer 50% of its share capital to Congolese nationals, this would not have a material impact on the Group's financial position, considering: (i) the impact of transferring 10% of its share capital to Congolese nationals on a free-carry and non-dilutive basis: This transfer is estimated to reduce Jinxun DR Congo's paid-in capital and capital reserves by RMB0.8 million, while increasing minority interest by RMB0.8 million. However, this transfer does not involve any cash outflow and has no impact on profit or loss for the current period; and (ii) the impact of transferring the remaining 40% of its share capital to Congolese nationals: This transfer will be conducted at fair value and is therefore not expected to have a material impact on the Group's financial position.

INTERNATIONAL SANCTIONS RELEVANT TO CERTAIN BUSINESS ACTIVITIES OF THE GROUP

Certain countries or organizations, including the U.S., the European Union, the United Kingdom, the United Nation, and Australia, maintain economic sanctions and trade restrictions targeting certain parties, industries or sectors within the countries or territories for which Relevant Jurisdictions maintain various forms of sanctions programs in place, without having a comprehensive embargo in place (i.e., without making a particular country/region a Comprehensively Sanctioned Country).

During the Track Record Period, Jinxun DR Congo sold certain copper cathode to our Singapore subsidiary internally. DR Congo is subject to limited sets of targeted sanctions, with certain sanctioned entities located in such country, however, it is not a country that is subject to territorial broad base sanctions (i.e., not a Comprehensively Sanctioned Country). Transactions with sanctioned entities located in DR Congo or export of export controlled products to such country could expose us to sanctions risks. These transactions involving DR Congo did not involve any exports or transactions of any items subject to the Export Administration Regulations nor relate to any sanctioned entities.

As advised by our legal advisor as to International Sanctions laws, who has performed the procedures it considers necessary and has relied on the information provided by the Company in relation to the sales by Jinxun DR Congo, on the basis that (i) these transactions involving DR Congo did not involve any exports or transactions of any items subject to the EAR to DR Congo; and (ii) our counterparties in DR Congo were not sanctioned entities, therefore, our business operations involving DR Congo during the Track Record Period did not represent a violation of the International Sanctions, a Primary Sanctioned Activity or a Secondary

Sanctionable Activity. Given that our activities with DR Congo did not represent a violation of the International Sanctions, our Directors do not believe that such targeted International Sanctions on DR Congo have any material adverse impact to our business activities or financial position.

Our Directors confirm that we do not have present intention to undertake any business involving directly or indirectly the Comprehensively Sanctioned Countries. We will not knowingly or intentionally conduct any business with any Sanctioned Targets, or any business in any Comprehensively Sanctioned Countries that will cause us to violate International Sanctions, and we will not use the proceeds from the [**REDACTED**] to finance or facilitate, directly or indirectly, activities or business with, or for the benefit of, the Comprehensively Sanctioned Countries or Sanctioned Targets. Our Directors will continuously monitor the use of proceeds from the [**REDACTED**], as well as any other funds raised through the Stock Exchange, to ensure that such funds will not be used to finance or facilitate, directly or indirectly, activities or business with, or for the benefit of, Comprehensively Sanctioned Countries or Sanctioned Persons where this would be in breach of International Sanctions.

COMPLIANCE AND LEGAL PROCEEDINGS

We may from time to time become a party to various legal, arbitration or administrative proceedings arising in the ordinary course of our business. As of the Latest Practicable Date, there was no material litigation, arbitration or administrative proceedings pending or threatened against the Company or any of our Directors which could have a material and adverse effect on our financial condition or results of operations.

Rong Xing Plant Suspension Incident

Background and Reasons for Non-compliance

During the Track Record Period, our Zambian subsidiary, Rong Xing Investments, received an order dated February 4, 2025 from the Zambia Mines Safety Department ("**MSD**") ordering an immediate suspension of operations (the "**MSD Suspension Order**") following an alleged inappropriate use of acid offloading equipment, which resulted in the demise of a local employee of Rong Xing Investments (the "**Suspension Incident**"). The subsidiary operated the Zambia Copper Smelter I, Zambia Copper Smelter II and Zambia Flotation Plant (collectively the "**Zambia Plants**") and certain local employees of Rong Xing Investments were carrying out routine testing and cleaning services in avoidance of the damages in relation to any failure of maintenance in time. When the MSD Suspension Order was in place, local employees were not aware that the routine maintenance activities were considered as "operations" by the MSD and therefore were regarded as forbidden under the suspension. The director and operation manager of Rong Xing Investments were requested by the local police afterwards to assist with the investigation enquiries surrounding the alleged MSD Suspension Order violation. The MSD has imposed personal fines of a total sum of ZMW265,000 (approximately RMB77,100) on the director and operation manager of Rong Xing Investments for allowing the Zambia Plants to "operate" when the MSD Suspension Order was in effect and a fine of ZMW936,000

(approximately RMB250,000) on Rong Xing Investments in relation to the accident, and decided that the matter will not proceed further with litigation. No arrest of any personal of Rong Xing Investments was involved. The fines imposed on Rong Xing Investments were settled on April 9, 2025, and the fines imposed on its director and operation manager were settled on April 23, 2025.

Latest Status and Remedial Measures

In April 2025, the MSD confirmed via a letter dated April 2, 2025, that inspections had been conducted on March 25, 2025 and April 1, 2025 to track the progress of the implementation of remedial measures following the suspension of the Rong Xing Plant's operations. The inspections revealed the following:

(i) the acid transfer pipes (two pipes) were provided on the acid offloading bay for Leaching Plant No. 2;

(ii) personal protective equipment for use in acidic conditions were provided, including gum boots, acid/chemical-resistant suit, chemical-resistant gloves, respirators and safety goggles;

(iii) copies of the acid offloading safety operating procedures and emergency response plan were submitted for review and feedback;

(iv) the appointment of the mine manager was not made at the time of visit;

(v) one of the drainage channels at the acid offloading bay of Leaching Plant No. 2 did not slope towards the spill sump, making overflow management extremely difficult. Therefore, an additional drainage channel should be constructed in the southern part of the offloading bay to facilitate easier collection of spilled materials; and

(vi) the tailings dam, containing large quantities of acidic solution and lacking approval from the Ministry of Environmental Protection, was deemed too risky to continue operations.

The MSD urged Rong Xing Investments to comply with items (iv), (v) and (vi), which require that (i) a mine manager must be appointed; (ii) the acid offloading bay must be constructed to ensure all spilled materials flow into the sumps for controlled management; (iii) acidic solutions at Tailings Dam No. 11 must undergo neutralization treatment; and (iv) Tailings Dam No. 13 must undergo assessment. As of the Latest Practicable Date, we have appointed a mine manager and implemented the necessary measures to complete the rectification.

On April 7, 2025, we obtained a clearance letter from the MSD authorizing the Rong Xing Plant to resume operations. The clearance letter certifies that the status of the mineral processing license has been changed to compliant, indicating that we have completed the rectification for the aforementioned non-compliance incidents. The suspension had lasted for three months, from February 2025 to April 2025.

We have taken the following internal control rectification measures to prevent further occurrence of such non-compliance:

(i) appointed an equipment manager to be responsible for the control and supervision of all operations at the mine;

(ii) implemented enhanced internal policies and protocols, such as the health and safety policy, tailings dam closure and post-closure management plan, water management plan, and environmental and safety action plan. Specifically, (i) the health and safety policy requires Rong Xing Investments' management to provide a safe working environment, including maintaining safe work systems, equipment, and materials, as well as employee welfare facilities. They shall regularly assess the effectiveness of internal policies and provide operational guidance, professional training, and on-site supervision for local employees; (ii) the tailings dam closure and post-closure management plan specifies procedures for pre-closure preparation, closure execution, post-closure monitoring and maintenance, and complete decommissioning; (iii) the water management plan requires hourly pH monitoring, daily inspection and recording of tailings pond water levels/overflow conditions, and weekly sampling and analysis of groundwater/reclaimed water quality; and (iv) the environmental and safety action plan stipulates procedures related to tailings and water management, safety facilities and training, monitoring, and compliance;

(iii) conducted trainings to educate employees on pollution prevention and regulatory requirements, requiring them to comply with our safety and health policies (such as wearing prescribed personal protective equipment) and adhere to our environmental management principles to prevent pollution;

(iv) implemented an operational change implementation plan for the installation of the tailings neutralization system and the refurbishment of the tailings pond;

(v) established emergency response plans for sulfuric acid leaks and tailings pond incidents, clearly defining procedures for prevention and early warning, emergency response, and post-incident management; and

(vi) conducted periodic review to assess the effectiveness of the corrective measures.

Based on the foregoing, our Directors believe that such non-compliance would not have material adverse effect on our business, results of operations and financial condition, having considered that: (i) the Suspension Incident was a one-off event; (ii) there was no material

adverse impact on Rong Xing Investments ability to satisfy its contractual obligations or delivery of products to the customers during the period of the MSD Suspension Order; (iii) the duration of the Suspension Order; and (iv) the amounts of the fine received are immaterial.

Our Directors are of the view that the above measures are effective and adequate in preventing non-compliance with respect to the Suspension Incident. As advised by our legal advisors as to Zambian laws, all further claims and liabilities have since been discharged with respect to the MSD Suspension Order. Our Directors are of the view that the Suspension Incident does not constitute a material non-compliance, nor a systemic non-compliance.

Rong Xing Plant Environmental Restoration Order

Background and Reasons for Non-compliance

In March 2025, following adverse weather conditions which caused tailing dam damages and the resulting acid leaking from Rong Xing Investments' plant into nearby stream (the "**Environmental Incident**"), Rong Xing Investments received an order issued by the Zambia Environmental Management Agency ("**ZEMA**") for requiring cleanup efforts and the cessation of operations pending guidance (the "**Environmental Restoration Order**") due to incidents of acid leaking into nearby stream. The Environmental Restoration Order was silent on its duration applicable to Rong Xing Investments.

Latest Status and Remedial Measures

In April 2025, ZEMA has issued a conditional approval to Rong Xing Investments to resume its mineral processing activities, while requiring ongoing environmental restoration efforts to be implemented. The ongoing measures that were advised by ZEMA (the "**ZEMA Recommended Measures**") encompass the following: (i) conduct ongoing environment restoration work; (ii) submit a work plan issued by a professional environmental assessment agency to ZEMA in light of Rong Xing Investments' current situation; (iii) engage with a qualified environment consultant and carry out cleanup and restoration assignments in Dambo area and Luela stream, respectively; and (iv) recruit qualified environment staff to monitor and manage internal environmental compliance of Rong Xing Investments. Our Directors are of the view that we would incur approximately a total sum of ZMW500,000 with respect to the aforementioned ongoing rectification measures. We completed items (ii) and (iv) of the ZEMA Recommended Measures on April 25, 2025 and May 12, 2025, respectively. Regarding items (i) and (iii), we submitted the work plans of two professional environmental assessment agencies to ZEMA on April 25, 2025, for review and selection. These plans encompass environmental assessments, pollutant cleanup, and environmental restoration. As of the Latest Practicable Date, we were proactively seeking ZEMA's guidance regarding the selection of an environmental assessment agency as the service provider to carry out subsequent work. In a letter dated April 15, 2025, ZEMA granted us conditional approval, permitting the Rong Xing Plant to continue operations while implementing the required rectification measures. Our Directors confirm that although we have yet to receive such guidance from ZEMA, there were

no adverse impact on the ongoing operations of the Rong Xing Plant as of the Latest Practicable Date. Our Directors are of the view that the rectification and restoration work will take approximately two months to complete once we receive the guidance from ZEMA.

We have taken the following internal control rectification measures to prevent further occurrence of such non-compliance:

(i) implemented enhanced measures to ensure that all spilled material should flow into the slumps for easier control and management;

(ii) implemented enhanced internal policies and protocols, such as the water management plan which requires the inspection of stormwater facilities within 24 hours after rainfall and on monthly basis during the dry season, as well as the neutralization of acidic water;

(iii) conducted trainings to educate employees on pollution prevention and regulatory requirements, requiring them to comply with our safety and health policies (such as wearing prescribed personal protective equipment) and adhere to our environmental management principles to prevent pollution;

(iv) implemented an operational change implementation plan for the installation of the tailings neutralization system and the refurbishment of the tailings pond;

(v) established emergency response plans for sulfuric acid leaks and tailings pond incidents, clearly defining procedures for prevention and early warning, emergency response, and post-incident management; and

(vi) conducted periodic review to assess the effectiveness of the corrective measures.

Based on the foregoing, our Directors believe that such non-compliance would not have material adverse effect on our business, results of operations and financial condition, having construing that: (i) the Environmental Incident was a one-off event caused by adverse weather conditions; (ii) there was no material adverse impact on Rong Xing Investments' operations and ability to satisfy its contractual obligations or delivery products to its customers during the period of cessation of operations under the Environmental Restoration Order and in conducting the necessary cleanup assignments; and (iii) the cost to Rong Xing Investments on the implementation of ongoing environmental restoration efforts as requested by ZEMA.

Our Directors are of the view that the above measures are effective and adequate in preventing non-compliance with respect to the Environmental Incident. As advised by our legal advisors as to Zambian laws, in accordance with the laws and regulations in Zambia, the risk of our Group being unable to comply with or satisfy the conditions is low. Our Directors are of the view that the Environmental Incident does not constitute a material non-compliance, nor a systemic non-compliance.

Non-compliance Incident in relation to the Mining and Non-mining Rights(1) of Rong Xing

Background and Reasons for Non-compliance

The Mining Regulations Commission Act stipulates that a mineral processing license holder shall (i) submit mineral production returns to the relevant authority on a monthly basis; (ii) submit annual reports to the relevant authority no later than February 28 of the next calendar year; (iii) submit a future program of mining operations ("**Program**") to the relevant authority, which notifies the relevant authority of the mine plans for the coming year on or before November 30 of each year; and (iv) commence mineral processing operations within the timeframe in accordance with the approved Program.

Specifically, Rong Xing Investments failed to comply with the above requirements due to the following reasons:

- Rong Xing Investments had been submitting the mineral production returns to the local tax authority on a monthly basis through its online system, in accordance with the requirement of the local tax authority. However, due to misunderstanding of the requirement to make a dual filing of the mineral production return to both authorities, Rong Xing Investments had not concurrently submitted the same mineral production returns to the Mining Cadastre Department (now the Minerals Regulation Commission) in accordance with the requirement of the Regulations;

- Rong Xing Investments was late in its filing of the annual report for the year 2023 to the Mining Cadastre Department. The late filing was due to the delay on the part of a local agent engaged by Rong Xing Investments to prepare and submit the relevant annual report; and

- Rong Xing Investments was late in submitting the Program for the year 2024 on or before November 30, 2023 pursuant to the Regulations due to an inadvertent oversight. Without an approved Program, Rong Xing Investments was unable to commence its mineral processing operations within the timeframe for commencement of operations as required under the mineral processing license in time, in breach of the Regulations.

In April 2024, Rong Xing Investments, was notified by the Mining Cadastre Department on the non-compliance incidents contrary to the Mines and Minerals Development (General) Regulations as prescribed by the relevant regulations. Due to the aforesaid reasons, the Mining Cadastre Department has changed the status of Rong Xing Investments' the Mineral Processing

Note:

(1) Non-mining rights refer to (i) mineral processing licenses; (ii) gold panning certificates; (iii) mineral trading permits; (iv) mineral import permits; and (v) mineral export permits, that are not directly related to mining operations but pertain to other mineral-related commercial activities.

License (No. 25099-HQ-MPL, the "**License**") to non-compliance. The Mining Cadastre online system has generate a letter to Rong Xing Investments with respect to the non-compliance matter afterwards. Rong Xing Investments has not been aware of the letter nor the alleged non-compliance matter until the personnel who oversees Rong Xing Investments' management system logged in and validated the information on or around April 30, 2025. The portal website does not indicate the exact dates on which the status of the Licence was changed, i.e. the cancellation and the restoration.

Latest Status and Remedial Measures

We have contacted the Mining Cadastre Department and submitted the requisite information both through online portal and onsite visit with the assistance of the cadastre officer to comply with the requirements of the Mining Cadastre Department. We have also paid a one-off fine of ZMW270,000 as required by the Mining Cadastre Department on May 28, 2025. As advised by our legal advisors as to Zambian laws, the possibility that Rong Xing Investments being subject to additional fines or penalties in connection with such non-compliance incident is remote. On the same day, the status of License on the portal.miningcastre.com website has been changed to active. Rong Xing Investments also received a clearance letter dated June 18, 2025 from the Mining Cadastre Department regarding the aforementioned non-compliance matter. The cancellation of the mineral processing license had lasted for approximately 14 months from April 2024 to May 2025.

We have taken the following internal control rectification measures to prevent further occurrence of such non-compliance:

(i) strengthened oversight and internal controls over our subsidiaries, including establishing and rigorously implementing a unified internal control system.

(ii) deployed a unified enterprise resource planning ("**ERP**") system, which serves as the core operational platform integrating real-time critical operational data from subsidiaries—including financial, procurement, production, sales, and inventory information. Electronic copies of locally generated source documents, ledgers, and key business records are regularly uploaded to our Group's database for centralized archiving and management; and

(iii) established a tiered and clearly defined authorization framework for ERP system and database access. This authorization ensures authorized personnel at our headquarters can directly access data from all operating entities remotely at any time.

Our Directors confirm that we did not derive any revenue from the mining rights during the Track Record Period, and the revenue generated in association with the non-mining rights from our Zambian subsidiary during the Track Record Period amounted to RMB388.7 million, RMB288.4 million, RMB352.9 million and RMB127.7 million, respectively. In particular, the total revenue of Rong Xing Investments derived from operational activities subject to the License during the suspension period of the License amounted to RMB202.7 million for the

nine months ended December 31, 2024 and RMB78.6 million for the five months ended May 31, 2025, representing approximately 11.5% and 8.2% of our total revenue in 2024 and the six months ended June 30, 2025, respectively. Our Directors believe that even if such proportion of revenue is excluded from our total revenue, we would still be able to meet the relevant profit requirements under the Listing Rules.

As advised by our legal advisors as to Zambian laws, while we breached the Repealed Mines Act by continuing mineral processing activities during the cancellation period and was duly fined for the breaches that led to the cancellation of the License, based on the documentation they have reviewed, we were never penalized for continuing to operate during the cancellation period. Furthermore, although the reinstatement of the License does not cure the non-compliance occasioned by us for operating during the cancellation period, which directly contravened the provisions of the Repealed Mines Act, the risk associated with this violation is relatively low under Zambian law, for the following reasons: (i) section 12 (3) of the Repealed Mines Act which applied during the License cancellation period, suggests that the penalty of ZMW2,000,000 for carrying out mineral processing activities without a valid license can only be imposed upon conviction. This implies that for the aforementioned penalty to be imposed, we would need to be prosecuted in a court of competent jurisdiction and convicted for the offense of undertaking mineral processing activities without a valid license, which appears not to be the case presently; (ii) we, as per the clearance letter from the Mining Cadastre Department, took remedial action to the satisfaction of the Mining Cadastre Department; and (iii) we were fined for the breaches that led to the cancellation of the License and regulators in practice usually do not prosecute offenses where a fine has been imposed.

Based on the foregoing, our Directors believe that such non-compliance would not have material adverse effect on our business, results of operations and financial condition, having construing that (i) the aforementioned non-compliance incident was a one-off event; (ii) there was no material adverse impact on Rong Xing Investments' ability to satisfy its contractual obligations or delivery of products to the customers during the period of the non-compliance incident; (iii) the duration of the non-compliance incident and (iv) the amounts being fined are immaterial. As advised by our legal advisors as to Zambian laws, all further claims and liabilities have since been discharged with respect to the aforementioned non-compliance incident relating to the mining and non-mining rights of Rong Xing Investments. Our Directors are of the view that the aforementioned incident does not constitute a material non-compliance, nor a systemic non-compliance.

Our Directors confirm that the aforementioned non-compliance incidents were not interrelated and were one-off in nature. As of the Latest Practicable Date, we had not received any other suspension orders, administrative warnings, or penalties that have a material impact on our business operations and financial position.

INTERNAL CONTROL AND RISK MANAGEMENT

We have in place a set of internal control and risk management procedures to address various potential operational, financial, legal and market risks identified in relation to our operations, including but not limited to procurement management, sales management, inventory management, research and development management, investment management, credit risk, controls on connected transaction, controls on information disclosure, human resources, IT management and other various financial and operational controls and monitoring procedures. These internal control and risk management policies set forth procedures for the relevant reporting hierarchy of risks identified in our operations. Our Board is responsible for overseeing our overall risk management. After due consideration, our Directors are of the view that our current internal control measures are adequate and effective.

To ensure that our management can promptly, comprehensively, and effectively access and review the relevant books and records of operating entities in DR Congo, Zambia and other jurisdictions, we have established and implemented a systematic and institutionalized internal control and information management mechanism.

Specifically, we have established a unified governance framework and policy system, including a standardized internal control system for financial reporting and information disclosure, as well as a bookkeeping management policy, and required all subsidiaries to adhere to the same accounting policies, bookkeeping standards, and reporting procedures. Subsidiaries are required to submit standardized financial and operational reports according to our prescribed schedule. We have rolled out and deployed a unified ERP system across our Group. Serving as the core operational platform, this system can integrates key operational data—including finance, procurement, production, sales, and inventory—from subsidiaries across other jurisdictions in real time, ensuring immediate recording and synchronization of business transactions. Electronic copies of locally generated source documents, ledgers, and critical business records are regularly uploaded to the database for centralized archival management. Furthermore, we have established clear access and reporting mechanisms, authorized personnel can remotely access data from all operating entities at any time. Our internal audit department conducts regular and ad hoc independent audits and verifications of subsidiary ledger integrity, local compliance, and ERP system data authenticity across different jurisdictions. Simultaneously, through collaboration with renowned international accounting firms and local professional institutions, we leverage their specialized services, such as audit services, internal control attestation and compliance review services, due diligence services, and tax compliance services, to further validate and ensure the authenticity and accessibility of local records. Through the aforementioned measures, we have established a multi-tiered, cross-regional financial management and access system. This system effectively ensures management's timely and comprehensive access to financial and operational information across our subsidiaries, providing robust support for overall risk management and strategic decision-making.

In addition, we dispatch Chinese personnel to directly oversee the daily operations of our overseas subsidiaries, ensuring their activities align with our strategic direction. These personnel are responsible for implementing our management systems and corporate culture within the subsidiaries while providing timely updates to our headquarters on the condition of these subsidiaries. Senior management and other managers conduct periodic overseas business trips to conduct on-site inspections of the operations of our overseas subsidiaries, engage in face-to-face communication with local staff and management, identify operational issues and potential risks, and provide on-site guidance and decision-making support.

Subsidiaries are also required to submit monthly reports on operational conditions and plans, covering human resource, finance, and other aspects, enabling us to promptly grasp business progress, financial health, market dynamics, and other information for comprehensive analysis and decision-making. We have employed an office automation ("**OA**") approval system internally. The submission of OA approval forms by subsidiaries requires sequential authorization from relevant personnel and management in the Chinese Mainland to take effect. This process enables us to exercise strict oversight over major decisions, capital expenditures, and contract signings by overseas subsidiaries, ensuring their operational activities align with our overall interests and regulatory framework.

We have engaged an independent external consultant ("**Internal Control Consultant**"), to review our internal control and risk management systems, so that we could improve our overall internal control system. The internal control review covered areas including corporate governance, financial reporting and information disclosure and operational controls. Our Internal Control Consultant conducted an initial internal control review in April, 2025, and did not identify any material internal control risks. In connection with some minor deficiencies identified by the Internal Control Consultant, we have implemented various measures to enhance our internal control pursuant to the recommendations of the Internal Control Consultant, which include establishing robust compliance policies, implementing standard operational procedures, performing regular risk monitoring, and conducting periodical employee training. Our Internal Control Consultant also performed a follow-up review in May 2025 and is satisfied that there continues to be no material deficiencies in the adequacy and effectiveness of our Group's internal control systems.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE ISSUES

We recognize that environmental, social and governance ("**ESG**") issues have become key to measuring corporate sustainability and long-term value. We pay close attention to the impact that ESG and climate change may have on our business, proactively identify and recognize our responsibilities in relation to ESG issues, and are committed to identifying, assessing, managing and mitigating ESG-related risks by taking comprehensive and effective measures. We have formulated key ESG-related policies and institutional documents covering environmental protection, occupational health and safety, and labor rights protection to ensure that we carry out ESG-related practices in a standardized and effective manner in all aspects.

We are committed to complying with environmental, social and governance reporting requirements post-listing and proactively communicating our ESG practices and performance to our stakeholders. Our PRC Legal Advisors and the legal advisors as to DR Congo laws, Zambian laws, Peruvian laws and Singaporean laws have confirmed that, to the extent of the local laws that they are qualified to practice and advise, our Group had been in compliance with health, work safety and environmental laws and regulations in all material respects during the Track Record Period and up to the Latest Practicable Date.

ESG Governance

We emphasize the importance of ESG management and have established an ESG governance structure covering the governance, management and executive levels. The Board of Directors, as the highest decision-making body, is responsible for deciding our ESG strategies, objectives and related policies.

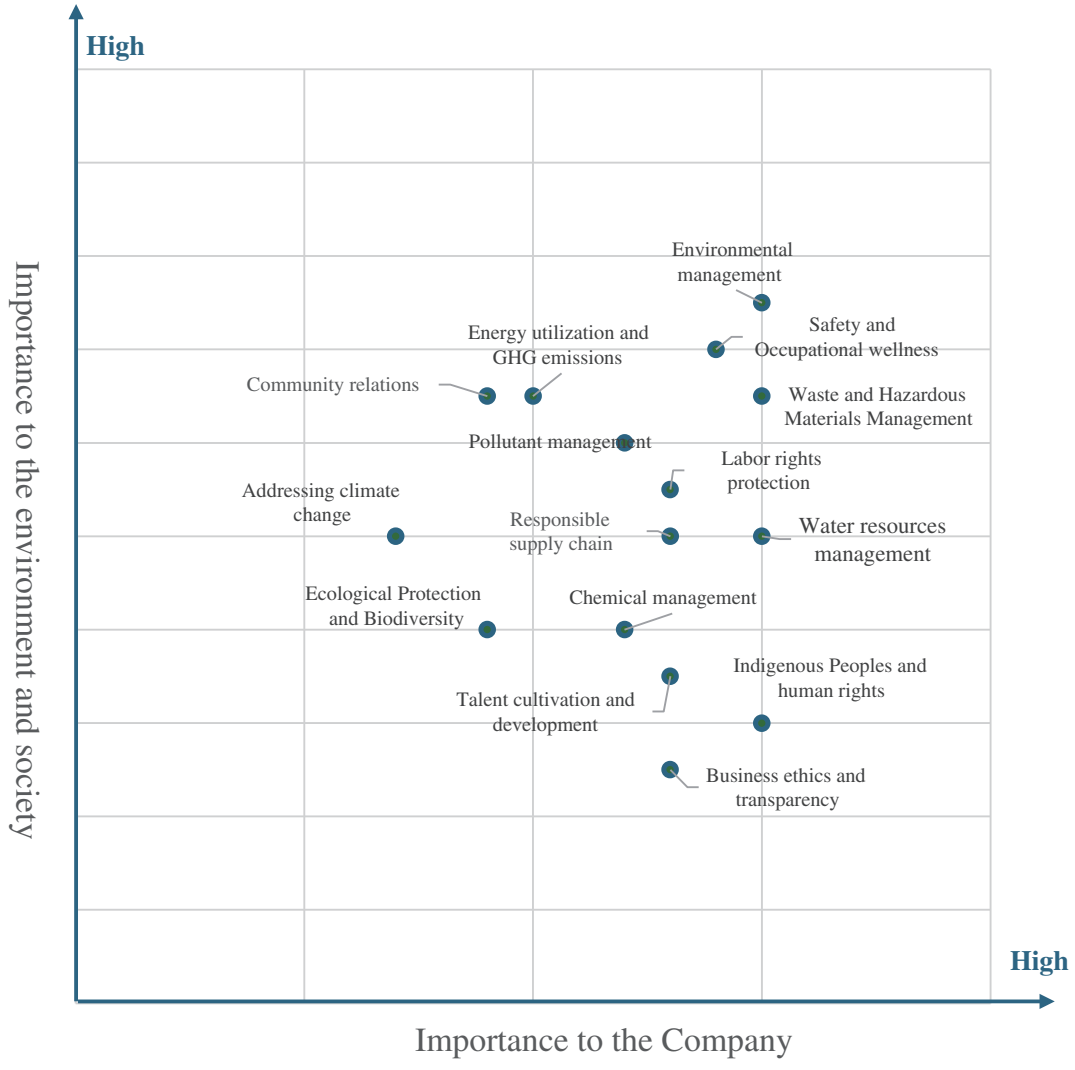
Our Directors have rich management experience in the 'nonferrous metal industry', and have been deeply involved in the supervision and management of safety production, occupational health, environmental protection and other issues in management practice. They have senior practical experience in key ESG issues related to the nonferrous metal industry. At the same time, it is important for Director to have a comprehensive understanding of the company's business and the latest developments in the industry, and to provide ESG specific training to the directors of the company, as well as the latest development trends and relevant code materials related to climate and sustainability, to promote the board members to enhance their knowledge and insights related to ESG.

The Strategy Committee under the Board of Directors is responsible for reviewing and discussing major social, environmental and governance issues. The Board of Directors conducts comprehensive and in-depth evaluation and monitoring of the progress and effectiveness of our ESG work by regularly reviewing ESG reports, listening to reports from the ESG Leadership Team, and examining ESG performance indicators.

At a management level, we established our ESG team which is responsible for (i) developing the company's ESG strategy, (ii) determining the evaluation framework and indicator system for the company's ESG, (iii) reviewing the company's ESG report, (iv) determining the content and steps for improving the company's ESG, and supervise its implementation.

We have also established an ESG working group comprising different members from our various departments including, but not limited to, the General Management Department, the Safety and Environmental Protection Department, the Facilities Management Department, and each of our production plants. The ESG Working Group has extensive management expertise in the areas of safety, environmental protection and occupational health.

We conducted a comprehensive materiality topic identification process, which includes: 1) with the assistance of external consultants, referring to the mainstream ESG rating agencies of SASB Metal Mining's material topics Map to sort out the ESG related issues that our company may be involved in; 2) Invite our management and employee representatives to evaluate the materiality of various ESG issues to the company, and with the assistance of external consultants to evaluate the importance of the issues to the environment and society; 3) Based on the evaluation opinions of materiality, a matrix of materiality of topics is constructed, and the ranking of Importance of topics is carried out to obtain the screening results of materiality topics. We also report ESG evaluation results to management and Board, and remind board and management to pay more attention to important issues.



ESG risk management

We emphasize the complexity and diversity of ESG risks and have established an ESG risk identification and management process, which requires all departments and subsidiaries to focus on environmental and social risks, identify events and corresponding risk factors that may have an impact, and take appropriate risk mitigation measures in the course of their operations. When conducting ESG risk assessment, we mainly consider the degree of impact of ESG related risks, and use "risk severity" and "probability of occurrence" as key indicators for ESG risk analysis. Based on the company's past occurrence of relevant risk events, we invite internal and external expert to conduct ESG risk assessment.

For key areas such as employment practices, occupational health, and environmental protection, we clarify the level of incidents/accidents, classification criteria, reporting procedures, and penalties. We also effectively control ESG risk factors through various measures such as special training and hidden danger investigation. The company plans to conduct a comprehensive ESG risk assessment every two years and report through management to the Board for oversight and guidance. We will also incorporate the management effectiveness of key ESG risks such as environmental pollution risks and occupational wellness risks into the management performance evaluation system to promote management to pay more attention to the company's sustainable development.

Risk category	Risk Factors	Our Response
Climate and natural disaster risk . .	Climate change may lead to an increase in the frequency of extreme weather events, such as floods and mudslides, which may result in damage to production facilities, transportation disruptions and shortages in the supply of raw materials, which may lead to disruptions in operations, resulting in a reduction in Our production capacity, or in harm to personal safety and environmental safety issues; the transition to a low-carbon economy may also lead to fluctuations in the price of energy, which may result in an increase in the cost of energy expenditures.	We are committed to strengthening the reminder and warning of natural disasters, strengthening geological and environmental monitoring around the factory area, continuously carrying out energy conservation and emission reduction, and improving energy efficiency. We see our own GHG emissions as an important indicator of our climate resilience. We set GHG emissions targets for base year in 2024 and plan to reduce greenhouse gas emission intensity (in tonnes of CO_2 equivalent/RMB revenue million) by 5% by 2027.

Risk category	Risk Factors	Our Response
Environmental regulation risk	The continued increase in environmental legislation and enforcement by the government and regulatory authorities, more stringent environmental impact assessments for proposed projects, and the enhancement of relevant standards and enforcement requirements in respect of air pollutants, solid waste, natural resources, biodiversity and land reclamation and restoration may result in the us incurring additional expenditure on environmental protection matters accordingly.	We continuously pay attention to the dynamics of environmental protection laws and regulations, and plan environmental protection measures for the project in advance; increase investment in environmental protection technology research and development to reduce environmental protection costs.
Environmental pollution risks	Our copper smelting process involves the discharge of pollutants into the air, water, soil and other environments, which will have a negative impact on the environment if the treatment of pollutants is not up to standard.	We have improved our pollutant treatment system and carried out environmental monitoring. We are committed to strictly complying with local environmental laws and regulations (for example, in China, we require controlling the concentration of ammonia nitrogen emissions in wastewater to not exceed 15mg/L, and the concentration of sulfur dioxide emissions in exhaust gas to not exceed 960mg/m^3) to ensure that pollutants are discharged in compliance with standards; Develop emergency plans and promptly disposal sudden environmental incidents.

Risk category	Risk Factors	Our Response
Human rights risks	Our overseas operations involve communicating with and employing local people, and may result in business interruptions in the event of violations of aboriginal rights, employment disputes involving child labor and forced labor, or improper handling of community relations due to improper communication or handling.	We strictly comply with human rights-related norms or standards, fully communicate and consult with stakeholders such as local governments, communities and indigenous peoples, and respect reasonable opinions and demands.
Occupational health risks	The production process involves the use of chemicals and other operations, although we continue to strengthen the construction of health, safety and environmental protection (HSE) system, but the implementation of the relevant relies on the behavior of the personnel, if due to the operation of the staff errors lead to major safety accidents, it may lead to production stoppages and administrative penalties.	We strengthen the construction of our occupational health and safety management system, timely detection and elimination of potential safety hazards; carry out safety training and education to improve safety awareness and operation skills.
Supply Chain Risks	Our business is widely distributed, there are differences in the management level of suppliers, and the risk of negative events such as safety, environmental protection and labor rights in the case of some suppliers is not conducive to the stability of our supply chain, which will in turn lead to impacts such as stoppage of work and production, or increase in operating costs.	We optimize the selection and management of suppliers, establish long-term and stable cooperative relationships, and make good reserves of emergency supplies; strengthen supply chain monitoring and early warning, and identify potential risks in a timely manner.

Risk category	Risk Factors	Our Response
Business ethics risks	Our operations may be subject to damage to the interests of employees and business partners resulting from illegal or unethical behavior, and in the event of suspected ethical or legal violations, this may pose a significant risk to our business and result in fines or reputational damage.	We improve the internal control management system, promote corporate compliance and ethical integrity, strengthen employee training and education, enhance legal awareness and ethical literacy, and establish a culture of integrity and honesty.

ESG Indicators and Targets

We are aware that risks such as ESG and climate change may have an impact on our business. We have identified four key ESG areas in relation to the ESG priorities and practices of our industry, and have established corresponding indicators and targets based on our business development plans and management base.

We mainly refer to the criteria for Integrated Emission of Air Pollutants (GB 16297-1996), the criteria for Industrial Pollutant Emission of Copper, Cobalt and Nickel (GB 25467-2010) and the Management Measures for Environmental Prevention and Control of Tailings Pollution when setting pollutant emission targets. Our operations in Zambia also comply with the Environmental Management Act issued by the local government and DR Congo. The directive on environmental impact assessment (DIRECTIVE SUR L'ETUDE D'IMPACT ENVIRONMENT) issued by the government. We have comprehensively referred to the environmental protection requirements of the above regulations or criteria. For the emission indicators with differences, we will implement the strictest 'standards', such as striving to control the pH value of wastewater between 6-9, ammonia nitrogen emission concentration not exceeding 10mg/L, and sulfur dioxide emission concentration not exceeding 960mg/m^3 in the exhaust gas.

Focus Areas	Actions	Indicators and targets
Greenhouse Gas ("GHG") emission	Regular monitoring and statistics on carbon emissions, research and application of energy-saving and emission reduction technologies, and improvement of energy and resource efficiency.	**Target:** Reduce greenhouse gas emissions intensity (in terms of tons of carbon dioxide equivalent per RMB million of revenue) by 5 percent by 2027, using 2024 as the base year. **Progress:** In 2023 and 2024, our GHG emission intensity was 21.1 tons of CO_2 equivalent per RMB million of revenue and 21.0 tons of CO_2 equivalent per RMB million of revenue, respectively. This target is expected to be achieved as we progressively optimize the share of electricity in our energy mix, optimize process and energy efficiency, and increase capacity utilization.
Pollutant management	Continuous improvement of the environmental management system to reduce pollutant emissions and minimize the environmental impact of emissions.	**Goal:** Strive to achieve 100% compliance with emissions and wastewater standards. **Progress:** During the period from 2022 to June 30, 2025, our pollutant emission targets reached the relevant emission limit values or control targets. The waste slag and waste liquid generated are all stored in environmentally friendly tailings.
Protection of labor rights and interests	We have a "zero-tolerance" attitude towards child labor and forced labor, and are determined to eliminate the use of child labor and all forms of forced labor.	**Objective:** To continue to maintain "zero incidence" of child and forced labor. **Progress:** During the period from 2022 to June 30, 2025, we strictly verified the true age of the employees who joined us, and no violations of laws and regulations regarding child labor or forced labor occurred.

Focus Areas	Actions	Indicators and targets
Occupational Health and Safety	Implementing the concept of "people-oriented, safe development", continuously improving the occupational health and safety protection system, and preventing and avoiding the occurrence of work-related accidents and deaths.	**Goal:** Strive to achieve the safety management goal of "zero workplace fatalities". **Progress:** This target aims to strengthen our occupational health and safety management to safeguard the health of our employees. Save for one fatality in February 2025 in Zambia due to inappropriate use of acid offloading equipment, we had not experienced any other fatality during the Track Record Period and up to the Latest Practicable Date.

Environmental liability

We actively practice the concept of green and sustainable development, and are committed to becoming an environmentally friendly enterprise. We continue to improve our environmental management system, identify environmental risks and take preventive and control measures on a regular basis in order to minimize negative impacts on the environment.

Environmental management

Our Board of Directors and management attach great importance to environmental protection, with the chairman of the Board of Directors taking overall leadership responsibility for environmental protection throughout us, making decisions, supervising and coordinating all environmental protection tasks, urging the us to take targeted emission reduction action measures, and promoting us to successfully reach the relevant environmental protection targets. In order to ensure the effective implementation of environmental management work, we have set up the Safety and Environmental Protection Department, which is responsible for day-to-day environmental management and supervision, and has implemented a supervision and management system with designated personnel and responsibilities to ensure full coverage. We have established an environmental protection training and assessment system, and carries out environmental publicity, education and training at least once a year, covering environmental emergency management, environmental pollution control technology and monitoring technology, basic theories of clean production and its role, etc. The safety and environmental protection section of each subsidiary regularly organizes exams for those who take part in the education and training, and our safety and environmental protection department regularly checks the results of the exams on a random basis.

At the same time, we strengthen our environmental inspection efforts, with the safety and environmental protection sections of our subsidiaries responsible for daily monitoring and management, and our safety and environmental protection department is responsible for random inspections and supervision. The operation and suspension of our environmental protection facilities and equipments are in strict compliance with the relevant national and local policies and laws and regulations, managed and inspected by the safety and environmental protection department, and maintained and serviced by the responsible units. Every year, we commission a third party or carry out comprehensive monitoring of "water, gas and sound", obtain environmental monitoring reports, and identify problems and make corrections in a timely manner. We have established an emergency rescue system for environmental accidents, formulated an emergency rescue plan, equipped with emergency rescue materials, and conducted regular emergency rescue drills. We carry out rescue operations scientifically in strict accordance with the principles of "division of labor, cooperation, timely and effective" to ensure timely response to environmental accidents and minimize accidental damage, casualties and environmental pollution. We have established a standardized environmental management system, and have obtained the environmental management system certification (ISO14001), which is valid until January 4, 2028.

In February 2025, our Zambian subsidiary experienced an acid leakage incident during unloading operations, leading to a suspension order from the government. In March 2025, we received a separate environmental restoration order related to an earlier discharge into nearby water bodies. Following comprehensive rectification measures, including drainage improvements, we have resumed operations.

Energy use and greenhouse gas emissions

We have formulated the Energy Resource Management and Energy Conservation System to promote energy resource management in a comprehensive manner. We regularly collect, organize and analyze energy resource consumption data and energy conservation work data, identify potential space for energy conservation, and formulate detailed energy conservation goals and plans to reduce energy consumption on the operation side. We have established a supervision and assessment system to encourage employees to supervise the wastefulness of energy resources, and regularly assess and evaluate the fulfillment of energy-saving goals and the effectiveness of the implementation of energy-saving measures in each department, position and individual, so as to continuously strengthen the work of energy conservation and emission reduction.

The energy saving and emission reduction initiatives we have taken include the following:

- Technical energy-saving measures: Increase the R&D and application of energy-saving technologies, promote the application of intelligent production technologies and energy management systems, use energy-saving equipment, use frequency conversion control for high-power equipment, install shunt capacitor panels next to

the workshop substation or equipment to compensate for reactive power, use grid-type anode plates, and utilize height difference to realize self-flow of liquids, among others, to reduce energy consumption and lower the level of carbon emissions.

- Management of energy-saving measures: strengthening the management of production plans, optimizing the organization of production, establishing an energy-saving target responsibility system, carrying out regular energy-saving education and training activities, and organizing energy-saving competitions.

- Green Office: Double-sided printing is used for all internal documents, lights are turned off during lunch breaks, and energy-saving slogans are posted in the office area to remind employees to save energy.

A breakdown of our major energy consumption during the Track Record Period is set out below:

	For the year ended December 31,			For the six months ended June 30,
	2022	2023	2024	2025
Total integrated energy consumption (thousand tons of coal)	2.6	5.2	13.0	5.7
Purchased electricity (GWh)	18.8	17.5	40.1	32.9
Diesel consumption (thousand tons)	0.2	2.3	6.4	1.3
Comprehensive energy consumption per unit of output value (tons of standard coal/RMB million yuan revenue)	4.1	7.3	7.4	5.9
Direct GHG emissions (Scope 1) (thousand tons of CO_2 equivalent)	0.7	7.4	20.4	4.1
Indirect GHG emissions (Scope 2) (thousand tons of CO_2 equivalent)	7.8	7.3	16.7	13.7
Total GHG emissions (Scope 1 and Scope 2) (thousand tons of CO_2 equivalent)	8.5	14.7	37.1	17.8
GHG emission intensity (tons of CO_2 equivalent per RMB million of revenue)	13.3	21.1	21.0	18.5

Notes:

(1) In view of our current smelting business, which is primarily located in DR Congo and Zambia, the above figures includes Jinxun DR Congo and Rong Xing Investments. Our subsidiaries in other countries and regions only have a small number of employees engaged in the administration and sales business that causes a relatively small impact on overall energy and greenhouse gas (GHG) emissions. Therefore, the relevant data of such subsidiaries is not included in the statistics at this time.

(2) During the Track Record Period, our consolidated energy consumption and total GHG emissions increased, generally in line with our business development. This increase was mainly due to our continued expansion of production capacity. The second phase of the Zambia Project began operating in March 2022, and the first phase of DR Congo Project began operating in August 2023. These expansion led to an increase in our energy and GHG emission intensity in 2023 compared to 2022.

(3) Although our total integrated energy consumption and total GHG emissions have increased between 2023 and 2024, the comprehensive energy consumption per unit of output value and GHG emission intensity has remained relatively stable as the capacity utilization of new projects has gradually increased.

(4) In the early stages of commissioning our projects in Jinxun DR Congo, we used diesel generators to provide electricity for production. As our operations matured, we optimized our energy mix and increased our purchase of electricity from the local grid. Consequently, our purchased electricity increased significantly in the six months ended 30 June 2025, compared to the same period in 2024, while our diesel consumption decreased significantly.

During the record period, our comprehensive energy consumption and total GHG emissions were primarily affected by new fresh projects and capacity expansion. Between 2023 and 2024, our combined energy consumption per unit of output and GHG emission intensity remained relatively stable as the capacity utilization of new projects gradually increased.

We introduced grid anode plate technology in 2023, which increased the current efficiency from the traditional 93% to 95%, saving approximately 40kWh of electricity per ton of copper. From 2023 to 2024, this technology achieved a total energy savings of approximately 730.2 MWh.

According to the GHG Protocol-Corporate Value Chain (Scope 3) Accounting and Reporting Standard, we emit Scope 3 — Other Indirect GHG Emissions (Scope 3 Emissions) from business travel, employee commuting, waste disposal, transportation and distribution (upstream and downstream), and processing of products sold. These emissions arise from activities up and down our value chain and are controlled by other operating entities. Due to challenges in the availability of relevant data, we are planning to gradually identify statistical mechanism of Scope 3 emissions and make an appropriate disclosure in the future.

Water Resource Management

Our water resources are mainly used for domestic water for production and water for production processes. We strictly comply with the laws and regulations of the locations in which we operate and have formulated internal systems such as the "Energy Resource Management and Energy Conservation System" to clarify the water resources management system, water resources risk assessment and water resources usage specifications. The Group's

water sources are mainly municipal water, surface water and groundwater. We have clearly defined water resource management in the "Energy Resource Management and Energy Conservation System", formulated annual water conservation plans and annual water conservation targets for equipment and domestic water consumption, reviewed water consumption on a monthly basis, and conducted inspections of water consumption on-site from time to time. In 2022, 2023, 2024 and the six months ended June 30, 2025, our water consumption was 237.6 thousand, 396.1 thousand, 687.3 thousand and 461.4 thousand cubic meters, respectively. And the corresponding water intensity was 372.7 cubic meters per RMB million of revenue, 570.3 cubic meters per RMB million of revenue, 388.2 cubic meters per RMB million of revenue and 478.8 cubic meters per RMB million of revenue, respectively.

The main water conservation initiatives we have undertaken include the following:

- *Strengthening the recycling of water resources:* in the smelting process, the wastewater generated from leaching, washing and other processes is treated and reused, so as to improve the reuse rate of water resources.

- *Installation of water-saving appliances and equipment:* Strengthening the maintenance and management of water-using equipment, regularly checking water pipes, valves and faucets and other equipment, and repairing leaks in a timely manner to avoid wasting water resources.

- *Establishment of water metering management system:* Measuring and counting water consumption of each production workshop, department and living in the factory, analyzing the water consumption situation, finding potential points for water saving and taking corresponding measures to reduce water consumption.

- *Water-saving culture construction:* carry out water-saving publicity and education activities to improve the staff's awareness of water conservation and develop good habits of water conservation.

Pollutants and emissions

Our smelting production process involves the discharge of pollutants into the atmosphere, water bodies, soil and other environments. We strictly comply with the Law of the People's Republic of China on Prevention and Control of Air Pollution and other laws and regulations applicable to the locations where we operate, and fully implement the Comprehensive Emission Standards for Air Pollutants (GB 16297-1996) and Technical Specifications for Setting Up of Exhaust Gas Monitoring Points for Fixed Pollution Sources (DB 37/T3535-2019) and other management standards. We have defined the emission targets for each pollutant and waste and set scientific control limits with reference to industry standards and guidelines.

We strictly follow our environmental impact assessment system, adopt effective measures for the treatment of waste gas, waste water and solid waste, and monitor the emission of waste gas through regular and daily testing to strictly ensure that the concentration of waste gas emissions and the total amount of pollutants comply with the regulatory requirements.

- Exhaust gas and dust management: Our exhaust gas mainly consists of dust and acid mist, as well as sulfur dioxide generated from the use of diesel fuel. We reduce dust by setting up two spray cannons in the ore crushing system of the rough crushing station, timely adopting measures such as sprinkling water and covering thatching during the loading and transportation of ore; and we suppress the generation of acid mist by adopting sealing of the tanks in the leaching and cobalt recovery workshop with a cover, adopting a semi-open plant design for the workshop of the electrowinning vehicle and adding fiber balls to the electrowinning tank.

- Wastewater management: We realize solution recycling through closed loop system in production, and almost no wastewater is discharged externally, among which, the underflow slurry produced by milling is sent to smelting area, and the magnesium precipitation liquid from smelting is returned to milling as supplemental water; the leaching liquid produced by leaching is extracted to get extraction residue, and the extraction residue is treated in grease traps, and then returned to leaching or used in leaching washing; the electroprecipitation electro-poor liquid produced by electroaccumulation gets electro-rich liquid through back-extraction, and then sent to the electroaccumulation workshop to produce copper cathode; the domestic wastewater is treated and qualified for use by sprinkling trucks. Our safety and environmental protection department is responsible for supervising and guiding the wastewater treatment work, and the ore processing plant is responsible for the daily management and maintenance of the wastewater treatment station. Employees of the wastewater treatment station regularly check the operation of the sewage system and the drainage electrical equipment, and regularly monitor whether the relevant data meet the standards.

- General solid waste management: We set up garbage bins at industrial sites to collect domestic garbage, which will be transported by garbage trucks to garbage dumps for treatment.

- Tailings storage management: We transport all the waste slag generated from the smelting process to the environmentally friendly tailings storage. The environmentally friendly tailing pond is surrounded and bottomed with HDPE anti-seepage membrane, and a seepage conduction system has been set up to avoid adverse impact on the surrounding environment. After the service period, the tailing pond will be covered with soil and greened with vegetation. In 2022, 2023, 2024 and the six months ended June 30, 2025, our tailings volume was 145.6 thousand tons, 636.6 thousand tons, 1,432.0 thousand tons and 758.9 thousand tons, respectively.

Chemicals management

We are engaged in the wet smelting process of copper, which involves the use of sulfuric acid, copper sulfate, extractants and other related chemicals. Some of these chemicals may pose potential risks of accidents such as combustion, explosion and poisoning during transportation and storage. We fully identify and investigate the safety risks associated with chemicals, make good declaration and registration of chemicals at source, strengthen the safety management of the whole chain of chemicals, and strictly ensure the safety of chemicals.

We have formulated our safe production management system and our environmental protection management System, in which the identification of hazardous and harmful factors, division of management responsibilities, risk evaluation and control management of activities or scenarios such as the transportation of raw materials, products and the use of the process, among others, are clearly stipulated, covering the transportation, storage and use of hazardous chemicals in all aspects. We also conduct professional training for employees involved in the use, storage and transportation of chemicals to promote employees' understanding of the nature of chemicals, hazards, safe operation procedures and emergency treatment methods, and formulates comprehensive emergency plans for chemical accidents and organizes emergency drills on a regular basis; adopts the necessary protective measures, such as protective goggles, masks and gloves; and is equipped with the necessary emergency rescue equipment and materials, such as fire extinguishers, eye washers, first-aid medicines, etc., eyewash, first aid medicines, among others, to prevent potential occupational health hazards.

Responding to Climate Change

We consider it our duty to respond to climate change by proactively identifying and analyzing the potential impacts of climate-related risk factors, and have begun to carry out appropriate planning to enhance our capacity to respond to climate risks, and to take comprehensive action to enhance our resilience to climate risks.

In terms of physical risk, extreme weather events such as floods, typhoons, wildfire, extreme heat etc. will have a direct impact on mining 'infrastructure' and equipment, increase energy demand, and lead to increased operating costs. We have conducted analysis and assessment on climate risk, and fully considered climate risk through extreme weather monitoring and warning, project site selection and feasibility assessment. Our new projects are all located in inland areas, and we have fully considered the impact of extreme weather events when selecting sites, and have developed emergency disaster recovery plans to ensure the stability and safety of operations. In the medium to long term (5-10 years), the impact of climate related physical risk on us is relatively low.

In terms of transition risk, as regulatory requirements for climate change continue to strengthen, compliance may incur additional costs and involve other unexpected impacts that could impact our operations, financial condition and results of operations. The transition to a low-carbon economy will require appropriate investments and may involve policy, legal, technological, and market changes to address climate change mitigation and adaptation

requirements, given that mining and mineral processing are energy-intensive businesses. In the medium to long term (5-10 years), the response to transition risk mainly requires us to collect carbon emissions data, hire carbon emissions management staff, carry out energy-saving and carbon reduction projects, etc., and the related costs or inputs will have a minor impact on us and remain within our estimates. Meanwhile, the increasing demand for renewable energy and low-carbon technologies is expected to drive demand for energy transition metals, such as copper and cobalt. This may provide us with certain business opportunities.

Type of risk	Risk Factor	Risk Description	Potential Impact
Climate-related physical risks			
Acute risks	Extreme weather events	The occurrence of catastrophic high temperatures, droughts, heavy rains and other weather events may cause our production sites and offices to be exposed to the risks of flooding, damage to facilities and equipment, and production interruptions, and may prevent suppliers from making timely deliveries or deliveries to customers on time, affecting the stability of deliveries.	Rising operating costs or business interruption
Physical risks	Chronic natural disasters	Rising temperatures and changes in rainfall may affect our business activities. For example, we may need to consume electricity and natural gas more frequently to use refrigeration equipment and warming facilities in order to maintain appropriate temperatures and ensure the health of our employees, resulting in higher operating costs.	Higher operation and maintenance costs
Climate-related transition risks			
Policy and legal risks	Carbon emission regulatory requirements	As the global focus on climate change intensifies and national and local dual-carbon policy requirements gradually increase, we may face stricter carbon emission restrictions and green development policies, resulting in higher environmental compliance costs.	Declining demand for products and services Decline in sales revenue
Technological risks	Investment in low-carbon technologies	With the continuous development of digital transformation, automation and green technologies in the metal smelting industry, we are faced with continuous changes in new technologies, including investments in the field of low-carbon technologies in order to carry out low-carbon and energy-saving related technological upgrades or innovations, which may result in investment losses due to mispositioning or mistargeting of the investments or encountering technological bottlenecks.	Return on investment not as good as expected

Type of risk	Risk Factor	Risk Description	Potential Impact
Market risks .	Raw material supply risk	Raw material suppliers or due to extreme weather, fluctuations in energy prices, among others, resulting in an increase in raw material prices, operating costs, or in severe cases, disruptions in the supply chain, affecting Our production.	Increased operating costs
	Changes in market demand	Investors and consumers are paying more attention to the issue of corporate carbon emissions and low-carbon transition. Metal smelting companies, as the companies under focus, may lead to risks such as divestment and reduced sales if the green transition fails to meet expectations.	Declining demand for products and services
Reputational risks.	Increased stakeholder concerns and negative feedback	If the performance in environmental protection and carbon reduction does not meet the expectations of stakeholders or generates negative feedback, it may lead to damage to the brand image and be questioned by relevant parties.	damaged goodwill
Climate-related opportunities			
Products and Services . .	Increased demand for non-ferrous metals	In the context of global green development, the demand in the fields of photovoltaic, wind power, transmission and distribution network expansion will drive the demand for copper, cobalt and other non-ferrous metal products to continue to grow. We are expected to further capitalize on market opportunities with guaranteed production capacity.	Increased demand for products
Resource efficiency. .	Resource and energy efficiency improvements	In response to climate change, we are actively working to improve the efficiency of energy resource utilization by adopting energy-saving measures and implementing the "Energy Efficiency Improvement" program to reduce the use of energy resources and thus reduce operating costs.	Increased energy efficiency

In response to the above climate risk factors, we will continue to improve our monitoring measures, pay attention to weather forecasts in a timely manner, provide advance warnings of extreme weather, and properly arrange work plans; conduct regular safety training and emergency drills to enhance the ability of our employees to prevent and deal with natural disasters and accidents arising from them; and. At the same time, we have increased our efforts in the research and development and application of green and low-carbon technologies, focusing on promoting the upgrading of energy-saving and consumption-reducing equipment and the introduction of innovative technologies, and have continued to improve our coping mechanisms to minimize the impacts of climate change.

Ecological conservation and biodiversity

We continuously carry out biodiversity and land resource management at all stages of project design, implementation and completion. For all new projects, we carry out environmental protection due diligence and environmental impact assessment, and comprehensively evaluates the potential impact of the project on biodiversity. If significant ecological risks are found, we will terminate the investment or construction plan.

We attach great importance to ecological protection, and adopts biological management measures combined with slope protection and planting a certain width of protective forest belt around the production plant, so as to minimize the impact of harmful dust generated during the production process on the surrounding ecological environment. When the discharge site reaches the expected design elevation, we will carry out the topsoil layered covering work, try to lay the small grain size, low hardness, easy to weather the rocks and fertile soil on the upper layer to facilitate crop growth, and plant fast-growing drought-resistant, barren plants, such as purple flowers, alfalfa, erect milkvetch, etc. to achieve the effect of maintaining soil and water and increasing the fertilizer. At the same time, the mulching of the production area also plays the role of water conservation to maintain the soil and water at the periphery of the production area and to reduce the loss of water and the role of desertification.

Social Responsibility

We have always placed social responsibility at the forefront of its development, actively assumed social responsibility, committed to sharing the fruits of corporate development with the community, maintaining friendly, mutually beneficial and win-win relationships with employees, customers, suppliers and other stakeholders, and promoting our sustainable development.

Safety and Occupational Health

We are required to comply with workplace safety laws and regulations in the countries and regions in which we operate. We regard occupational health and safety as an important part of our responsibilities. We have also adopted and implemented a number of measures relating to occupational health and safety. We have implemented systems and processes to identify and prevent accidents and hazardous situations, as well as processes relating to emergencies, accidents and other hazardous situations.

We have continuously improved the integrity and operational effectiveness of our HSE management system. We have sorted out and improved the management system, clarified the management elements that we focus on controlling at the current stage, and designed management processes and methods for these elements, and built an occupational safety management system that meets our overall strategy and is in line with the characteristics of globalized operations. We have formulated and revised the Occupational Safety Management System, and our subsidiary, Rong Xing Investments, has formulated a series of procedural documents, such as the Measures for the Management of Safe Operations of Rong Xing

Investments, and the System of Responsibility for Safe Production of Rong Xing Investments, to ensure the relative completeness of the management system, and implement the responsibility for safe production to each department. We have established a standardized safety management system, and We have obtained a certificate of safety management system certification (ISO45001), and such certification held by us is valid until January 4, 2028.

We conduct regular safety inspections to help ensure that our manufacturing facilities are operating properly and that our employees are complying with our safety manual. Any irregularities noted during regular safety inspections are reflected in our safety records and subsequent remedial measures are taken by the responsible departments and/or senior staff. In addition, we continue to strengthen our efforts in identifying and managing potential hazards by deploying safety management personnel at each of our production sites to conduct regular hazard inspections at the work sites in accordance with our safety inspection program to ensure that the work sites are in compliance with safe production conditions.

We provide comprehensive health and safety training for our employees to improve their safety awareness, prevent production and safety accidents, and mitigate occupational hazards. We formulate a safety education program every year, and the Integrated Management Department and the Safety and Environmental Protection Department provide safety education and training to the persons in charge of each production area and the operators of each position in a timely manner for the production situation and the position configuration of that year, covering relevant national laws and regulations, Our safety rules and regulations, the mine's safety system and the operation process, among others, with the aim of overall improvement of the safety skills of the employees engaged in the high-risk industry, and to ensure that the affiliated companies In-service and newly recruited employees receive full production safety knowledge and skills upgrading training.

The occupational disease hazards involved in our production process include metal dust, chemical substances, irritating gases, noise and vibration. In order to reduce the risk of occupational diseases, improve the level of occupational health protection, we have also taken a number of safety measures, including: (i) formulating an annual safety education program every year to provide safety education to the persons in charge of each production area and to the operators of each position; (ii) carrying out safety inspections on a regular basis; and (iii) equipping chemical operators with protective goggles, masks, gloves and other materials, and providing employees with dustproof, anti-static, acid- and alkali-resistant and corrosion-resistant work clothes and a set of personal protective equipment; (iv) organizing regular annual medical check-ups for the entire workforce, including our foreign colleagues; (v) selecting as far as possible non-toxic and non-hazardous advanced production processes in the formulation of production and construction projects; and (vi) safety inspections are conducted daily at each plant, weekly production safety meetings are held at each subsidiary, monthly reports are made by each subsidiary to the headquarter, random safety inspections are conducted from time to time, and problems are found to be reported, rectified immediately, and appraisal notifications are made.

During the Track Record Period and as of the Latest Practicable Date, we had not encountered any safety- or robbery-related incidents. Save for one fatality in February 2025 in Zambia due to inappropriate use of acid offloading equipment, we had not experienced any other fatality during the Track Record Period and up to the Latest Practicable Date. See "— Compliance and Legal Proceedings" for more details. In 2022, 2023, 2024 and the six months ended June 30, 2025, we recorded nil, one, one and nil work-related injury incidents, corresponding to nil, 92, 45 and nil days of lost workdays due to work-related injuries. We have investigated both work-related. Specifically, the work-related injury incident in 2023 occurred in the cobalt workshop of our product facility in DR Congo, while the work-related injury incident in 2024 occurred in the raw material preparation workshop of our production facility in DR Congo. The two injuries were purely accidental, mainly due to the failure of such employees to follow our policies and operating practices which resulted in pinch injuries and arm scratches, all of which were classified as minor injuries. We have comforted and compensated the injured employees and their families, and comprehensively rectified the occupational wellness safety hazards. We have taken the following measures to address potential safety hazards and vulnerabilities, and to improve and strengthen the safety of the work environment: (i) the raw material workshop prohibiting the use of non compliant tools to clean the tail wheel; (ii) management personnel strengthening daily inspections and promptly identify safety hazards; (iii) improving the safety operation procedures for acid loading and unloading; (iv) providing operators with acid-resistant personal protective equipment; (v) installing emergency cleaning equipment next to the unloading bay; and (vi) training employees who handle hazardous substances on safe handling procedures. Following the implementation of enhanced internal policy, we further consulted with the Internal Control Consultant, and they had no further recommendations with respect to our work environment safety internal control.

Protection of labor rights and interests

We comply with the relevant labor standards, laws and regulations of the jurisdictions in which we operate. Our PRC employees working in the DR Congo and Zambia have obtained valid work permits, which are renewed annually. The labor contracts of our local employees are executed in accordance with the local laws of the countries in which they work. During the Track Record Period and up to the Latest Practicable Date, we have not been involved in any material labor rights violations or litigation in the DR Congo, Zambia or the PRC.

We strictly implement the laws and regulations applicable to the locations in which we operate, and we are committed to following and adopting high standards of international labor conventions and initiatives, and we have formulated our Personnel Management System and other systems to clearly define our policy on the protection of labor rights and interests. Our Recruitment Management System clearly states that no one under the age of 18 shall be employed. During the onboarding process, the true age of employees shall be verified through information verification; forced labor and any form of discrimination (including but not limited to gender, ethnicity and religious factors) are prohibited. Our Recruitment Management Regulations clearly state that no person under the age of 18 shall be employed. During the

onboarding process, the true age of the employee shall be verified through information verification; forced labor and any form of discrimination (including but not limited to gender, ethnicity and religious factors) are prohibited.

Due to the differences in the countries and regions in which our subsidiaries are located and the content of their work, each subsidiary ensures that the working hours of its employees do not exceed the legal working hours in accordance with the laws and regulations of the countries and regions in which they are located. At our copper cathode smelting sites in Zambia and DR Congo, we adhere to the principle of "six-day work week", with a maximum of eight hours of work per day and a maximum of 42 hours of work per week. In addition to statutory holidays, we also provide our employees with paid leave, including annual leave, sick leave, maternity leave, marriage leave and bereavement leave. At the same time, we provide employees with overtime, night shift and high temperature allowances to further enhance the level of employee benefits, protect the legitimate rights and interests of employees and promote work-life balance.

We respect differences, encourage diversity, and do not discriminate against employees on the basis of gender, age, location, religion, among others, or make it an obstacle to their development in us. We have established a standardized internal complaint and handling mechanism and a monitoring organization. Employees who believe that they have been discriminated against, harassed, or treated unfairly can provide feedback through an anonymous complaint hotline. We will take strict confidentiality and protection measures for those who make complaints and grievances, and any form of retaliation is strictly prohibited. During the Track Record Period, we have not received any cases of discrimination or harassment against employees.

The composition of our employees by gender, and geographical distribution is shown in the table below. For details of our employees, including their functions and educational qualifications, see "— Employees".

	For the year ended December 31,			For the six months ended June 30,
	2022	2023	2024	2025
Total number of employees	687	782	826	901
Number of employees by gender				
Male	607	716	754	822
Female	80	66	72	79
Number of employees by region				
Chinese Mainland	149	134	152	188
DR Congo	241	354	273	294
Zambia	288	286	390	409
Peru	9	8	11	10

Talent Cultivation and Development

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

In terms of training and development, we will assign or transfer employees to different positions to arrange occasional vocational training according to business development needs. Combined with the self-growth and development demands of employees, we focus on key stages and key groups, and carry out key training specialties in different fields and modules, covering new employee training, technical training, professional ability training, among others, to meet the growth and development needs of different stages, different fields and different forms.

In terms of performance appraisal, we have established a performance appraisal system covering all employees at home and abroad, and formulated a performance management system and process, by breaking down the strategic objectives, organizational objectives and individual objectives layer by layer, to form a closed-loop process from the formulation of performance objectives, performance implementation and coaching, performance evaluation and performance feedback.

In terms of career advancement, we have established a professional and management promotion mechanism based on performance, ability and experience requirements, providing employees with two development paths: management path and professional path. Every year, we determine the promotion requirements for the current year based on business and manpower planning, and carry out promotion nomination, qualification review, employee defense, approval of results and employee communication in order to identify truly outstanding talents and give them promotion opportunities.

Responsible Supply Chain

We uphold the principles of openness, fairness and impartiality, emphasize communication with suppliers, and strive to establish long-term mutually beneficial and win-win relationships with suppliers. We have formulated the Supplier Management and Evaluation System to facilitate the purchasing department's assessment of supplier qualifications, credit rating, product quality, and suppliers' daily maintenance measures. We promote responsible practices with our suppliers by setting clear standards, operational transparency and continuous improvement. We require suppliers to commit to comply with relevant laws and regulations in all operational activities, abide by high ethical and moral requirements, and commit to and comply with the following behavioral standards, such as: requiring suppliers to provide their employees with safe and healthy living and working environments that comply with the requirements of laws and regulations, local rules and regulations, and industry norms; to develop sufficient and effective adequate measures for

emergency preparedness and response; and to commit to obtaining, update the necessary safety permits; establish and maintain an effective labor, health and safety, environmental and business ethics management system and continuously improve it; commit to reducing the impact on the environment, protecting natural resources, reducing the adverse impact on the environment during the production process, reducing energy consumption and greenhouse gas emissions, and prohibiting the illegal discharge of toxic and hazardous pollutants, including wastewater, waste gas or waste residue.

The agreements we sign with our suppliers include requirements related to integrity, safety management, and environmental management, and we conduct on-site audits from the corresponding dimensions during the admission of suppliers. We also include safety assessment as a demerit item, and will severely deduct points for each vicious incident or safety accident.

Community relations

We are committed to conducting our business activities in a manner that promotes positive and open relationships with local communities, communicates with the communities in which we operate, seeks to understand community feedback and concerns through a variety of channels, and actively participates in the development of local communities by providing local employment and supporting local health, safety and education programs. During the Track Record Period, we provided more than 800 jobs in Zambia and DR Congo and participated in local infrastructure projects in Africa, including the construction of schools, bus stations and roads.

Community giveback activities we have undertaken include (i) ongoing donations of materials and support for the construction of wells for local communities and schools in Zambia from 2018 to 2020; (ii) a donation for the construction of a bus station/passenger waiting room in Zambia along the Mufulira Road in May 2022; and (iii) a donation to fund the construction of three classrooms in the Kalulushi area of Kempisi, Zambia in May 2022.

OVERVIEW

Immediately upon completion of the [**REDACTED**] (without taking into account any Shares which may be issued pursuant to the exercise of the [**REDACTED**]), our ultimate Controlling Shareholder, Mr. Yuan, will, directly or through Heli Investment, will hold approximately [74.94]% of the total share capital of our Company. Heli Investment is our share incentive platform which is controlled by Mr. Yuan, acting as its general partner, by managing its daily affairs and exercising the voting rights on behalf of Heli Investment as our Shareholder pursuant to the partnership agreement of Heli Investment. Mr. Yuan will, directly or through Heli Investment, control the exercise of more than 30% of the voting power at general meetings of our Company upon [**REDACTED**]. See ''History and Corporate Structure — Our Corporate development — Share Incentive Platform" for further details of Heli Investment. Accordingly, Mr. Yuan and Heli Investment constitute a group of our Controlling Shareholders under the Listing Rules.

Mr. Yuan, our ultimate Controlling Shareholder, is our executive Director, chief executive officer and chairman of our Board. For further background of Mr. Yuan, see "Directors and Senior Management — Board of Directors — Executive Directors."

DELINEATION OF BUSINESS

Each of our Directors and our Controlling Shareholders has confirmed that, as of the Latest Practicable Date, none of them or any of their respective close associates had interests in any business, other than our business, which competes, or is likely to complete, either directly or indirectly, with our business which would require disclosure under Rule 8.10 of the Listing Rules.

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS AND THEIR RESPECTIVE CLOSE ASSOCIATES

Having considered the following factors, we believe that we are capable of carrying on our business independently of our Controlling Shareholders and their respective close associates (other than our Group) after the [**REDACTED**] for the following reasons:

Management Independence

Our Board comprises three executive Directors and three independent non-executive Directors. As of the Latest Practicable Date, save for Mr. Yuan, who is our executive Director and ultimate Controlling Shareholder and Ms. Yuan Mei, who is our executive Director and Mr. Yuan's sister, none of our Directors or members of our senior management team is a close associate of our Controlling Shareholders. As such, we believe that our Board as a whole and members of the senior management are able to perform their roles in our Group independently and that our Group is capable of managing our business independently from our Controlling Shareholders and their respective close associates.

Each of our Directors is aware of his/her fiduciary duties as a Director, which require, among other things, that he/she acts for the benefit and in the best interests of our Company and does not allow any conflict between his/her duties as a Director and his/her personal interests. In the event that there is any potential conflict of interest arising out of any transaction to be entered into between our Group and any of the Directors or their respective close associates, the interested Director(s) shall abstain from voting at the relevant board meetings of our Company in respect of such transactions and shall not be counted in the quorum.

Based on the reasons above, our Directors are of the view that our Group is capable of managing our business independently from our Controlling Shareholders and their respective close associates after the [**REDACTED**].

Operational Independence

We have full rights to make all decisions on, and to carry out, our own business operations independently from our Controlling Shareholders and their respective close associates and will continue to do so after the [**REDACTED**]. Our Group is able to operate without reliance on our Controlling Shareholders and their respective close associates.

Licenses required for operation

We hold all relevant licenses necessary to carry on our current business independently from our Controlling Shareholders and their respective close associates.

Access to customers and suppliers

We have a diversified base of customers that are independent to our Controlling Shareholders and their respective close associates. During the Track Record Period, our customers generally included metal trading companies and non-ferrous metal producers, which are independent from our Controlling Shareholders. In addition, we have independent access to suppliers and business partners as well.

Operational facilities and administration

As of the Latest Practicable Date, our Company operated and maintained properties, facilities and equipment necessary to our business operations that are independent from our Controlling Shareholders and their respective close associates.

Employees

As of the Latest Practicable Date, all of our employees were recruited independently from our Controlling Shareholders and their respective close associates and primarily through both internal referrals and external sources such as recruiting websites and third-party recruiters.

Financial Independence

We have independent financial and internal control systems. We have established our own finance department with a team of financial staff, who are responsible for financial control, accounting, reporting, group credit and internal control function of our Company. We can make financial decisions independently and our Controlling Shareholders does not intervene with our use of funds. In addition, we have been and are capable of obtaining financing from Independent Third Parties.

During the Track Record Period, Mr. Yuan and Ms. Yuan Mei (the "**Guarantors**") had been, individually or jointly, providing personal guarantees as security for certain of our loans with commercial banks. As of the Latest Practicable Date, we had a bank loan of RMB2 million borrowed by Jinxun Shanghai from Bank of China Limited Shanghai Zhabei Branch with the maturity date on December 3, 2025. Such loan will be terminated or repaid before [**REDACTED**].

We have obtained written confirmations in principle from independent financial institutions which agreed to provide facilities of around RMB150 million in May 2025, without any security or guarantee from our ultimate Controlling Shareholder and/or the legal representative of our Company and subsidiaries, which if being able to be successfully drawn down, would be sufficient for our Group to repay and release all outstanding debts underlying the Guaranteed Loans.

Our Company will not have any outstanding loans, advances or balances due to or from our Controlling Shareholders or their respective close associates upon [**REDACTED**]. We will not have any share pledge or guarantee provided by or to our Controlling Shareholders and their close associates on the borrowings of our Group and vice versa upon the [**REDACTED**].

Accordingly, our Directors are of the view that our Group is capable of maintaining financial independence from our Controlling Shareholders and their close associates.

CORPORATE GOVERNANCE MEASURES

Our Controlling Shareholders have confirmed that he has fully comprehended his obligations to act for the benefit and in the best interests of our Shareholders as a whole. Our Directors recognize the importance of good corporate governance in protecting our Shareholders' interests. We would adopt the following measures to safeguard good corporate governance standards and to avoid potential conflict of interests between our Group and our Controlling Shareholders:

(a) as part of our preparation for the [**REDACTED**], we have amended our Articles of Association to comply with the Listing Rules. In particular, our Articles of Association provided that, unless otherwise provided, a Director shall not vote on any resolution approving any contract or arrangement or any other proposal in which such Director or any of his/her associates have a material interest nor shall such Director be counted in the quorum present at the meeting;

(b) we are committed that our Board should include a balanced composition with not less than one-third of independent non-executive Directors to ensure that our Board is able to effectively exercise independent judgment in its decision-making process and provide independent advice to our Shareholders. We have appointed three independent non-executive Directors and we believe our independent non-executive Directors possess sufficient experience and they are free of any business or other relationship which could interfere in any material manner with the exercise of their independent judgment and will be able to provide an impartial, external opinion to protect the interests of our public Shareholders. For details of our independent non-executive Directors, see "Directors and Senior Management — Board of Directors — Independent non-executive Directors" in this document;

(c) we have established internal control mechanisms to identify conflict of interest and connected transactions. A Director with material interests shall make full disclosure in respect of matters that may have conflict or potentially conflict with any of our interest and abstain from the board meetings on matters in which such Director or his/her associates have a material interest, unless the attendance or participation of such Director at such meeting of the Board is specifically requested by a majority of the independent non-executive Directors. In the event that our independent non-executive Directors are requested to review any conflicts of interests circumstances between our Group and our Controlling Shareholders, our Controlling Shareholders and/or our Company shall provide our independent non-executive Directors with all necessary information and our Company shall disclose the decisions of our independent non-executive Directors (including why business opportunities referred to it by our Controlling Shareholders were not taken up) either in its annual report or by way of announcements;

(d) we have appointed Quam Capital Limited as our compliance advisor, which will provide advice and guidance to us in respect of compliance with the applicable laws and the Listing Rules including various requirements relating to Directors' duties and corporate governance; and

(e) upon [**REDACTED**], if our Company enters into connected transactions with our Controlling Shareholders and their respective associates, our Company will comply with the Listing Rules. In addition, as required by the Listing Rules, our independent non-executive Directors shall review any continuing connected transaction annually and confirm in our annual report that such transactions have been entered into in our ordinary and usual course of business, are either on normal commercial terms or on terms no less favorable to us than those available to or from independent third parties and on terms that are fair and reasonable and in the interests of our Shareholders as a whole.

BOARD OF DIRECTORS

Our Board currently consist of six Directors, including three executive Directors and three independent non-executive Directors**.** The powers and duties of our Board include determining our business and investment plans, preparing our annual financial budgets and final reports, formulating proposals for profit distributions and exercising other powers, functions and duties as conferred by the Articles. We have entered into a service agreement with each of our executive Directors and a letter of appointment with each of our independent non-executive Directors.

The table below sets out the key information of our Directors and senior management:

Our Directors

Name	Age	Existing position(s) in our Group	Date of joining our Group	Date of appointment as Director	Roles and key responsibilities in our Group	Relationship with other Directors and senior management
Executive Directors						
Mr. Yuan Rong (袁榮)	41	Executive Director, chairman of our Board, chief executive officer and general manager of our Company	January 21, 2010	March 10, 2011	Responsible for providing guidance and the formulation of business strategies for the overall management and business operation and development of our Group	Brother of Ms. Yuan
Ms. Yuan Mei (袁梅)	39	Executive Director and secretary of the Board	February 25, 2016	June 28, 2016	Responsible for the overall supervision and management of corporate governance and company secretarial matters of our Group	Sister of Mr. Yuan

Name	Age	Existing position(s) in our Group	Date of joining our Group	Date of appointment as Director	Roles and key responsibilities in our Group	Relationship with other Directors and senior management
Mr. Yang Yongchang (羊永昌) . . .	47	Executive Director and chief financial officer	November 6, 2016	July 19, 2019	Responsible for the overall supervision and management of financial and accounting affairs of our Group	None
Independent non-executive Directors						
Ms. Zheng Dongyu (鄭冬渝) . . .	67	Independent non-executive Director	January 14, 2023	January 14, 2023	Responsible for providing independent advice to our Board	None
Mr. Xia Hongying (夏洪應) . . .	44	Independent non-executive Director	January 14, 2023	January 14, 2023	Responsible for providing independent advice to our Board	None
Mr. Wong Hok Bun Mario (黃學斌) . . .	46	Independent non-executive Director	May 16, 2025	May 16, 2025	Responsible for providing independent advice to our Board	None

Executive Directors

Mr. Yuan Rong (袁榮), aged 41, was appointed as our Director on March 10, 2011 and was re-designated as our executive Director and chief executive officer on May 16, 2025. He is primarily responsible for providing guidance and the formulation of business strategies for the overall management and business operation and development of our Group.

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

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

In addition, Mr. Yuan was honoured as an Outstanding Entrepreneur of Kunming High-tech Zone (昆明高新區優秀企業家) in September 2019 and received the Top Ten Influential Businessmen Award (十大風雲滇商人物獎) in December 2019. He was also awarded the Yunnan Youth Entrepreneurship Governor Award (雲南青少年創業省長獎) in January 2020 and the China Youth May Fourth Medal (中國青年五四獎章) in April 2023.

Mr. Yuan was a supervisor of the following company which was established in the PRC prior to its deregistration:

Name of the relevant company	Principal business activity	Status of company	Reason for dissolution	Date of dissolution
Yifeng County Huijin Trading Co., Ltd. (宜豐縣匯金貿易有限公司) . .	Trading in the PRC	Voluntarily deregistered	Not in operation	March 4, 2014

Mr. Yuan confirmed that, to the best of his knowledge, (i) the deregistered company above was solvent immediately prior to its deregistration and had no outstanding claim or liabilities arising from any material non-compliance incidents; (ii) he has not received any notification in respect of penalty, action or proceeding from the PRC authorities as a result of the deregistration; and (iii) he is not aware of any actual or potential claim which has been or will be made against him as a result of the deregistration.

Ms. Yuan Mei (袁梅), aged 39, was appointed as our Director and secretary of the Board on June 28, 2016 and was re-designated as our executive Director on May 16, 2025. Ms. Yuan joined our Group on February 25, 2016 as the assistant to general manager. She is primarily responsible for the overall supervision and management of corporate governance and company secretarial matters of our Group.

Ms. Yuan has over 14 years of experience in the finance and operations. From August 2010 to January 2016, Ms. Yuan held various positions in the group of Yunnanyun Copper and Zinc Industry Co., Ltd (雲南雲銅鋅業股份有限公司), a company primarily engaged in production, processing and sales of zinc and other non-ferrous metals and rare and precious metals, with her last position as a production operation officer. Since February 2017, Ms. Yuan has been serving as the director, general manager and financial controller of Tibet Huiyi, where she is responsible for overall management and execution of the company. Since October 8, 2022, Ms. Yuan has been serving as supervisor of Jinxun Anhui, where she is responsible for supervising and providing advice to the board of the company's director.

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

Ms. Yuan was a director of the following company which was established in the PRC prior to its deregistration:

Name of the relevant company	Principal business activity	Status of company	Reason for dissolution	Date of dissolution
Yunnan Jiu Duo Science and Technology Ltd (雲南久多科技有限公司) . .	R&D and technical services for electronic products; domestic trade, supply and marketing of materials; import and export of goods and technology	Voluntarily deregistered	Not in operation	February 21, 2024

Ms. Yuan confirmed that, to the best of her knowledge, (i) the deregistered company above was solvent immediately prior to its deregistration and had no outstanding claim or liabilities arising from any material non-compliance incidents; (ii) she has not received any notification in respect of penalty, action or proceeding from the PRC authorities as a result of the deregistration; and (iii) she is not aware of any actual or potential claim which has been or will be made against her as a result of the deregistration.

Mr. Yang Yongchang (羊永昌), aged 47, was appointed as our Director on July 19, 2019 and was re-designated as our executive Director on May 16, 2025. Mr. Yang joined our Group on November 6, 2016 as the treasurer and has been serving as our chief financial officer since August 2019. He is primarily responsible for the overall supervision and management of financial and accounting affairs of our Group.

Mr. Yang has over 24 years of experience in finance. Prior to joining our Group, Mr. Yang worked in Yunnan Green A Biology Engineering Co., Ltd. (雲南綠A生物工程有限公司), a company primarily engaged in production and sales of health food and Yunnan Lvwei Biotechnology Co., Ltd (雲南綠唯生物科技有限公司), a company primarily engaged in biotechnology research and development.

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

Independent non-executive Directors

Ms. Zheng Dongyu (鄭冬渝), aged 67, was appointed as our independent Director on January 14, 2023. Ms. Zheng joined our Group on January 14, 2023 and is primarily responsible for providing independent opinion and judgment to our Board.

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

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

Mr. Xia Hongying (夏洪應), aged 44, was appointed as our independent Director on January 14, 2023. Mr. Xia joined our Group on January 14, 2023 and is primarily responsible for providing independent opinion and judgment to our Board.

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

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

Mr. Wong Hok Bun Mario (黃學斌), aged 46, was appointed as our independent non-executive Director on May 16, 2025. Mr. Wong is primarily responsible for providing independent opinion and judgment to our Board.

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

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

Save as disclosed above, each of our Directors has confirmed that he/she has no other relationship with any other Directors, senior management, substantial shareholders or Controlling Shareholders of our Company as of the Latest Practicable Date. Save as disclosed in this document, none of our Directors has held any other directorships in listed companies during the three years immediately preceding the date of this document.

Save as disclosed herein, to the best knowledge, information and belief of our Directors having made all reasonable enquiries, there was no other matters relating to his/her appointment as our Directors that need to be brought to the attention of our Shareholders and there is no other information in relation to our Directors which is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules.

Each of our Directors has confirmed that he/she (i) obtained the legal advice on May 16, 2025 with regards to the requirements under the Listing Rules that are applicable to him/her as a director of a listed issuer and the possible consequences of making a false declaration or giving false information to the Stock Exchange as set out in Rule 3.09D of the Listing Rules and he/she understood his/her obligations as a director of a listed issuer.

Each of the independent non-executive Directors has confirmed his/her independence with regards to each of the factors as set out in Rules 3.13(1) to (8) of the Listing Rules and that there are no other factors that may affect his/her independence at the time of his/her appointment.

SENIOR MANAGEMENT

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

For the biographical details of Mr. Yuan, Ms. Yuan and Mr. Yang, see "— Board of Directors — Executive Directors."

COMPANY SECRETARY

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

Ms. Wan obtained her bachelor of science degree from the University of London in August 2011 in the United Kingdom. She also obtained her master of corporate governance degree from the Open University of Hong Kong (香港公開大學) (currently known as The Hong Kong Metropolitan University (香港都會大學)) in Hong Kong in August 2017.

BOARD COMMITTEES

We have established the Audit Committee, the Remuneration and Appraisal Committee, the Nomination Committee and the Strategy Committee and has delegated various responsibilities to these committees, which assist our Board in discharging its duties and overseeing particular aspects of our Group's activities.

Audit Committee

We have established the Audit Committee pursuant to Rule 3.21 of the Listing Rules with written terms of reference in compliance with paragraph D.3 of Part 2 of the Corporate Governance Code (the "**CG Code**") as set out in Appendix C1 to the Listing Rules. The Audit Committee consists of three members, namely Mr. Wong Hok Bun Mario, Ms. Zheng Dongyu and Mr. Xia Hongying. The chairman of our Audit Committee is Mr. Wong Hok Bun Mario, who is an independent non-executive Director of our Company and has the appropriate professional qualifications or related financial management expertise as required under Rule 3.10(2) of the Listing Rules.

The primary duties of the Audit Committee include, but not limited to, (i) reviewing and monitoring the external auditors' audit process and giving guidance to our internal audit work; (ii) making recommendations to our Board on the appointment, reappointment and removal of the external auditor; (iii) overseeing the effectiveness of our financial reporting system, risk management and internal control systems; (iv) reviewing and providing advice and comments on our financial reports; (v) coordination among our management team, internal audit department and related departments and external auditors; (vi) performing our corporate governance functions; and (vii) performing other duties and responsibilities as assigned by our Board and/or required by the relevant laws and regulations.

Remuneration and Appraisal Committee

We have established the Remuneration and Appraisal Committee pursuant to Rule 3.25 of the Listing Rules with written terms of reference in compliance with paragraph E.1 of Part 2 of the CG Code. The Remuneration and Appraisal Committee consists of three members, namely Ms. Zheng Dongyu, Mr. Xia Hongying and Ms. Yuan Mei. Ms. Zheng Dongyu is the chairman of the Remuneration and Appraisal Committee.

The primary duties of the Remuneration and Appraisal Committee include, but not limited to (i) establishing, reviewing and providing advices to our Board on our policy and structure concerning remuneration of our Directors and senior management and on the establishment of a formal and transparent procedure for developing policies concerning such remuneration; (ii) determining the terms of the specific remuneration package of each Director and senior management; (iii) reviewing and approving performance-based remuneration by reference to corporate goals and objectives resolved by our Directors from time-to-time; and (iv) reviewing and/or approving matters relating to share schemes under chapter 17 of the Listing Rules.

Nomination Committee

We have established the Nomination Committee pursuant to Rule 3.27A of the Listing Rules with written terms of reference in compliance with paragraph B.3 of Part 2 of the CG Code. The Nomination Committee consists of three members, namely Mr. Yuan Rong, Ms. Zheng Dongyu and Mr. Wong Hok Bun Mario. Ms. Zheng Dongyu is the chairman of the Nomination Committee.

The primary duties of the Nomination Committee include, but not limited to (i) reviewing the structure, size and composition of our Board on a regular basis and make recommendations to our Board regarding any proposed changes to the composition of our Board; (ii) identifying, selecting or making recommendations to our Board on the selection of individuals nominated for directorship, and ensure the diversity of our Board members; (iii) assessing the independence of our independent non-executive Directors; and (iv) making recommendations to our Board on relevant matters relating to the appointment, re-appointment and removal of our Directors and succession planning for our Directors.

Strategy Committee

We have established a Strategy Committee with written terms of reference. The Strategy Committee consists of three members, namely Mr. Yuan Rong, Ms. Yuan Mei and Mr. Xia Hongying. The chairman of the Strategy Committee is Mr. Yuan Rong.

The primary duties of the Strategy Committee include, but are not limited to (i) reviewing and commenting on the overall development and strategy planning of our Company and advising the Board on related matters; (ii) reviewing and commenting on the operational, investment, financing plans and advising the Board on related matters; and (iii) supervising the implementation of the plans and the corporate government matters and advising the Board.

BOARD DIVERSITY POLICY

Our Board [has adopted] a board diversity policy which sets out the approach to achieve and maintain diversity on our Board. Our Company recognizes and embraces the benefits of having a diverse Board and sees increasing diversity at our Board level as an essential element in supporting the attainment of our Company's strategic objectives and sustainable development. Our Company seeks to achieve Board diversity through the consideration of a number of factors, including but not limited to talent, skills, gender, age, cultural and educational background, ethnicity, professional experience, independence, knowledge. We will select potential Board candidates based on merit and his/her potential contribution to our Board while taking into account our board diversity policy and other factors. We will also take into account our own business model and specific needs from time-to-time. All Board appointments will be based on meritocracy and candidates will be considered against objective criteria, having due regard to the benefits of diversity on our Board.

Our Board has a balanced mix of genders, knowledge, skills and experience. Members of our board have obtained degrees in various majors including business administration, communication engineering, metallurgical engineering, accounting and law. We have three independent non-executive Directors from different industry backgrounds, including financial management and accounting, non-ferrous metals, law and economics and finance. Furthermore, our Directors are of a wide range of age, from 39 years old to 67 years old.

With regards to gender diversity on our Board, we recognize the particular importance of gender diversity. Our Board currently comprises two female Directors and four male Directors. We have taken and will continue to take steps to promote and enhance gender diversity at all levels of our Company. Our board diversity policy provides that our Board should aim to increase the proportion of female members over time after [**REDACTED**] where possible when selecting and making recommendations on suitable candidates for Board appointments. We will also ensure that there is gender diversity when recruiting staff at mid to senior level so that we will have a pipeline of female senior management and potential successors to our Board going forward. It is our objective to maintain an appropriate balance of gender diversity with reference to the expectations of stakeholders and international and local recommended best practices.

Our Nomination Committee is responsible for ensuring the diversity of our Board members. After [**REDACTED**], our Nomination Committee will review our board diversity policy and its implementation from time to time to monitor its continued effectiveness and we will disclose the implementation of our board diversity policy, including any measurable objectives and the progress on achieving these objectives in our corporate governance report on an annual basis.

CORPORATE GOVERNANCE

Our Company recognizes the importance of incorporating elements of good corporate governance in our management structure and internal control procedures so as to achieve effective accountability. We have adopted the code provisions stated in the CG Code. We are committed to the view that our Board should include a balanced composition of executive Directors and independent non-executive Directors so that there is a strong independent element on our Board that can effectively exercise independent judgment.

According to code provision C.2.1 of Part 2 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. Yuan is currently the chairman of our Board and the chief executive officer of our Company. In view of the fact that Mr. Yuan is our founder and has been assuming the responsibilities in the overall management and operation and formulation of business strategies of our Group since 2011, our Board believes that it is in the best interest of our Group to have Mr. Yuan taking up both roles for effective management and operations. Therefore, our Directors consider that the deviation from such code provision is appropriate. Notwithstanding such deviation, our Directors are of the view that our 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 our Board and the relevant committees of the Board, and there are three independent non-executive Directors on our Board offering independent perspective, our Board is therefore of the view that there are adequate safeguards in place to ensure sufficient balance of powers within our Board. Our Board shall nevertheless review the structure and composition of our Board and senior management from time to time in light of prevailing circumstances to maintain a high standard of corporate governance practices of our Company.

Our Company strives to achieve the high standards of corporate governance and will comply with the CG Code. Our Directors will review our corporate governance policies and compliance with the CG Code each financial year.

COMPENSATION OF DIRECTORS AND SENIOR MANAGEMENT

Our Directors and senior management receive compensation from our Group in the form of salaries allowances, benefit in kind, discretionary bonuses and retirement scheme contributions.

The remuneration (including salaries, allowances, benefits in kind, discretionary bonuses, retirement scheme contributions) recorded for our Directors and senior management in respect of the three years ended December 31, 2024 and the six months ended June 30, 2025 was approximately RMB1.63 million, RMB1.95 million, RMB2.05 million and RMB1.11 million, respectively. Save as disclosed above, no other amounts have been paid or are payable by any member of our Group to our Directors and senior management for each of the three years ended December 31, 2024 and the six months ended June 30, 2025.

The aggregate amount of salaries, allowances, benefits in kind, discretionary bonuses, retirement scheme contributions recorded for our Company's five highest paid individuals in respect of the three years ended December 31, 2024 and the six months ended June 30, 2025 was approximately RMB4.17 million, RMB5.16 million, RMB5.24 million and RMB2.8 million, respectively.

No remuneration was paid by our Company to, or receivable by our Directors and senior management or the five highest paid individuals as an inducement to join or upon joining our Company or as a compensation for loss of office in respect of the three years ended December 31, 2024 and the six months ended June 30, 2025.

Further, none of our Directors or senior management had waived or agreed to waive any remuneration during the Track Record Period. Under the arrangement currently in force, the aggregate remuneration (including salaries, allowances, benefits in kind, discretionary bonuses, retirement scheme contributions) of our Directors and senior management for the year ending December 31, 2025 is estimated to be no more than approximately RMB2.42 million.

Our Board will review and determine the remuneration and compensation packages of our Directors and senior management and will, following the [**REDACTED**], receive recommendation from the Remuneration Committee which will take into account salaries paid by comparable companies, time commitment and responsibilities of our Directors and senior management and performance of our Group.

COMPLIANCE ADVISOR

We have appointed Quam Capital Limited as our compliance advisor pursuant to Rule 3A.19 of the Listing Rules. Pursuant to Rule 3A.23 of the Listing Rules, our compliance advisor will advise our Company in the following circumstances:

- before the publication of any regulatory announcement, circular and financial report;

- where a transaction, which might be notifiable or connected transaction, is contemplated including shares issues, sales or transfers of treasury shares and share repurchases;

- where our Company proposes to use the proceeds from the [**REDACTED**] in a manner different from that detailed in this document or where our business activities, developments or results deviate from any forecast, estimate or other information in this document; and

- where the Stock Exchange makes an inquiry of our Company regarding unusual movements in the price or trading volume of our Shares.

The term of the appointment shall commence on the [**REDACTED**] and end on the date on which our Company distribute our annual report in respect of our financial results for the first full financial year commencing after the [**REDACTED**].

As of the Latest Practicable Date, the registered share capital of our Company was RMB110,296,643 divided into 110,296,643 Shares, with a nominal value of RMB1.00 each.

Immediately after the completion of the [**REDACTED**], the share capital of our Company will be as follows:

Number of Shares	Description of Shares	Approximate percentage of total issued share capital
110,296,643	Non-H Shares	[**REDACTED**]%
[**REDACTED**]	H Shares to be issued under the [**REDACTED**]	[**REDACTED**]%
[**REDACTED**]	Total	100%

The above table assumes that the [**REDACTED**] has become unconditional and the H Shares are issued pursuant to the [**REDACTED**] (without taking into account any Shares which may be issued pursuant to the exercise of the [**REDACTED**]).

RANKINGS

Upon the completion of the [**REDACTED**], our Shares will consist of Non-H Shares and H Shares, both of which are ordinary Shares in the share capital of our Company and are regarded as the same class of Shares.

Apart from certain qualified domestic institutional investors in the PRC, the qualified PRC investors under the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect and other persons who are entitled to hold our H Shares pursuant to relevant PRC laws and regulations or upon approvals of any competent authorities, H Shares generally cannot be subscribed by or traded between legal or natural PRC persons.

Non-H Shares and H Shares shall carry the same rights in all other respects and, in particular, will rank equally for dividends or distributions declared, paid or made. All dividend for H Shares will be denominated and declared in Renminbi, and paid in Hong Kong dollars or Renminbi, whereas all dividends for Non-H Shares will be paid in Renminbi. Other than cash, dividends could also be paid in the form of shares or a combination of cash and shares.

CIRCUMSTANCES UNDER WHICH GENERAL MEETING AND CLASS MEETING ARE REQUIRED

Our Company will have only one class of Shares upon completion of the [**REDACTED**], namely ordinary shares, and each carries the same rights as with the other Shares.

For details of circumstances under which our Shareholders' general meetings are required, see "Appendix V — Summary of Articles of Association" to this document.

TRANSFER OF SHARES ISSUED PRIOR TO THE [REDACTED]

The PRC Company Law provides that in relation to the [**REDACTED**] of a company, the shares issued prior to the [**REDACTED**] shall not be transferred within a period of one year from the date on which the publicly offered shares are [**REDACTED**] on any stock exchange. Accordingly, Shares issued by our Company prior to the [**REDACTED**] shall be subject to such statutory restriction and not be transferred within a period of one year from the [**REDACTED**].

For details of the lock-up undertaking given by our Controlling Shareholders to the Stock Exchange, see "[**REDACTED**] — [**REDACTED**] Arrangements and Expenses — Undertakings pursuant to the Listing Rules and the [**REDACTED**] — Undertakings by our Controlling Shareholders" in this document.

SHAREHOLDERS' APPROVAL FOR THE [REDACTED]

Approval from holders of the Shares is required for the Company to issue H Shares and seek the [**REDACTED**] of H Shares on the Stock Exchange. The Company has obtained such approval at the Shareholders' meeting held on May 16, 2025.

SUBSTANTIAL SHAREHOLDERS

So far as our Directors are aware, the following persons will, immediately prior to and following the completion of the [**REDACTED**] (without taking into account any H Shares which may be issued pursuant to the exercise of the [**REDACTED**]), have interests and/or short positions in our Shares or underlying Shares, which would be required to be disclosed to us under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who is, directly or indirectly interested in 10% or more of nominal the issued voting shares of our Company.

Name of Shareholder	Nature of interest		Shares held as of the date of this document and immediately prior to the completion of the [REDACTED][(1)]		Shares held immediately following the completion of the [REDACTED][(1)]	
		Type of Shares[(2)]	Number of Shares	Percentage of shareholding in the total issued Shares	Number of Shares	Percentage of shareholding in the total issued Shares
				(Approx. %)		*(Approx. %)*
Mr. Yuan[(3)]	Beneficial owner	Non-H Shares	101,230,612 (L)	91.78%	[**REDACTED**] (L)	[**REDACTED**]%
	Interest in a controlled corporation	Non-H Shares	8,973,467 (L)	8.14%	[**REDACTED**] (L)	[**REDACTED**]%
Heli Investment[(3)] . .	Beneficial owner	Non-H Shares	8,973,467 (L)	8.14%	[**REDACTED**] (L)	[**REDACTED**]%

Notes:

(1) The letter "L" denotes the person's long position in our 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 our Company, and are considered as one class of Shares.

(3) Heli Investment (our 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 our Shareholder. Heli Investment has 19 limited partners, including Ms. Yuan Mei, our executive Director and Mr. Yuan's sister, who owns approximately 69.32%, Mr. Yang Yongchang, our executive Director, who owns approximately 4.02%, Mr. Chen Weijun, a director of Jinxun Anhui, who owns approximately 0.23% and 15 existing employees and one former employee who collectively owns approximately 16.43% as of the Latest Practicable Date. For the purpose of the SFO, Mr. Yuan is deemed to be interested in the interest held by Heli Investment.

If the [**REDACTED**] is fully exercised, the beneficial interest of each of Mr. Yuan and Heli Investment in our H Shares will be approximately [**REDACTED**]%, [**REDACTED**]% and [**REDACTED**]%, respectively.

Save as disclosed in this section above and in the paragraph headed "Appendix VI — Statutory and General Information — C. Further Information about Our Directors and Substantial Shareholders — 1(a). Disclosure of Interests" to this document, our Directors are not aware of any person who will, immediately prior to and following the completion of the [**REDACTED**] (without taking into account any H Shares which may be issued pursuant to the exercise of the [**REDACTED**]), have beneficial interests and/or short positions in any Shares or underlying Shares, which would be required to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who is, directly or indirectly interested in 10% or more nominal value of any type of our issued voting shares of our Company. Our Directors are not aware of any arrangement which may at a subsequent date result in a change of control of our Company.

You should read the following discussion and analysis in conjunction with our audited historical consolidated financial information as of and for the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025 included in the Accountants' Report set out in Appendix I to this document, together with the accompanying notes. Our consolidated financial information has been prepared in accordance with IFRS Accounting Standards.

The following discussion and analysis contain forward-looking statements that reflect our current views with respect to future events and financial performance that involve risks and uncertainties. These statements are based on assumptions and analysis made by us in light of our experience and perception of historical events, current conditions and expected future developments, as well as other factors we believe are appropriate under the circumstances. In evaluating our business, you should carefully consider the information provided in the section headed "Risk Factors" in this document.

OVERVIEW

We are a leading manufacturer of high-quality copper cathodes, with a strong presence in DR Congo and Zambia. According to Frost & Sullivan, as of December 31, 2024, we ranked fifth among PRC copper cathode producers by production volume in both DR Congo and Zambia, and were the only PRC company to rank among the top five in both jurisdictions. Specifically, we produced approximately 16.0 thousand tonnes and 5.0 thousand tonnes of copper cathodes in DR Congo and Zambia in 2024. Among PRC non-state-owned enterprises, we ranked third in DR Congo and first in Zambia in terms of production volume in 2024. We have achieved: (i) a year-over-year revenue growth rate of 161.9% and a return on equity of 43.8% in 2024; and (ii) our gross profit margin reached 20.8% in the same year. These rankings and achievements underscore our strong operational capabilities, cost competitiveness, and growing international influence, particularly among Chinese producers expanding into resource-rich African markets. In anticipation of future rise in the copper demand as a result of the proliferation of electric vehicles, energy storage systems and consumer electronics, the rise of AI and other emerging technologies which demand copper, we are significantly expanding our production capacity to capitalize on market demands.

Our main products are copper cathodes and copper concentrates. We also trade non-ferrous metal products procured from suppliers to other metal trading companies and non-ferrous metal producers. In the six months of June 30, 2025, we produced a total of 12,496.2 tons of copper cathodes, 9.0 tons of copper concentrates and 171.0 tons of cobalt hydroxide, respectively.

In 2022, 2023, 2024, and the six months ended June 30, 2024 and 2025, our revenue was RMB637.3 million, RMB675.7 million, RMB1,769.8 million, RMB596.0 million and RMB963.8 million, respectively. Our net profit amounted to RMB83.5 million, RMB29.1 million, RMB202.4 million, RMB93.1 million and RMB135.0 million in 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, respectively.

BASIS OF PRESENTATION

Our Company was established in the PRC as a limited liability company on January 21, 2010 and was converted into a joint stock limited liability company on July 15, 2016. The shares of the Company was quoted on the NEEQ since February 2017 (Stock Code: 870844). See "History and Corporate Structure." Our historical financial information has been prepared in accordance with all applicable IFRS Accounting Standards as issued by the IASB. All new and revised IFRS Accounting Standards effective for the accounting period beginning on or before January 1, 2024 have been applied consistently throughout the Track Record Period in the preparation for the historical financial information. The historical financial information also complies with the applicable disclosure provisions of the Listing Rules.

The historical financial information has been prepared under the historical cost basis, except that (i) trade receivables and trade payables under provisional priced sales arrangements; and (ii) derivative financial instruments are stated at their fair values. See Note 2 to the Accountants' Report in Appendix I to this document for details.

KEY FACTORS AFFECTING OUR RESULTS OF OPERATIONS

We believe our results of operations and financial condition are mainly affected by the following factors:

Copper Prices and Market Demands

We price our copper products based on quotation listed on the London Metal Exchange, the Shanghai Futures Exchange, the Shanghai Metals Market and the Shanghai Gold Exchange, as well as the grade of our products. Over the past few years, the global copper prices have shown a steady upward trend due to the strong and growing demand for copper driven by the rapid development of clean energy infrastructure, electric vehicles and digital technologies. According to Frost & Sullivan, the copper price quoted on the London Metal Exchange increased from RMB42,600 per tonne in 2020 to RMB66,500 per tonne in 2024 at a CAGR of 11.8%.

Our revenue also tends to fluctuate with the demand for our copper products from the end markets. Our copper products are widely used in the global industrial landscape, including the infrastructure, consumer electronics, construction, transport, and new energy sectors. Accordingly, demand for our copper products is indirectly affected by the growth and fluctuations of these end markets. which in turn depends upon, among others, the state of the global economy. According to Frost & Sullivan, the global copper cathode consumption increased from 22.5 million tonnes in 2020 to 27.0 million tonnes in 2024 at a CAGR of 4.7% and is expected to increase to 30.5 million tonnes in 2029 at a CAGR of 2.5%. We expect that the economic growth globally will continue to drive the demand for our copper products.

Our Production Capacity

Growth in our revenue and market share depends to a large extent on our ability to manage and expand our production capacity. As of the Latest Practicable Date, save for the cobalt processing plant under construction in China, we own four production facilities, including two copper smelters and one copper concentrate flotation plant in Zambia, and one copper smelter in DR Congo. Currently, we are improving or expanding the copper cathode production lines in Zambia and DR Congo. We believe our improvement or expansion projects will help us extend product lines to both upstream and downstream of the copper and cobalt industries and further enlarge our revenue base. We may also invest in additional improvement or expansion projects as we continue to grow our market share and income. See "Business — Production — Production Expansion Plan" for details.

Our Ability to Control Cost of Sales and Operating Expenses

Our competitiveness and long-term profitability are dependent upon our ability to control our cost of sales and operating expenses.

In 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, our costs of trading goods, raw materials and other materials and consumables in aggregate constituted 93.7%, 85.9%, 81.4%, 78.0% and 77.5% of our total cost of sales, respectively. The primary raw materials for copper cathodes and copper concentrates are copper ores, including oxide ores, sulfide ores, and oxide-sulfide mixed ores. During the Track Record Period, we mainly sourced copper ores from upstream suppliers in Zambia, DR Congo and Peru. Our raw materials and trading goods are commodities that can be readily purchased, taking reference of the quotes from the London Metal Exchange on public markets at all market prices, which fluctuate from period to period during the Track Record Period. We take into account such fluctuation in costs when pricing our products. We also engaged in hedging by using derivative instruments to manage commodity price risks in connection with our trading business. Our hedging activities are primarily conducted in the futures market with the aim to utilize the full use of economic principles of the same trends in the futures and spot markets. By leveraging the time gaps between futures contracts and spot operations to establish a hedging mechanism to avoid and reduce any production and operational risks prompted by volatilities of commodity prices or spot transactions. We have implemented strict measures to prohibit any direct engagement in speculation or participating in arbitrage transactions. Due to the nature of our business, we typically determine the prices in relation to our copper ore purchases and copper product sales based on the prices quoted on the LME. During the Track Record Period, our Directors assessed the risks with respect to the price fluctuations of copper ore and were of the view that the copper prices would remain the upward trend in the medium- to long-term. In addition, given the costs of procuring copper ore[(1)] are well below the prevailing market

Note:

(1) Costs of copper ore procurement are calculated by multiplying the ore volume (dry weight) by copper ore grade, then multiplying by LME Cash Settlement Price, and finally multiplying by the procurement pricing coefficient. Procurement pricing coefficients are varied from 16% to 60% among different metal grades. Accordingly, our costs of copper ore procurement are well below the prevailing market price of copper products.

price of copper products, our Directors are of the view that the overall gross profit of our copper products would remain relatively stable. Therefore, we did not implement any systematic futures hedging mechanism to contain the copper price risks in connection with our production activities and our futures hedging business is confined to non-ferrous metal futures traded on domestic futures exchanges. Our trading team members have the power to exercise discretionary judgments in deciding whether and when to perform hedging activities, in a manner as prescribed by our internal guidance and subject to the approval and ongoing monitoring by the futures business department. While we have incurred a significant exchange loss of RMB19.7 million in 2023, we did not enter into any futures contract or engage in any hedging activity, primarily given that the exchange loss incurred in 2023 was mainly attributable to the slump in the ZMK-denominated input VAT receivables of us. To control and manage foreign exchange risks and prevent significant foreign exchange loss going forward, we have assigned dedicated personnel to manage our VAT refund process in Zambia to expedite its mandatory procedures. We will also negotiate cross-tax credit offsets with the relevant tax authority in Zambia. During the same period, we did not identify any suitable ZMK-denominated hedging instruments, making the implementation of effective exchange rate risk management through conventional future contracts operationally challenging.

As we consume a substantial amount of electricity in all of our business lines, utilities cost (mainly consisting of electricity cost) also accounts for a material portion of our cost of sales. In 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, our utilities cost constituted 1.2%, 5.3%, 7.9%, 9.6% and 9.8% of our total cost of sales, respectively. As our production capabilities increase and our business grows, our consumption of electricity is expected to grow accordingly.

Our ability to maintain and improve our production efficiency also affects our profitability and results of operations. We have taken several initiatives in recent years to improve our production efficiency, including developing new production technologies, installing advanced equipment and machinery, and optimizing the production processes and techniques. Our ability to rapidly implement new technologies and improve manufacturing processes allows us the flexibility to optimize the use of our production facilities. See "Business — Research and Development" for details.

Foreign Currency Exchange Fluctuations

We are exposed to foreign currency risk when they conduct sales and purchase in currency other than their functional currencies. Our subsidiaries use USD or RMB as their functional currencies. In addition, we have exchange rate exposures arising from foreign currency borrowings.

During the Track Record Period, we had certain financial assets or liabilities, intercompany receivables or payables, input VAT receivables and tax payables denominated in USD, RMB, SGD, ZMK, CDF and SOL, which exposed us to foreign currency risks. See Note 31 in the Accountants' Report set out in Appendix I to this document for further details.

In view of the foreign currencies used in our operation, fluctuations in exchange rates among USD, RMB, ZMK, CDF and SOL can impact our financial performance. Our Directors expect that USD, RMB, ZMK, CDF and SOL will continue to be used in our business in the foreseeable future. Therefore, foreign exchange rates fluctuations will continue to affect our financial condition and results of operations.

IMPACT OF THE COVID-19 OUTBREAK

During the COVID-19 outbreak in 2022, we experienced approximately 10 days of customs clearance delays. However, such delays did not affect customer payment schedules, and all copper cathode customers fulfilled their payment obligations as stipulated in the contracts. This was attributable to the adoption of the free carrier terms in our sales model, under which the seller is responsible for transporting goods to the designated port and completing export formalities; upon arrival at the designated port, the buyer assumes all related costs and risks, such as logistics costs and detention risks. Under this model, customers are required to prepay 95% of the provisional payment in the month of shipment, with the remaining 5% settled after the quotation period concludes. There was also a logistics delay in steel supply occurred during the construction of the DR Congo copper smelter I, which was originally scheduled for dispatch in mid-May 2022, with an expected arrival at the construction site for deployment in September 2022. Due to the impact of the COVID-19 outbreak, the shipment was not formally exported until August 4, 2022, and ultimately arrived at the site in April 2023, resulting in a delay of seven months. However, we promptly addressed the situation by procuring temporary steel locally and flexibly adjusting the project schedule. Thus, this incident did not cause significant adverse effects on the construction project.

Although global concerns over narrowing copper production from China have pushed up the selling price of our copper products, the COVID-19 outbreak did not have a substantial impact on our production and sales of copper products. For example, we produced 5,949.8 tons and 7,368.1 tons of copper cathodes in 2022 and 2023, respectively, all of which were sold promptly during the COVID-19 outbreak. Therefore, our Directors are of the view that COVID-19 had no material adverse effect to business operations and financial performance during the Track Record Period.

MATERIAL ACCOUNTING POLICIES AND ESTIMATES

We have identified certain accounting policies that are material to the preparation of our consolidated financial statements. Some of our accounting policies require us to apply estimates and assumptions as well as complex judgments related to accounting items. The estimates and assumptions we use and the judgments we make in applying our accounting policies have a significant impact on our financial position and operational results. Our management continually evaluates such estimates, assumptions and judgments based on past experience and other factors, including industry practices and expectations of future events that are deemed to be reasonable under the circumstances. There has not been any material deviation with regard to the procedures and methods used by our management in making

accounting estimates or assumptions and actual results, and we have not made any material changes to these estimates or assumptions during the Track Record Period. We do not expect any material changes in these estimates and assumptions in the foreseeable future.

We set forth below those accounting policies that we believe are of critical importance to us or involve the most significant estimates, assumptions and judgments used in the preparation of our financial statements. Our material accounting policy information, estimates, assumptions and judgments, which are important for understanding our financial condition and results of operations, are set forth in Notes 2 and 3 to the Accountants' Report in Appendix I to this document. We set forth below the accounting policies that we believe are the most significant to our financial information.

Revenue Recognition

We recognize revenue when control of the goods is transferred based on the terms of the sale contracts. In most cases, such control of goods is transferred upon delivery, when the goods have been shipped at our premises. In some other cases, the control of goods is transferred upon delivery at specific destination ports or plants.

We are the principal for our revenue transactions and recognize revenue on a gross basis, including the sale of products that are sourced externally. In determining whether we act as a principal or as an agent, we consider whether we obtain control of the products before they are transferred to the customers. Control refers to our ability to direct the use of and obtain substantially all of the remaining benefits from the products.

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

Property, Plant and Equipment

We state our property, plant and equipment at cost, which includes capitalized borrowing costs, less accumulated depreciation and any accumulated impairment losses. We recognize depreciation so as to write off the cost of assets other than construction in progress less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives for the Track Record Period for property, plant and equipment (other than construction in progress) are as follows:

	Estimated useful lives
Building	10-20 years
Machinery equipment	10 years
Electronic, transportation equipment and others	3-5 years

We review depreciation methods, useful lives and residual values at each reporting date and adjusted if appropriate.

Inventories

We state our inventories at the lower of cost and net realizable value. We determine the costs of inventories on the following bases:

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

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

Net realizable value represents the estimated selling price less any estimated costs of completion and the estimated costs necessary to make the sale. When inventories are sold, we recognize the carrying amount of those inventories as cost of sales in the period in which the related revenue is recognized.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

The following table sets forth selected consolidated statements of profit or loss and other comprehensive income for the years/periods indicated:

	Years ended December 31,			Six months ended June 30,	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Revenue	**637,303**	**675,701**	**1,769,833**	**595,965**	**963,785**
Cost of sales	(466,810)	(545,558)	(1,402,166)	(450,312)	(741,105)
Gross profit	**170,493**	**130,143**	**367,667**	**145,653**	**222,680**
Other income	6,332	3,131	1,865	1,265	818
Other gains and losses	(7,601)	(35,255)	(7,101)	15,237	11,555
Distribution and selling expenses	(9,498)	(10,159)	(11,626)	(5,163)	(6,252)
Administrative expenses	(44,206)	(48,175)	(81,173)	(36,265)	(59,552)
Profit from operations	**115,520**	**39,685**	**269,632**	**120,727**	**169,249**
Finance costs	(6,811)	(13,410)	(26,870)	(12,218)	(8,045)
Share of losses of an associate	(14,823)	(252)	–	–	–
Profit before taxation	**93,886**	**26,023**	**242,762**	**108,509**	**161,204**
Income tax	(10,382)	3,123	(40,324)	(15,425)	(26,222)
Profit for the year/period	**83,504**	**29,146**	**202,438**	**93,084**	**134,982**
Other comprehensive income for the year/period					
Item that are or may be reclassified subsequently to profit or loss:					
Exchange differences on translation of financial statements of overseas subsidiaries	15,941	3,442	3,464	1,197	(1,550)
Other comprehensive income for the year/period	**15,941**	**3,442**	**3,464**	**1,197**	**(1,550)**
Total comprehensive income for the year/period	**99,445**	**32,588**	**205,902**	**94,281**	**133,432**

Non-IFRS Measures

To supplement our consolidated statements of profit or loss and other comprehensive income presented in accordance with IFRS Accounting Standards, we also use EBITDA (non-IFRS measure), as additional financial measures, which are not required by, or presented in accordance with IFRS Accounting Standards, we believe that the presentation of such non-IFRS measure facilitate comparisons of the operating performance from period to period and company to company by eliminating potential impacts of certain items. We believe that the presentation of such non-IFRS measure when shown in conjunction with the corresponding IFRS measure provides useful information to potential investors and management in facilitating a comparison of our operating performance from period to period by eliminating potential impacts of certain items.

However, the use of non-IFRS measures has limitations as an analytical tool, and you should not consider them in isolation from, or as a substitute for analysis of, our results of operations or financial conditions as reported under IFRS Accounting Standards. In addition, the non-IFRS financial measures may be defined differently from similar terms used by other companies.

We define EBITDA (non-IFRS measure), as profit for the year adjusted by adding back items including income tax, finance costs, interest income and depreciation and amortization. The following table reconciles our EBITDA (non-IFRS measure) for the years/periods indicated:

	Year ended December 31,			Six months ended June 30,	
	2022	2023	2024	2024	2025
		(RMB'000)		*(RMB'000)* *(unaudited)*	
Profit for the year/period	83,504	29,146	202,438	93,084	134,982
Add:					
Income tax	10,382	(3,123)	40,324	15,425	26,222
Finance costs	6,811	13,410	26,870	12,218	8,045
Interest income	(1,032)	(1,309)	(175)	(91)	(283)
Depreciation and amortization	9,700	21,519	42,448	18,334	26,120
EBITDA (non-IFRS measure)	**109,365**	**59,643**	**311,905**	**138,970**	**195,086**

Revenue

During the Track Record Period, we generated revenue primarily from (i) production and sale of copper cathodes; (ii) production and sale of copper concentrates; and (iii) trading of a variety of non-ferrous metal products. Our revenue is principally affected by our total sales volume, which is influenced by factors such as our production capacity, sourcing of raw ores and market conditions. Additionally, revenue is impacted by our product sales mix, as average selling prices differ across business lines, as well as within the same segment and over time.

Revenue by Business Line

The following table sets forth our revenue by business line for the years/periods indicated:

	Year ended December 31,						Six months ended June 30,			
	2022		2023		2024		2024		2025	
	RMB'000	*% of revenue*	*RMB'000*	*% of revenue*	*RMB'000*	*% of revenue*	*RMB'000*	*% of revenue*	*RMB'000*	*% of revenue*
							(unaudited)			
Copper production and processing										
Copper cathodes	328,220	51.5	404,785	59.9	1,228,967	69.4	448,256	75.2	828,021	85.9
Copper concentrates	62,396	9.8	12,177	1.8	946	0.1	946	0.3	1,179	0.1
Cobalt hydroxide	–	–	–	–	–	–	–	–	10,739	1.2
Subtotal	390,616	61.3	416,962	61.7	1,229,913	69.5	449,202	75.5	839,939	87.2
Trading of non-ferrous metal products	246,687	38.7	258,739	38.3	539,920	30.5	146,763	24.5	123,846	12.8
Total	**637,303**	**100.0**	**675,701**	**100.0**	**1,769,833**	**100.0**	**595,965**	**100.0**	**963,785**	**100.0**

Copper Production and Processing

We operate two copper smelters in Zambia, which commenced production in September 2019 and March 2022, and one copper smelter in DR Congo, which commenced production in August 2023. We also operate one copper concentrate flotation plant in Zambia which commenced production in October 2017.

In 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, our revenue generated from copper production and processing amounted to RMB390.6 million, RMB417.0 million, RMB1,229.9 million, RMB449.2 million and RMB839.9 million, respectively, accounting for 61.3%, 61.7%, 69.5%, 75.5% and 87.2% of our total revenue in the respective year/period. The significant increases in our revenue in 2024 and in the six months ended June 30, 2025 were mainly attributed to (i) the increased production of copper cathodes following the production facilities in DR Congo commenced operation; (ii) a spike of the average selling price as a result of the higher copper prices quoted on the LME and (iii) the supply shortage

facing by the global copper market. As the global demand for copper is projected to surge in the next decade, driven by the surge in demand in the renewable energy and electric vehicle industries and massive infrastructure spending in emerging markets, copper prices are forecast to rise in light of the emerging copper supply deficit globally, according to Frost & Sullivan. In view of this, the average selling prices of our cooper cathodes and copper concentrates demonstrated steady increase, which in turn had a positive impact on our revenue growth during the Track Record Period. With the expansion of production capacity and the successfully commissioning of our hydrometallurgical projects in Zambia and DR Congo, our output of copper cathodes has also increased, enabling us to fully exploit market potentials driven by the price surge of copper to achieve substantial growth in revenue during the same periods.

The following table sets out our sales volume and average selling price of copper cathodes, copper concentrates and cobalt hydroxide for the years/periods indicated:

	Year ended December 31,						Six months ended June 30,			
	2022		2023		2024		2024		2025	
	Sales volume	ASP[(1)]	Sales volume	ASP[(1)]	Sales volume	ASP[(1)]	Sales volume	ASP[(1)]	Sales volume	ASP[(1)]
	Tons	*RMB' thousand/ ton*	*Tons*	*RMB' thousand/ ton*	*Tons*	*RMB' thousand/ ton*	*Tons*	*RMB' thousand/ ton*	*Tons*	*RMB' thousand/ ton*
Copper cathodes	5,886.4	55.8	7,384.1	54.8	19,851.1	61.9	7,195	62.3	12,952.9	63.9
Copper concentrates	1,170.3	53.3	229.1	53.1	17.8	53.1	17.8	52.9	21.2	55.6
Cobalt hydroxide	–	–	–	–	–	–	–	–	83.7	128.4
Total	**7,056.7**		**7,613.2**		**19,868.9**		**7,213.3**		**13,057.8**	

Note:

(1) Representing revenue generated from sales of the respective products divided by the sales volume calculated in metal ton taking into account the actual metal content.

The following table sets out our production volume of copper cathodes, copper concentrates and cobalt hydroxide for the years/periods indicated:

	Year ended December 31,			Six months ended June 30,	
	2022	2023	2024	2024	2025
	Production volume (tons)				
Copper cathodes	5,949.8	7,368.1	20,934.8	7,220.6	12,496.2
Copper concentrates	1,178.4	210.5	32.0	17.8	9.0
Cobalt hydroxide	–	–	128.2	–	171.0
Total	**7,128.2**	**7,578.6**	**21,095.0**	**7,238.4**	**12,676.2**

Trading of Non-Ferrous Metal Products

We also procure non-ferrous metal products from suppliers in Peru and China, and mainly sell to our customers through our subsidiaries in Singapore and China. Non-ferrous metal products we trade primarily include copper, zinc, lead and silver. We also sell cobalt hydroxide, which were generated as by products during the copper smelting process, under this business line.

In 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, revenue from trading of non-ferrous metal products amounted to RMB246.7 million, RMB258.7 million, RMB539.9 million, RMB146.8 million and RMB123.8 million, respectively, accounting for 38.7%, 38.3%, 30.5%, 24.5% and 12.8% of our total revenue in the respective years/periods.

Revenue by Geographic Location

The following table sets out a breakdown of our revenue by geographic location[(1)] of our customers for the years/periods indicated:

	Years ended December 31,						Six months ended June 30,			
	2022		2023		2024		2024		2025	
	RMB'000	*% of revenue*	*RMB'000*	*% of revenue*	*RMB'000*	*% of revenue*	*RMB'000*	*% of revenue*	*RMB'000*	*% of revenue*
							(unaudited)			
Singapore	–	–	27,989	4.1	406,455	23.0	169,916	28.5	496,828	51.5
Switzerland	–	–	11,718	1.7	265,917	15.0	106,523	17.9	128,917	13.4
Chinese Mainland	241,754	37.9	350,521	51.9	634,035	35.8	199,708	33.5	120,965	12.6
Hong Kong	220,925	34.7	83,610	12.4	25,598	1.4	–	–	86,397	9.0
British Virgin Islands	107,295	16.8	192,513	28.5	266,201	15.0	98,266	16.5	78,255	8.1
Luxembourg	–	–	–	–	170,167	9.6	20,092	3.4	47,241	4.9
Peru	6,827	1.1	–	–	514	0.1	514	0.1	4,003	0.4
Zambia	60,502	9.5	9,350	1.4	946	0.1	946	0.1	1,179	0.1
Total	**637,303**	**100.0**	**675,701**	**100.0**	**1,769,833**	**100.0**	**595,965**	**100.0**	**963,785**	**100.0**

Note:

(1) The geographic location is based on the place of registration of the respective customer.

Revenue by Delivery Location

The following table sets out a breakdown of revenue by delivery location of our customers for the years/periods indicated:

	Years ended December 31,						Six months ended June 30,			
	2022		2023		2024		2024		2025	
	RMB'000	*% of revenue*	*RMB'000*	*% of revenue*	*RMB'000*	*% of revenue*	*RMB'000*	*% of revenue*	*RMB'000*	*% of revenue*
							(unaudited)			
DRC	–	–	126,370	18.7	877,004	49.6	308,104	51.7	699,681	72.6
Zambia	388,723	61.0	288,399	42.7	352,912	19.9	141,098	23.7	127,721	13.3
The PRC	241,754	37.9	260,932	38.6	409,070	23.1	112,465	18.9	84,029	8.7
Peru	6,826	1.1	–	–	130,847	7.4	34,298	5.8	52,354	5.4
Total	**637,303**	**100.0**	**675,701**	**100.0**	**1,769,833**	**100.0**	**595,965**	**100.0**	**963,785**	**100.0**

Cost of Sales

Our cost of sales primarily consists of (i) cost of trading goods, representing costs of non-ferrous metals for our trading business; (ii) cost of raw materials, representing costs of ores materials for our production; (iii) other materials and consumables, such as sulfuric acid we used in our production; (iv) utilities; (v) depreciation, mainly arising from our production facilities; (vi) direct labor costs; (vii) resource tax; and (viii) custom duties. The following table sets forth a breakdown of our cost of sales by nature for the years/periods indicated:

	Year ended December 31,						Six months ended June 30,			
	2022		2023		2024		2024		2025	
	RMB'000	*% of total*	*RMB'000*	*% of total*	*RMB'000*	*% of total*	*RMB'000*	*% of total*	*RMB'000*	*% of total*
							(unaudited)			
Cost of trading goods	241,132	51.7	248,980	45.6	510,033	36.4	131,215	29.1	113,226	15.3
Cost of raw materials	178,017	38.1	157,988	29.0	490,323	35.0	174,757	38.8	376,566	50.8
Other materials and consumables	18,127	3.9	61,667	11.3	140,745	10.0	45,530	10.1	84,211	11.4
Utilities	5,669	1.2	28,744	5.3	110,093	7.9	43,440	9.6	72,622	9.8
Depreciation	7,067	1.5	19,244	3.5	39,884	2.8	17,142	3.8	24,781	3.3
Direct labor costs	9,856	2.1	17,536	3.2	36,710	2.6	16,974	3.8	18,947	2.6
Resource tax	–	–	4,737	0.9	35,598	2.5	10,638	2.4	27,287	3.7
Custom duties	–	–	611	0.1	12,202	0.9	2,701	0.6	7,890	1.1
Others[(1)]	6,942	1.4	6,051	1.2	26,578	1.9	7,915	1.8	15,575	2.0
Total	**466,810**	**100.0**	**545,558**	**100.0**	**1,402,166**	**100.0**	**450,312**	**100.0**	**741,105**	**100.0**

Note:

(1) Representing costs for inspection and quality control, and other production overheads.

Our cost of trading goods remained relatively stable at RMB241.1 million and RMB249.0 million in 2022 and 2023, respectively. Our cost of trading goods grew significantly from RMB249.0 million in 2023 to RMB510.0 million in 2024, reflecting the increased procurement of non-ferrous metals from our domestic and international suppliers in 2024. Our cost of trading goods decreased from RMB131.2 million in the six months ended June 30, 2024 to RMB113.2 million in the six months ended June 30, 2025, mainly as a result of the decrease in the domestic trading volume of non-ferrous metals in the six months ended June 30, 2025. Our cost of raw materials further decreased from RMB178.0 million in 2022 to RMB158.0 million in 2023, primarily due to a decline in raw material procurement costs corresponding to the lower average copper prices quoted on the LME and an increase in the utilization of tailings of Rong Xing Investments in Zambia. Copper tailings are solid waste with an inferior copper content (typically measured at 0.2% to 0.8%) discharged after copper ore processing. They mainly consist of gangue minerals, unrefined copper minerals, and small amount of other metallic impurities. They are regarded as one of the major byproducts of copper mining and processing which usually stored in tailings ponds as slurry. By way of technical upgrades, we are able to further utilize tailings to extract valuable metals, albeit lower than the original ore, to reduce our upfront costs associated with mining, stripping, and transportation. Specifically, tailings can be directly extracted from tailings ponds through simple pretreatment, lowering costs in resource acquisition compared to conventional ore mining. Furthermore, since tailings have already undergone preliminary crushing and grinding, they can enter the smelting process directly, simplifying operational procedures and reducing reagent consumption costs. Our cost of raw materials surged significantly from RMB158.0 million in 2023 to RMB490.3 million in 2024, mainly driven by a substantial increase in raw material procurement costs resulting from the increased copper cathode production in DR Congo in 2024, coupled with a steady rise in average copper prices quoted on the LME. Our cost of raw materials further increased from RMB174.8 million in the six months ended June 30, 2024 to RMB376.6 million in the six months ended June 30, 2025, primarily attributable to the continued increase in raw material procurement costs following the production expansion of copper cathodes in DR Congo.

Gross Profit and Gross Profit Margin

In 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, our gross profit amounted to RMB170.5 million, RMB130.1 million, RMB367.7 million, RMB145.7 million and RMB222.7 million, respectively. In 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, our gross profit margin was 26.8%, 19.3%, 20.8%, 24.4% and 23.1%, respectively. We have incurred gross profit losses in the copper concentrates production and processing business in 2023 and 2024 primarily due to (i) the shrank of our copper concentrates output resulting from the contraction in raw material supply in 2023, which in turn advanced the unit fixed costs of producing copper concentrates, and (ii) the elevated unit fixed costs such as accumulated depreciation continued to incur in the corresponding periods.

Gross Profit and Gross Profit Margin by Business Line

The following table sets forth our gross profit and gross profit margin by business lines for the years/periods indicated:

	Year ended December 31,						Six months ended June 30,			
	2022		2023		2024		2024		2025	
	Gross profit/ (loss)	Gross profit/ (loss) margin	Gross profit/ (loss)	Gross profit/ (loss) margin	Gross profit/ (loss)	Gross profit/ (loss) margin	Gross profit/ (loss)	Gross profit/ (loss) margin	Gross profit/ (loss)	Gross profit/ (loss) margin
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
							(unaudited)			
Copper production and processing										
Copper cathodes	155,250	47.3	121,525	30.0	339,821	27.7	130,140	29.0	208,858	25.2
Copper concentrates	9,689	15.5	(1,139)	(9.4)	(2,039)	(215.5)	(36)	(3.7)	508	43.1
Cobalt hydroxide	–	–	–	–	–	–	–	–	2,694	25.1
	164,939	42.2	120,386	28.9	337,782	27.5	130,104	29.0	212,060	25.3
Trading of non-ferrous metal products	5,554	2.3	9,757	3.8	29,885	5.5	15,549	10.6	10,620	8.6
Total/Overall	**170,493**	**26.8**	**130,143**	**19.3**	**367,667**	**20.8**	**145,653**	**24.4**	**222,680**	**23.1**

We incurred a gross loss of RMB1.1 million and RMB2.0 million in 2023 and 2024 for copper concentrates, respectively, primarily due to (i) a reduction in the market supply of sulfide ore and mixed ore used for producing copper concentrates in Zambia; (ii) a significant decrease in our production of copper concentrates from 1,178.4 tons in 2022 to 32.0 tons in 2024; and (iii) an increase in the unit fixed costs in connection with our copper concentrates production in 2024. As a result of the foregoing, we recorded a gross loss margin of 9.4% and 215.5% in the respective years.

Other Income

Our other income primarily consisted of (i) sale of spare parts and other materials, primarily arising from incidental sales of inventories that approaching expiry and parts and components to nearby factories in DR Congo; (ii) government grants, mainly related to subsidies and fundings awarded by local governments in the PRC to support [**REDACTED**], foreign investments and other development projects; (iii) interest income arising from bank deposits and loans granted to an associate, Jiangxi Tungsten Jinxun Resources Africa SAS. The following table sets forth the breakdown of our other income by nature for the years/periods indicated:

	Year ended December 31,						Six months ended June 30,			
	2022		2023		2024		2024		2025	
	RMB'000	*% of total*	*RMB'000*	*% of total*	*RMB'000*	*% of total*	*RMB'000*	*% of total*	*RMB'000*	*% of total*
							(Unaudited)			
Sale of spare parts and other materials	135	2.1	162	5.2	730	39.1	467	36.9	129	15.8
Government grants	4,628	73.1	918	29.3	266	14.3	13	1.0	332	40.6
Interest income	1,032	16.3	1,309	41.8	175	9.4	91	7.2	283	34.6
Others	537	8.5	742	23.7	694	37.2	694	54.9	74	9.0
Total	**6,332**	**100.0**	**3,131**	**100.0**	**1,865**	**100.0**	**1,265**	**100.0**	**818**	**100.0**

Other Gains and Losses

Our other gains and losses comprised (i) net gains/losses on disposal of property, plant and equipment; (ii) impairment losses/reversal of impairment losses of financial assets measured at amortized costs including our input VAT receivables, financial assets under ECL and property, plant and equipment; (iii) net foreign exchange gains/losses; and (iv) gains/losses from changes in fair value of financial assets and liabilities measured at fair value through profit or loss ("**FVTPL**") including trade receivables, trade payables and other financial liabilities, representing certain non-ferrous metal future contracts we purchased. The following table sets forth the breakdown of our other income by nature for the years/periods indicated:

	Year ended December 31,			Six months ended June 30,	
	2022	2023	2024	2024	2025
		(RMB'000)		*(RMB'000)*	
Gains/(losses) on disposal of property, plant and equipment, net	354	49	(2,062)	–	(49)
Impairment (losses)/reversals recognized in respect of:					
– Input VAT receivables	(1,930)	(6,780)	3,774	1,887	(8,456)
– Financial assets under ECL	(144)	(12,467)	(680)	(771)	(704)
– Property, plant and equipment	–	–	(4,438)	–	–
Foreign exchange gains/(losses), net	4,061	(19,692)	(1,482)	2,037	9,328
(Losses)/gains from changes in fair value of:					
– Trade receivables at FVTPL	(10,431)	3,141	2,871	17,021	11,901
– Trade payables at FVTPL	528	461	(94)	182	(358)
– Other financial liabilities at FVTPL	(39)	33	(4,990)	(5,119)	(107)
Total	**(7,601)**	**(35,255)**	**(7,101)**	**15,237**	**11,555**

Distribution and Selling Expenses

Our distribution and selling expenses primarily consisted of (i) staff costs; (ii) traveling expenses; (iii) depreciation; (iv) materials and consumables; (v) marketing expenses; and (vi) insurance expenses. The following table sets forth the breakdown of our distribution and selling expenses by nature for the years/periods indicated:

	Year ended December 31,						Six months ended June 30,			
	2022		2023		2024		2024		2025	
	RMB'000	*% of total*	*RMB'000*	*% of total*	*RMB'000*	*% of total*	*RMB'000*	*% of total*	*RMB'000*	*% of total*
							(unaudited)			
Staff costs	6,291	66.2	7,400	72.8	8,562	73.6	4,009	77.6	4,952	79.2
Traveling expenses	862	9.1	866	8.5	731	6.3	417	8.1	244	3.9
Depreciation	374	3.9	322	3.2	432	3.7	215	4.2	244	3.9
Materials and consumables	48	0.5	302	3.0	355	3.1	42	0.8	164	2.6
Marketing expenses	164	1.7	217	2.1	267	2.3	62	1.2	121	1.9
Insurance expenses	81	0.9	202	2.0	256	2.2	7	0.1	6	0.1
Others[(1)]	1,678	17.7	850	8.4	1,023	8.8	411	8.0	521	8.4
Total	**9,498**	**100.0**	**10,159**	**100.0**	**11,626**	**100.0**	**5,163**	**100.0**	**6,252**	**100.0**

Note:

(1) Mainly representing office expenses, vehicles and transportation expenses and rental expenses.

Administrative Expenses

Our administrative expenses primarily consisted of (i) staff costs; (ii) professional fees, mainly representing audit fees, legal fees and tax service fees; (iii) materials and consumables used for R&D purposes; (iv) business development expenses; and (v) bank charges. The following table sets forth the breakdown of our administrative expenses by nature for the years/periods indicated:

	Year ended December 31,						Six months ended June 30,			
	2022		2023		2024		2024		2025	
	RMB'000	*% of total*	*RMB'000*	*% of total*	*RMB'000*	*% of total*	*RMB'000*	*% of total*	*RMB'000*	*% of total*
							(unaudited)			
Staff costs	19,596	44.3	21,258	44.1	28,598	35.2	14,130	39.0	18,014	30.2
Professional fees	5,639	12.8	4,965	10.3	6,792	8.4	2,982	8.2	4,537	7.6
Materials and consumables	1,539	3.5	2,932	6.1	6,395	7.9	1,758	4.8	6,051	10.2
Business development expenses	1,867	4.2	1,394	2.9	5,345	6.6	685	1.9	2,029	3.4
Bank charges	2,547	5.8	3,095	6.4	5,297	6.5	2,452	6.8	3,582	6.0
Office expenses	2,276	5.1	1,756	3.6	3,470	4.3	1,761	4.9	3,104	5.2
Traveling expenses	3,410	7.7	2,420	5.0	3,382	4.2	1,683	4.6	3,940	6.6
Insurance expenses	23	0.1	1,697	3.5	3,167	3.9	1,323	3.6	1,853	3.1
License fees	647	1.5	943	2.0	3,040	3.7	1,488	4.1	2,310	3.9
Depreciation and amortization	2,259	5.1	1,953	4.1	2,132	2.6	977	2.7	1,095	1.8
Security expenses	212	0.5	790	1.6	1,920	2.4	896	2.5	979	1.6
Other taxes	414	0.9	364	0.8	1,291	1.6	1,023	2.8	3,246	5.5
Property fees	73	0.2	494	1.0	1,158	1.4	705	1.9	815	1.4
Technical service fees	877	2.0	931	1.9	1,059	1.3	497	1.4	–	–
Others[(1)]	2,827	6.3	3,183	6.8	8,127	10.0	3,905	10.8	7,997	13.5
Total	**44,206**	**100.0**	**48,175**	**100.0**	**81,173**	**100.0**	**36,265**	**100.0**	**59,552**	**100.0**

Note:

* Less than 0.1%

(1) Mainly representing vehicle expenses, repair and maintenance, postal and communication expenses and other miscellaneous administrative expenses.

Finance Costs

Our finance costs consisted of (i) interest on bank and other borrowings; (ii) interest on lease liabilities; and (iii) unwinding of discount from provision of restoration, rehabilitation and environment costs in relation to our smelting operations in Zambia and DR Congo. The nature of the unwinding of discount refers to the discounted interest on the abandonment obligation, which witnessed an increase in 2023 attributed to the completion and production of the manufacturing site in DR Congo. See Note 27 to the Accountants' Report included in Appendix I to this document. The following table sets forth a breakdown of finance costs for the years/periods indicated:

	Year ended December 31,			Six months ended June 30,	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Interest on bank and other borrowings	7,050	13,647	26,472	11,744	8,433
Interest on lease liabilities	78	75	10	6	14
Unwinding of discount	335	916	1,025	499	996
Less: interest expense capitalised into plant under construction	(652)	(1,228)	(637)	(31)	(1,398)
Total	**6,811**	**13,410**	**26,870**	**12,218**	**8,045**

Income Tax

We are subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which our subsidiaries are domiciled and operate. During the Track Record Period, we are subject to income tax in the following jurisdictions:

PRC

Pursuant to the *Enterprise Income Tax Law of the PRC* (《中華人民共和國企業所得税法》) and the respective regulations (the "**EIT Law**"), our subsidiaries which operate in China are subject to the statutory enterprise income tax at a rate of 25% on the taxable income, unless subject to tax exemption or preferential tax treatment. Tibet Huiyi located in PRC, is eligible for a 15% income tax rate from January 1, 2021 to December 31, 2030. Meanwhile, Tibet Huiyi is eligible for additional 6% income tax rate relief from January 1, 2022 to December 31, 2025.

Singapore

Our subsidiary which operates in Singapore is subject to the statutory enterprise income tax at a rate of 17% on the estimated taxable income, subject to progressive tax relief. Our subsidiary in Singapore is eligible for 75% income tax relief when the profit before taxation is less than SGD10,000, 50% income tax relief when the profit before taxation is SGD10,000 or greater but less than SGD200,000. Upon meeting certain requirements for trading businesses in Singapore, our subsidiary in Singapore is eligible for a 10% income tax rate for profit arising from certain specified commodities trading revenue from April 1, 2025 to March 31, 2028.

Peru

Our subsidiary which operates in Peru is subject to income tax at a rate of 29.5% on the estimated taxable income.

DR Congo

Our subsidiary which operates in DR Congo is subject to income tax at a rate of 30% on the estimated taxable income when 30% of the taxable income exceeds 1% of gross sales, or at 1% of gross sales when 30% of the taxable income does not exceeds 1% of gross sales.

Zambia

Our subsidiary which operates in Zambia is subject to income tax at a rate of 30% on the estimated taxable profit. Rong Xing Investments was granted to tax waiver on the income tax for the year ended December 31, 2022 of ZMK27,915,000 (equivalent to RMB10,409,000).

Our income tax consists of current income tax and deferred income tax. The following table sets forth a breakdown of our income tax expense/credit for the years/periods indicated:

	Year ended December 31,			Six months ended June 30,	
	2022	2023	2024	2024	2025
			(RMB'000)		
				(unaudited)	
Current tax					
– Income tax in PRC	7,119	4,128	14,835	6,529	15,342
– Income tax in Singapore	2,198	712	4,021	3,190	2,584
– Income tax in Peru	199	–	578	–	712
– Income tax in DR Congo	–	1,558	14,517	2,845	5,565
– Income tax in Zambia	2,725	1,948	–	1,457	1,349
Provision for the year/period	12,241	8,346	33,951	14,021	25,552
Deferred tax					
Origination and reversal of temporary differences	(1,859)	(11,469)	6,373	1,404	670
Total	**10,382**	**(3,123)**	**40,324**	**15,425**	**26,222**

In 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, our effective income tax rate, representing income tax divided by profit before income tax, expressed as a percentage, was 11.1%, -12.0%, 16.6%, 14.2% and 16.3%, respectively. Our effective income tax rate during the Track Record Period was lower than our statutory enterprise income tax rate in different countries ranges from 17% to 30%, primarily as Tibet Huiyi enjoyed preferential tax rate at 9% during the tax holiday up to the year ending 31 December 2025 and a tax waiver of RMB10.4 million received in 2022 for Rong Xing Investments.

As of the Latest Practicable Date, we paid all relevant taxes that were due and applicable to us and had no material disputes or unresolved tax issues with relevant tax authorities.

PERIOD TO PERIOD COMPARISON OF RESULTS OF OPERATIONS

Six Months Ended June 30, 2025 Compared to Six Months Ended June 30, 2024

Revenue

Our total revenue increased by 61.7% from RMB596.0 million in the six months ended June 30, 2024 to RMB963.8 million in the six months ended June 30, 2025: primarily attributable to the following:

(i) *Copper production and processing*: Revenue from copper production and processing increased significantly by 87.0% from RMB449.2 million in the six months ended June 30, 2024 to RMB839.9 million in the six months ended June 30, 2025, primarily due to the significant growth in revenue contribution from the sales of copper cathodes. The increase was primarily driven by the increased sales volume of copper cathodes from 7,212.3 tons in the six months ended June 30, 2024 to 12,974.1 tons in the six months ended June 30, 2025 following the stability of electricity supply at our production facilities in DR Congo.

(ii) *Trading of non-ferrous metal and products*: Revenue from trading of non-ferrous metal products decreased by 15.6% from RMB146.8 million in the six months ended June 30, 2024 to RMB123.8 million in the six months ended June 30, 2025, primarily due to the shrinkage in the sales volume of our non-ferrous trading business. The decline was mainly due to we have strategically reduced our exposure to low profit margin businesses in light of the overall market conditions.

Cost of Sales

Our cost of sales increased by 64.6% from RMB450.3 million in the six months ended June 30, 2024 to RMB741.1 million in the six months ended June 30, 2025, primarily due to the increases in our cost of raw materials and other materials and consumables in parallel with the increment in our production capacity.

Gross Profit and Gross Profit Margin

As a result of the foregoing, our gross profit increased by 52.9% from RMB145.7 million in the six months ended June 30, 2024 to RMB222.7 million in the six months ended June 30, 2025, primarily due to the substantial growth in our revenue. Our gross profit margin decreased slightly from 24.4% in the six months ended June 30, 2024 to 23.1% in the six months ended June 30, 2025, mainly as a result of an increased proportion of products from DR Congo, where the production costs were relatively higher than in Zambia due to its higher price levels and inflation rates, stronger financial capacity, higher logistics costs, heavier tax burden, as well as higher raw material costs, including but not limited to, higher mining license fees, mining royalties for resource extraction, and copper ore prices.

Copper Production and Processing

Our gross profit from the production of copper cathodes and cobalt hydroxide increased from RMB130.1 million in the six months ended June 30, 2024 to RMB211.6 million in the six months ended June 30, 2025, primarily attributable to the increases in production capacity and copper prices. The gross profit margin of our production of copper cathodes decreased from 29.0% in the six months ended June 30, 2024 to 25.2% in the six months ended June 30, 2025, primarily due to an increased proportion of products from DR Congo, where the production costs were relatively higher than in Zambia.

Trading of Non-ferrous Metal Products

Our gross profit from the trading of non-ferrous metal products decreased from RMB15.5 million in the six months ended June 30, 2024 to RMB10.6 million in the six months ended June 30, 2025, primarily attributable to due to we have strategically reduced our exposure to low profit margin businesses in light of the overall market conditions. The gross profit margin of our trading of non-ferrous metal products remained relatively stable in the six months ended June 30, 2025.

Other Income

Our other income decreased by 35.3% of RMB1.3 million and RMB0.8 million in the six months ended June 30, 2024 and 2025, primarily due to (i) a decrease of RMB0.6 million in others, mainly due to completion of the one-off equipment lease in the corresponding period in 2024.

Other Gains and Losses

Our other gains decreased by 24.2% from RMB15.2 million in the six months ended June 30, 2024 to RMB11.6 million in the six months ended June 30, 2025, primarily due to (i) an increase of RMB10.3 million in impairment losses on VAT receivables, primarily due to prolonged tax refund process in Zambia and (ii) a decrease of RMB5.1 million in gains from changes in fair value of trade receivables at FVTPL given the reduced volatility in copper prices during the first half of 2025 compared to the same period in 2024, as we typically determine copper product pricing based on the average LME Cash Settlement Price over the quotation period (i.e. M+N) and the applicable discount level stipulated in the agreement, partially offset by an increase of RMB7.3 million in foreign exchange gains, representing the fluctuations in exchanges rates of certain currencies.

Distribution and Selling Expenses

Our distribution and selling expenses increased by 21.1% from RMB5.2 million in the six months ended June 30, 2024 to RMB6.3 million in the six months ended June 30, 2025, primarily attributable to an increment in staff costs following the increased headcounts of our sales and marketing staff at our production facilities in Zambia and DR Congo in the corresponding periods.

Administrative Expenses

Our administrative expenses increased by 64.2% from RMB36.3 million in the six months ended June 30, 2024 to RMB59.6 million in the six months ended June 30, 2025, mainly driven by the increases in our staff costs, traveling expenses, office expenses and business and marketing expenses, in line with our business expansion.

Finance Costs

Our finance costs decreased by 34.2% from RMB12.2 million in the six months ended June 30, 2024 to RMB8.0 million in the six months ended June 30, 2025, primarily reflecting a decrease in our borrowings in the corresponding periods.

Income Tax

We recorded income tax expenses of RMB15.4 million and RMB26.2 million in the six months ended June 30, 2024 and 2025, respectively.

Profit for the Period

As a result of the foregoing, our profit for the period increased from RMB93.1 million in the six months ended June 30, 2024, to RMB135.0 million in the six months ended June 30, 2025. Our net profit margin increased from 11.4% in 2024 to 14.0% in the six months ended June 30, 2025, primarily driven by the significant increase in our revenue in line with our enhanced production capacity in the respective periods.

2024 Compared to 2023

Revenue

Our total revenue increased significantly from RMB675.7 million in 2023 to RMB1,769.8 million in 2024, primarily attributable to the following:

(i) *Copper production and processing.* Revenue from copper production and processing increased significantly from RMB417.0 million in 2023 to RMB1,229.9 million in 2024, mainly due to an increase in sales of copper cathodes from RMB404.8 million in 2023 to RMB1,229.0 million in 2024, driven by an increase in sales volume from

7,384.1 tons in 2023 to 19,851.1 tons in 2024 as our DR Congo copper smelter I ramped up for production during the year. Such increase was partially offset by a decrease in revenue from sales of copper concentrates by 92.2% from RMB12.2 million in 2023 to RMB0.9 million in 2024. During the Track Record Period, we strategically focused our resources in the production of copper cathodes.

(ii) *Trading of non-ferrous metal products.* Revenue trading of non-ferrous metal products increased significantly from RMB258.7 million in 2023 to RMB539.9 million in 2024, primarily attributable to an increase in revenue from trading of zinc ingot during the year.

Cost of Sales

Our cost of sales increased significantly from RMB545.6 million in 2023 to RMB1,402.2 million in 2024, primarily due to an increase in cost of raw materials and other production costs, resulting from an increase in sales volume.

Gross Profit and Gross Profit Margin

As a result of the foregoing, our gross profit increased significantly from RMB130.1 million in 2023 to RMB367.7 million in 2024. Our gross profit margin increased slightly from 19.3% in 2023 to 20.8% in 2024.

Copper Production and Processing

Our gross profit from production of copper cathodes increased from RMB121.5 million in 2023 to RMB339.8 million in 2024, primarily reflecting an increase in sales volume. Our gross profit margin from production of copper cathodes decreased from 30.0% in 2023 to 27.7% in 2024, primarily attributable to higher production costs incurred in DR Congo.

In 2023 and 2024, we incurred gross loss of RMB1.1 million and RMB2.0 million from production of copper concentrates. As we strategically focused our resources on production of copper cathodes, we only produced copper concentrates in smaller scale resulting in higher unit costs and gross loss.

Trading of Non-ferrous Metal Products

We recorded gross profit from trading of non-ferrous metal products of RMB9.8 million and RMB29.9 million in 2023 and 2024, respectively, achieving a gross profit margin of 3.8% and 5.5% in the respective years. During the Track Record Period, our gross profit margin from trading of non-ferrous metal products fluctuated with market prices of the metal products at the time of both sales and purchases.

Other Income

Our other income decreased by 40.4% from RMB3.1 million in 2023 to RMB1.9 million in 2024, primarily due to a decrease in interest income upon the write-off of the relevant loan due from an associate, Jiangxi Tungsten Jinxun Resources Africa SAS, which was considered unrecoverable, in 2024. Jiangxi Tungsten Jinxun Resources Africa SAS is an associate jointly established by Jinxun Singapore and Jiangxi Tungsten Trading Hong Kong Co., Ltd. on August 16, 2018 in DR Congo and primarily engages in the sale of mineral products covering copper and cobalt. To meet the operational needs of Jiangxi Tungsten Jinxun Resources Africa SAS, the shareholders provided loans in the same proportion to support the business expansion of Jiangxi Tungsten Jinxun Resources Africa SAS in trading of metal and mineral products. In 2021, Jiangxi Tungsten Jinxun Resources Africa SAS procured and stockpiled a considerable amount of cobalt ores in advance to support its business expansion. Since late 2022, cobalt ore prices had plummeted significantly as a result of the market surplus caused by the elevated production across global major producers. Affected by the fluctuations in cobalt ore prices, Jiangxi Tungsten Jinxun Resources Africa SAS experienced difficulties in selling its inventories to overcome its financial hardship and became insolvent afterwards. As a result, the shareholders' meeting of Jiangxi Tungsten Jinxun Resources Africa SAS unanimously held that the company to cease operations from December 31, 2023. A liquidation committee was established to facilitate the process of liquidating and de-registering of the company. In light of the fact that the company has ceased its operations on December 31, 2023 and initiated liquidation procedures in 2024, our Directors are of the view that the possibility to recover the aforementioned principle and interest is remote. Accordingly, the relevant principle and interest have been written-off and were excluded from being recognized as relevant interest income in 2024. During the Track Record Period, we entered into certain transactions with Jiangxi Tungsten Jinxun Resources Africa SAS from time to time, comprising mainly of (i) purchasing of property, plant and equipment; (ii) leasing of offices, staff dormitories and warehouse; and (iii) interest income in connection with the provision a loan. See "Material Related Party Transactions — Transactions with Related Parties" for details.

Other Gains and Losses

In 2023, we recorded other net losses of RMB35.3 million, primarily arising from (i) a net foreign exchange losses of RMB19.7 million, mainly resulting from the fluctuations between ZMK and USD arising from input VAT recoverable in Zambia; and (ii) an impairment loss on financial assets under ECL, representing the impairment made to a loan provided to an associate, Jiangxi Tungsten Jinxun Resources Africa SAS. In 2024, we recorded other net losses of RMB7.1 million, primarily arising from the loss from other financial liabilities at FVTPL of RMB5.0 million related to our investments in non-ferrous metal future contracts.

Distribution and Selling Expenses

Our distribution and selling expenses increased by 14.4% from RMB10.2 million in 2023 to RMB11.6 million in 2024, primarily due to an increase in staff cost in 2024, reflecting the increase in sales headcount and salary increment.

Administrative Expenses

Our administrative expenses increased by 68.5% from RMB48.2 million in 2023 to RMB81.2 million in 2024, primarily due to (i) an increase in staff cost in 2024, reflecting increases in administrative headcount and salary increment due to the shortage of administrative staff following Jinxun DR Congo commenced its production in August 2023 and the merit pay to our staff upon improved results of operations; and (ii) an increase in business development activities.

Finance Costs

Our finance costs increased significantly from RMB13.4 million in 2023 to RMB26.9 million in 2024, primarily due to an increase in our interest on bank and other borrowings as additional loans had been taken by the Company in 2024. The bank and other borrowing increased from RMB213.2 million as of December 31, 2023 to RMB268.6 million as of December 31, 2024.

Income Tax

We recorded income tax credit of RMB3.1 million in 2023 and income tax expense of RMB40.3 million in 2024. Such change was primarily due to an increase in profit before taxation in 2024.

Profit for the Year

As a result of the foregoing, our profit for the year increased significantly from RMB29.1 million in 2023 to RMB202.4 million in 2024. Our net profit margin increased from 4.3% in 2023 to 11.4% in 2024, primarily due to improvement in our revenue and gross profit margin as we ramped up our production in DR Congo copper smelter I.

2023 Compared to 2022

Revenue

Our total revenue increased by 6.0% from RMB637.3 million in 2022 to RMB675.7 million in 2023, primarily attributable to the following:

(i) *Copper production and processing.* Revenue from copper production and processing increased by 6.7% from RMB390.6 million in 2022 to RMB417.0 million in 2023, mainly due to an increase in sales of copper cathodes by 23.3% from RMB328.2 million in 2022 to RMB404.8 million in 2023 driven by an increase in sales volume from 5,886.4 tons in 2022 to 7,384.1 tons in 2023, following the commencement of operation of our DR Congo copper smelter I in August 2023. Such increase was

partially offset by a decrease in revenue from sales of copper concentrates by 80.5% from RMB62.4 million in 2022 to RMB12.2 million in 2023. During the Track Record Period, we strategically focused our resources in production of copper cathodes.

(ii) *Trading of non-ferrous metal products.* Revenue trading of non-ferrous metal products increased by 4.9% from RMB246.7 million in 2022 to RMB258.7 million in 2023, primarily attributable to an increase in revenue from trading of copper products during the year.

Cost of Sales

Our cost of sales increased by 16.9% from RMB466.8 million in 2022 to RMB545.6 million in 2023, primarily attributable to an increase in other materials and consumables and direct labor costs, mainly reflecting the increased use of auxiliary materials such as sulfuric acid and extractant, as well as manpower for production due to the use of lower-grade ores with lower percentage of desired metal content in 2023 since we have strategically shifted toward utilizing lower-grade ores with abundant reserves, which offer more stable supply advantages compared to high-grade ores.

Gross Profit and Gross Profit Margin

As a result of the foregoing, our gross profit decreased by 23.7% from RMB170.5 million in 2022 to RMB130.1 million in 2023. The contraction of our gross profit was primarily attributed to our limited production capacity in 2023. Jinxun DR Congo initiated its production in August 2023 and has yet to reach the designed production capacity, which subdued our annual production capacity. Our gross profit margin decreased from 26.8% in 2022 to 19.3% in 2023. The decrease in gross profit margin reflects the facts that fixed costs, including accumulated depreciation, accumulated amortization, and labor costs, continued to incur in the corresponding period.

Copper Production and Processing

Our gross profit from production of copper cathodes decreased from RMB155.2 million in 2022 to RMB121.5 million in 2023, primarily reflecting an increase in production costs due to the use of lower-grade ores with lower percentage of desired metal content in 2023, mainly because (i) the processing of lower-grade ores consumes more auxiliary materials, energy and manpower, resulting in higher unit processing costs compared to high-grade ores; (ii) the processing of an equivalent quantity of low-grade ores will result in less output of metal products compared to high-grade ores, thereby impacting overall production volume; and (iii) the DR Congo copper smelter I commenced operations in August 2023 and had yet to achieve economies of scale in 2023. Accordingly, our gross profit margin from production of copper cathodes decreased from 47.3% in 2022 to 30.0% in 2023.

In 2022 and 2023, we had gross profit of RMB9.7 million and gross loss of RMB1.1 million, respectively, from production of copper concentrates. As we strategically focused our resources on production of copper cathodes, we only produced copper concentrates in smaller scale resulting in higher unit costs and lower gross margin or gross loss.

Trading of Non-ferrous Metal Products

We recorded gross profit from trading of non-ferrous metal products of RMB5.6 million and RMB9.8 million in 2022 and 2023, respectively, achieving a gross profit margin of 2.3% and 3.8% in the respective years. During the Track Record Period, our gross profit margin from trading of non-ferrous metal products fluctuated with market prices of the metal products at the time of both sales and purchases.

Other Income

Our other income decreased by 50.6% from RMB6.3 million in 2022 to RMB3.1 million in 2023, primarily due to a decrease in government grants in 2023. In 2022, our government grants were mainly related to a subsidy received from Yunnan government amounting to RMB3.0 million.

Other Gains and Losses

In 2022, we recorded other net losses of RMB7.6 million, primarily arising from a decrease in fair value of our trade receivables at FVTPL of RMB10.4 million, reflecting the decrease in market prices of copper. In 2023, we recorded other net losses of RMB35.3 million, primarily arising from (i) a net foreign exchange losses of RMB19.7 million, mainly resulting from the fluctuations between ZMK and USD arising from input VAT recoverable in Zambia; and (ii) an impairment loss on financial assets under ECL, representing the impairment made to a loan provided to an associate, Jiangxi Tungsten Jinxun Resources Africa SAS.

Distribution and Selling Expenses

Our distribution and selling expenses increased by 7.0% from RMB9.5 million in 2022 to RMB10.2 million in 2023, primarily due to an increase in staff cost in 2023, reflecting the increase in sales headcount and salary increment.

Administrative Expenses

Our administrative expenses increased by 9.0% from RMB44.2 million in 2022 to RMB48.2 million in 2023, primarily due to (i) an increase in staff cost in 2023, reflecting increase in administrative headcount and salary increment as a consequence of the growing demand to administrative staff after the commencement of production by Jinxun DR Congo in August 2023, and the merit pay to our staff upon improved results of operations. We have also raised the investment in insurance coverage to our staff to mitigate the political, economic and safety risks in DR Congo; and (ii) an increase in insurance expenses related to new policy to insure against political, economic and security-related risks for businesses in DR Congo.

Finance Costs

Our finance costs increased significantly from RMB6.8 million in 2022 to RMB13.4 million in 2023, primarily attributable to an increase in our interest on bank and other borrowings as additional loans had been taken by the Company in 2023. The bank and other borrowing as of December 31, 2022 increased from RMB87.4 million to RMB213.2 million as of December 31, 2023.

Income Tax

We recorded income tax expense of RMB10.4 million in 2022 and income tax credit of RMB3.1 million in 2023. Such change was primarily attributable to a decrease in profit before tax in 2023. The impact was partially offset by the absence of tax waiver granted to our subsidiary in Zambia by Zambia Revenue Authority in 2023, whereas tax waiver of RMB10.4 million was granted in 2022. The tax waiver was provided to selected companies which meet certain criteria in capital investments.

Profit for the Year

As a result of the foregoing, our profit for the year decreased by 65.1% from RMB83.5 million in 2022 to RMB29.1 million in 2023. Our net profit margin decreased from 13.1% in 2022 to 4.3% in 2023, primarily due to (i) a decrease in gross profit; and (ii) an increase in foreign exchange losses in 2023.

DISCUSSION OF CERTAIN KEY ITEMS FROM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

The following table sets forth our consolidated financial position as of the dates indicated:

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	(RMB'000)			
Non-current assets				
Property, plant and equipment	339,428	504,961	617,621	654,834
Intangible assets	–	7,608	9,433	9,634
Right-of-use assets	6,046	20,223	20,160	20,333
Interest in an associate	252	–	–	–
Deferred tax assets	6,405	14,459	11,041	12,199
Prepayments, deposits and other receivables	46,141	45,150	36,196	53,747
Total non-current assets	**398,272**	**592,401**	**694,451**	**750,747**
Current assets				
Inventories	56,417	182,357	432,129	423,557
Trade receivables at amortized cost	1,174	491	264	2,204
Trade receivables at FVTPL	43,161	25,084	36,517	39,743
Prepayments, deposits and other receivables	58,910	42,609	81,554	114,148
Time deposit	–	–	5,000	6,050
Cash and cash equivalents	79,062	39,876	123,901	126,510
Total current assets	**238,724**	**209,417**	**679,365**	**712,212**
Current liabilities				
Trade payables at amortized cost	29,317	56,241	82,868	106,422
Trade payables designated at FVTPL	28,481	82,036	271,527	191,248
Accrued expenses and other payables	78,171	93,439	104,402	99,968
Contract liabilities	33,495	27,989	62,782	84,735
Income tax payable	11,176	10,855	34,848	39,131
Bank and other borrowings	81,485	195,505	207,171	176,167
Lease liabilities	695	250	90	139
Financial liabilities at FVTPL	246	66	–	107
Total current liabilities	**263,066**	**466,381**	**763,688**	**697,917**
Net current liabilities	**(24,342)**	**(175,964)**	**(84,323)**	**14,295**
Total assets less current liabilities	**373,930**	**416,437**	**610,128**	**765,042**

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	(RMB'000)			
Non-current liabilities				
Bank and other borrowings	5,904	17,706	61,456	69,019
Lease liabilities	529	78	–	401
Provision for restoration, rehabilitation and environmental costs	3,581	9,380	10,746	22,123
Deferred tax liabilities	3,442	–	2,944	4,758
Total non-current liabilities	**13,456**	**27,164**	**75,146**	**96,301**
Total liabilities	**276,522**	**493,545**	**838,834**	**794,218**
Net assets	**360,474**	**389,273**	**534,982**	**668,741**

Property, Plant and Equipment

Our property, plant and equipment consisted of (i) buildings; (ii) machinery equipment; (iii) construction in progress, mainly in relation to our construction of production facilities in DR Congo, Anhui in the PRC and Zambia; and (iv) electronic and transportation equipment and others. The following table sets forth a breakdown of the net carrying amount of our property, plant and equipment as of the dates indicated:

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	(RMB'000)			
Buildings	59,168	229,744	262,545	266,091
Machinery equipment	44,873	134,532	194,018	189,844
Construction in progress	203,393	101,608	119,143	157,244
Electronic and transportation equipment and others	31,994	39,077	41,915	41,655
Total	**339,428**	**504,961**	**617,621**	**654,834**

Our property, plant and equipment increased by 48.8% from RMB339.4 million as of December 31, 2022 to RMB505.0 million as of December 31, 2023. Such increase was primarily due to the construction of the DR Congo copper smelter I and Anhui cobalt processing Plant project and improvement of the cobalt workshop. In 2023, the construction of the DR Congo copper smelter I completed and being put into operation, thus the related construction costs had been transferred to buildings and machinery equipment respectively.

Our property, plant and equipment increased by 22.3% from RMB505.0 million to RMB617.6 million as of December 31, 2024, primarily due to construction work of Anhui cobalt processing plant project and tailing pond. In 2024, the construction of cobalt workshop and part of the tailing pond has completed and being put into operation, thus their related construction costs had been transferred to buildings and machinery equipment respectively. Our property, plant and equipment further increased by 6.0% to RMB654.8 million as of June 30, 2025, primarily due to an increase of RMB38.1 million in construction in process in relation to the projects in Anhui Province.

Intangible Assets

Our intangible assets represented exploitation certificate acquired from a third party for our operations in DR Congo. The transfer of such license were approved by the local government of DR Congo in 2023 for a period up to August 2039. Our intangible assets increased by 24.0% from RMB7.6 million as of December 31, 2023 to RMB9.4 million as of December 31, 2024, primarily due to an additional consideration paid in relation to the acquisition of such certificate. Our intangible assets further increased by 2.1% to RMB9.6 million as of June 30, 2025, mainly due to the renewal fees paid upon expiration of the exploitation certificate. As advised by our legal advisors as to DR Congo laws, the regulations on mining operations in DR Congo apply to all holders of mining rights permits. Further, under the Mining Code of DR Congo, any legal entity who is not a holder of the mining rights permit and is solely engaged in the processing of mineral substances must dedicate at least 50% of the share capital to Congolese nationals. In practice, the relevant Congolese authorities consider that the obligation to dedicate 50% of the share capital to Congolese nationals applies only to processing entities that do not hold a mining rights permit. Therefore, holding a mining rights permit exempts our subsidiary in DR Congo from the obligation to transfer 50% of the share capital to Congolese nationals.

Right-of-Use Assets

Our right-of-use assets consisted of (i) land use right for leasehold land situated in the PRC, Zambia and DR Congo; and (ii) the leases of properties for our office premises.

Our right-of-use assets increased significantly from RMB6.0 million as of December 31, 2022 to RMB20.2 million as of December 31, 2023, primarily due to the acquisition of land use right in Anhui for the Anhui cobalt processing plant project. Our right-of-use assets remained stable at RMB20.2 million as of December 31, 2024. Our right-of-use assets remained relatively stable as of June 30, 2025.

Deferred Tax Assets/Liabilities

Our deferred tax primarily arose from temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes, primarily including those arising from the depreciation of property, plant and equipment as well as intra-group unrealized gains or losses.

The following table sets forth our deferred tax assets and liabilities as of the dates indicated:

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	(RMB'000)			
Deferred tax assets	6,405	14,459	11,041	12,199
Deferred tax liabilities	3,442	–	2,944	4,758

Prepayments, Deposits and Other Receivables

The current portion of our prepayments, deposits and other receivables primarily consisted of (i) input VAT receivables; (ii) tax recoverable; (iii) prepayments for inventories and others; and (iv) loans granted to an associate. The non-current portion of our prepayments, deposits and other receivables primarily consisted of (i) prepayments for property, plant and equipment; and (ii) input VAT receivables.

The following table sets forth our prepayments, deposits and other receivables as of the dates indicated:

	At December 31,			At June 30,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Non-current:				
Prepayments for property, plant and equipment	10,123	1,071	4,624	8,682
Deposits	–	71	301	332
Input VAT receivables	39,921	54,980	38,130	59,848
Less: loss allowance	(3,903)	(10,972)	(6,859)	(15,115)
	46,141	45,150	36,196	53,747

	At December 31,			At June 30,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Current:				
Prepayments for inventories and others	4,881	3,041	14,748	10,106
Prepayments for costs incurred in connection with the proposed [**REDACTED**] of H shares	–	–	–	[REDACTED]
Input VAT receivables	25,827	16,669	30,989	43,854
Tax recoverable	14,665	16,274	18,795	20,167
Deposits	4,760	1,547	19,377	31,770
Loans granted to an associate	10,416	11,582	–	–
Deposits in transit	–	5,666	–	–
Other receivables	5,151	7,024	180	648
Less: loss allowance	(6,790)	(19,194)	(2,535)	(3,275)
	58,910	42,609	81,554	114,148
Total	**105,051**	**87,759**	**117,750**	**167,895**

Our prepayments, deposits and other receivables decreased from RMB105.1 million as of December 31, 2022 to RMB87.8 million as of December 31, 2023, primarily due to the increase in allowance made to our loans granted to an associate and the decrease of prepayment for property, plant and equipment due to the transfer of such to property, plant and equipment upon the delivery of the assets.

Our prepayments, deposits and other receivables increased from RMB87.8 million as of December 31, 2023 to RMB117.8 million as of December 31, 2024, primarily attributed to the expansion of our operations in DR Congo. With the production capacity in DR Congo accumulated rapidly in 2024, the demand of electricity surged to the same direction. The deposits in connection with electricity reached RMB17.4 million and the prepayments made to purchasing spare parts to maintain normal production and operation of the factory in DR Congo also raised, attributed to the increases in our prepayments, deposits and other receivables in the corresponding periods. Our prepayments, deposits and other receivables further increased to RMB167.9 million as of June 30, 2025, primarily attributable to (i) an increase in tax refund; (ii) the increased [**REDACTED**] expenses and (iii) the prepayment in connection with the cobalt hydroxide projects in Anhui Province.

Inventories

Our inventories comprised (i) raw materials, primarily including copper ore, tailings, sulfuric acid, diesel, extractants and other auxiliary materials required during the production; (ii) spare parts and consumables, (iii) work-in-progress, primarily including copper sulfate solution and cobalt sulfate solution; and (iv) finished goods, primarily including copper products from our production and non-ferrous metal products for trading purpose. The following table sets forth our inventories as of the dates indicated:

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	(RMB'000)			
Raw materials	27,127	78,400	230,502	211,950
Spare parts and consumables	5,410	7,363	28,396	39,822
Work in progress	3,233	54,768	79,981	71,505
Finished goods	20,647	41,826	93,250	100,280
Total	**56,417**	**182,357**	**432,129**	**423,557**

Our inventories increased significantly from RMB56.4 million as of December 31, 2022 to RMB182.4 million as of December 31, 2023, primarily due to the gradual increase of production of copper cathodes since the commencement of production at DR Congo copper smelter I in August 2023, which pushed up the inventory level as of December 31, 2023.

Our inventories increased significantly from RMB182.4 million as of December 31, 2023 to RMB432.1 million as of December 31, 2024, primarily due to the increase in monthly production of copper cathodes at the DR Congo copper smelter I from December 2023 to December 2024, which pushed up the inventory level as of December 31, 2024.

Our inventories remained relatively stable as of June 30, 2025.

We use our system to assist us in planning and managing our inventories. We conduct inventory review and aging analysis on a regular basis. Our team monitors our inventory levels, inventory age, inventory composition and inventory turnover rate. We also carry out physical stock counts on a regular basis. See "Business — Inventory Management" for details of our inventory management policies.

The following table sets forth a breakdown of aging analysis of our inventories as of the dates indicated:

	Year ended December 31,			As of June 30,
	2022	2023	2024	2025
	(RMB'000)			
Within 30 days	30,923	113,367	238,249	317,394
30-90 days	18,587	33,554	164,863	71,067
90-180 days	4,352	21,975	15,266	17,944
180-365 days	619	11,314	11,306	14,040
Over 1 year	1,936	2,147	2,445	3,112
Total	**56,417**	**182,357**	**432,129**	**423,557**

We calculate the inventory turnover days using the average of the opening and ending inventory balances for the period, divided by cost of sales for the relevant period, multiplied by the number of days in the relevant period (i.e. 365 days for each of the years ended December 31, 2022, 2023, 2024 and 180 days for the six months ended June 30, 2025). The following table sets forth the number of our inventory turnover days for the periods indicated:

	Year ended December 31,			For the six months ended June 30,
	2022	2023	2024	2025
Inventory turnover days	54	80	80	104

Our inventory turnover days increased from 54 days in 2022 to 80 days in 2023, primarily due to the commencement of production at DR Congo copper smelter I in August 2023, which pushed up the inventory level as of December 31, 2023. Our inventory turnover days remained stable at 80 days in both 2023 and 2024. Our turnover days further increased to 104 days for the six months ended June 30, 2025.

As of October 31, 2025, RMB375.6 million, or approximately 89.0% of our inventories as of June 30, 2025 had been utilized or sold.

Trade Receivables

We generally require our customers of copper products to make 95% payment before the products leave our production facilities and 5% payment within one to two months after shipment. When we sell our copper products under provisional pricing arrangements, where final grades of copper, gold, silver and cobalt in copper products are agreed based on third-party examination and final prices are set at a specified date based on market prices, we recognized our trade receivables at fair value through profit or loss ("**FVTPL**"), reflecting the market price at the date of final settlement, which is usually within one to three months from the date of revenue recognition.

The following table sets forth our trade receivables as of the dates indicated:

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	(RMB'000)			
Trade receivables at amortized cost	1,244	517	278	2,316
Less: allowance for credit losses	(70)	(26)	(14)	(112)
	1,174	491	264	2,204
Trade receivables at FVTPL	43,161	25,084	36,517	39,743
Total trade receivables	**44,335**	**25,575**	**36,781**	**41,947**

Our trade receivables fluctuate from period to period, generally affected by the timing of our delivery schedule and settlement from customers. Our trade receivables decreased by 42.3% from RMB44.3 million as of December 31, 2022 to RMB25.6 million as of December 31, 2023, primarily due to settlements from certain customers. Our trade receivables increased by 43.8% from RMB25.6 million as of December 31, 2023 to RMB36.8 million as of December 31, 2024, primarily due to the increases in our revenue. Our trade receivables further increased by 14.0% to RMB41.9 million as of June 30, 2025, primarily due to an increase of RMB3.2 million in trade receivables measured at FVTPL, reflecting the increased sales volume of copper cathodes.

For our trade receivables recognized at amortized costs, we perform an impairment analysis at the end of each reporting period using the simplified approach in IFRS 9 to measure the loss allowance at lifetime. See Note 31 of the Accountants' Report in Appendix I to this document for details.

The following table sets forth aging analysis of trade receivables at amortized costs, net of loss allowance and based on invoice date as of the dates indicated:

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	(RMB'000)			
0 to 30 days	649	422	264	2,204
31 to 90 days	–	7	–	–
91 to 180 days	–	62	–	–
181 to 365 days	387	–	–	–
Over one year	138	–	–	–
Total	**1,174**	**491**	**264**	**2,204**

The following table sets forth aging analysis of trade receivables at FVTPL, based on invoice date as of the dates indicated:

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	(RMB'000)			
0 to 30 days	41,963	22,074	32,612	39,656
31 to 90 days	1,198	3,010	3,905	87
Total	**43,161**	**25,084**	**36,517**	**39,743**

We calculate the trade receivables turnover days using the average of the opening and ending trade receivables balances for the period, divided by revenue for the relevant period, multiplied by the number of days in the relevant period (i.e. 365 days for each of the years ended December 31, 2022, 2023, 2024 and 180 days for the six months ended June 30, 2025). The following table sets forth the number of our trade receivables turnover days for the periods indicated:

	Year ended December 31,			For the six months ended June 30,
	2022	2023	2024	2025
Trade receivables turnover days	26	19	6	7

Our trade receivable turnover days were 26 days, 19 days, 6 days and 7 days, which were shorter than the credit period we granted to certain of our customers. The gradual decrease in our trade receivable turnover days during the Track Record Period as we required prepayments from more customers for better capital management.

As of October 31, 2025, all of our trade receivables as of June 30, 2025 were subsequently settled.

Trade Payables

Our trade payables primarily arose from purchases of raw materials, such as copper ore, non-ferrous metal products and chemical products. Trade payables arising from provisional pricing arrangements of copper concentrates purchase are settled at final prices set at a specified future period after shipment by suppliers based on prevailing spot prices and are designated at FVTPL on a contract by contract basis. While some of our suppliers require us to make payment in advance or do not grant us credit, our other suppliers generally provide us with a credit term of no more than 30 days.

The following table sets forth our trade payables as of the dates indicated:

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	(RMB'000)			
Trade payables at amortized cost	29,317	56,241	82,868	106,422
Trade payables at FVTPL	28,481	82,036	271,527	191,248
Trade payables	**57,798**	**138,277**	**354,395**	**297,670**

Our trade payables increased significantly from RMB57.8 million as of December 31, 2022 to RMB138.3 million as of December 31, 2023, primarily due to an increase in purchases for our production in DR Congo since its commencement of operation in August 2023. Our trade payables further increased significantly from RMB138.3 million as of December 31, 2023 to RMB354.4 million as of December 31, 2024, primarily due to a further increase in purchases as the production in DR Congo ramped up during the year. Our trade payables further decreased to RMB297.7 million as of June 30, 2025, primarily due to a decrease of RMB80.3 million in trade payables measured at FVTPL, representing the settlement of majority of trade receivables in the corresponding periods.

The following table sets forth an aging analysis of our trade payables at amortized costs, based on invoice dates, as of the dates indicated:

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	(RMB'000)			
0 to 30 days	25,871	20,865	58,545	77,088
31 to 90 days	892	9,736	19,505	26,807
91 to 180 days	–	13,686	2,506	2,017
181 to 365 days	2,290	289	208	301
Over one year	264	11,665	2,104	209
Total	**29,317**	**56,241**	**82,868**	**106,422**

The following table sets forth an aging analysis of our trade payables at FVTPL, based on invoice dates, as of the dates indicated:

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	(RMB'000)			
0 to 30 days	12,025	34,191	254,244	139,100
31 to 90 days	9,246	43,020	16,272	40,081
91 to 180 days	7,195	4,632	–	4,045
181 to 365 days	15	193	53	8,022
Over one year	–	–	958	–
Total	**28,481**	**82,036**	**271,527**	**191,248**

Our trade payables at amortized costs with aging over one year mainly arose from purchases of replacement parts settled by instalment.

We calculate the trade payables turnover days using the average of the opening and ending trade payables balances for the period, divided by cost of sales for the relevant period, multiplied by the number of days in the relevant period (i.e. 365 days for each of the years ended December 31, 2022, 2023, 2024 and 180 days for the six months ended June 30, 2025). The following table sets forth the number of our trade payables turnover days for the periods indicated:

	Year ended December 31,			For the six months ended June 30,
	2022	2023	2024	2025
Trade payables turnover days	36	66	64	79

Our trade payables turnover days increased from 36 days in 2022 to 66 days in 2023, primarily due to an increase in purchases for our production in DR Congo since its commencement of operation in August 2023. Our trade payables turnover days remained relatively stable at 66 days and 64 days in 2023 and 2024, respectively. Our trade payables turnover days further increased to 79 days for the six months ended June 30, 2025.

As of October 31, 2025, RMB293.8 million, or approximately 98.7% of our trade payables as of June 30, 2025 were subsequently settled.

Accrued Expenses and Other Payables

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

The following table sets forth our accrued expenses and other payables as of the dates indicated:

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Payables for properties, plant and equipment and intangible assets	68,120	65,643	62,131	53,652
Payables for costs incurred in connection with the proposed [**REDACTED**] of H shares	–	–	–	[**REDACTED**]
Deposits	1,367	16,084	15,143	15,130
Others	2,926	2,773	11,585	10,934
Financial liabilities measured at amortised cost	72,413	84,500	88,859	84,868
Payroll payables	5,420	4,366	7,490	7,162
Other tax payables	338	4,573	8,053	7,938
	78,171	**93,439**	**104,402**	**99,968**

Our accrued expenses and other payables increased by 19.5% from RMB78.2 million as of December 31, 2022 to RMB93.4 million as of December 31, 2023, primarily due to the increase in (i) deposits, relating to security deposits received from customers for their purchases; and (ii) other tax payables as a result of resource tax levied on our production in the DR Congo copper smelter I.

Our accrued expenses and other payables increased by 11.7% from RMB93.4 million as of December 31, 2023 to RMB104.4 million as of December 31, 2024, primarily due to the general increase in accruals and other payables attributed to the expansion of our operations in DR Congo.

Our accrued expenses and other payables decreased slightly by 4.2% to RMB100.0 million as of June 30, 2025, primarily attributable to a decrease of RMB8.5 million in payables for properties, plant and equipment and intangible assets upon completion of the production facility in DR Congo.

As of October 31, 2025, RMB47.7 million, or approximately 47.7% of our accrued expenses and other payables as of June 30, 2025 were subsequently settled.

Contract Liabilities

Contract liabilities represented advances we received from our customers. As of December 31, 2022, 2023 and 2024, we had contract liabilities of RMB33.5 million, RMB28.0 million and RMB62.8 million. The significant increase in contract liabilities as of December 31, 2024 as compared to December 31, 2023 was primarily due to the increase in our orders on hand. Our contract liabilities further increased by 35.0% to RMB84.7 million as of June 30, 2025, primarily driven by our general business expansion and increased orders from our customers.

As of October 31, 2025, all of our contract liabilities as of June 30, 2025 were subsequently settled.

Financial Liabilities at Fair Value through Profit or Loss

Financial liabilities at FVTPL represented the non-ferrous futures contracts we held to hedge against price volatility of metals. As of December 31, 2022, 2023, 2024 and June 30, 2025, we had non-ferrous metal futures contracts amounting to RMB0.2 million, RMB66,000, nil and RMB0.1 million, respectively.

Provision for Restoration, Rehabilitation and Environmental Costs

Provision for restoration, rehabilitation and environmental costs was related to our smelting operations in Zambia and DR Congo, representing the accrued costs arising from facility decommissioning and dismantling, removal or treatment of waste materials and site and land rehabilitation, discounted to the net present value. As of December 31, 2022, 2023, 2024 and June 30, 2025, we had provision for restoration, rehabilitation and environmental costs of RMB3.6 million, RMB9.4 million, RMB10.7 million and RMB22.1 million, respectively. The significant increase in our provision of restoration, rehabilitation and environmental costs was primarily due to the costs incurred following the environmental incidents of Rong Xing in the corresponding periods. Such amounts will be settled when rehabilitation is undertaken, generally at the end of a project life, which ranges from 10 to 15 years.

NET CURRENT (LIABILITIES)/ASSETS

The table below sets forth our current assets, current liabilities and net current liabilities as of the dates indicated:

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	(RMB'000)			
Current assets:				
Inventories	56,417	182,357	432,129	423,557
Trade receivables at amortized cost	1,174	491	264	2,204
Trade receivables at FVTPL	43,161	25,084	36,517	39,743
Prepayments, deposits and other receivables	58,910	42,609	81,554	114,148
Time deposit	–	–	5,000	6,050
Cash and cash equivalents	79,062	39,876	123,901	126,510
Total current assets	238,724	290,417	679,365	712,212
Current liabilities:				
Trade payables at amortized cost	29,317	56,241	82,868	106,422
Trade payables designated at FVTPL	28,481	82,036	271,527	191,248
Accrued expenses and other payables	78,171	93,439	104,402	99,968
Contract liabilities	33,495	27,989	62,782	84,735
Income tax payable	11,176	10,855	34,848	39,131
Bank and other borrowings	81,485	195,505	207,171	176,167
Lease liabilities	695	250	90	139
Financial liabilities at FVTPL	246	66	–	107
Total current liabilities	263,066	466,381	763,688	697,917
Net current (liabilities)/assets	**(24,342)**	**(175,964)**	**(84,323)**	**14,295**

We had net current assets of RMB14.3 million as of June 30, 2025, consisting of current assets of RMB712.2 million and current liabilities of RMB697.9 million, which represented an increase of RMB98.6 million from our net current liabilities of RMB84.3 million as of December 31, 2024. The increase was mainly driven by (i) an increase of RMB32.6 million in prepayments, deposits and other receivables, primarily due to (a) an increase in tax refund; (b) the increased [**REDACTED**] expenses and (c) the prepayment in connection with the cobalt hydroxide projects in Anhui Province and (ii) an increase of RMB3.2 million in trade receivables measured at FVTPL, mainly in line with our revenue growth in the respective period, partially offset by (i) an increase of RMB23.6 million in trade payables at amortized cost following our increased raw materials procurement corresponding to our enhanced production capacity and (ii) an increase of RMB22.0 million in contract liabilities, mainly due to the increase in our orders from the customers.

We had net current liabilities of RMB84.3 million as of December 31, 2024, consisting of current assets of RMB679.4 million and current liabilities of RMB763.7 million, which represented a decrease of RMB91.6 million from our net current liabilities of RMB176.0 million as of December 31, 2023. Such reduction of net current liabilities as of December 31, 2024 as compared with that as of December 31, 2023 was primarily attributable to (i) an increase in inventories of RMB249.8 million as the operations of our DR Congo copper smelter I ramped up during the year; (ii) an increase of cash and cash equivalents of RMB84.0 million, mainly caused by the cash inflow from operation; (iii) an increase of prepayment, deposits and other receivables totalled of RMB38.9 million, mainly attributed to the expansion of our operations in DR Congo. The aforementioned increase of current assets as of December 31, 2024 as compared with that as of December 31, 2023 was partly offset by an increase of current liabilities of RMB297.3 million primarily caused by the increase in trade payables (including those recognized at amortized costs and FVTPL) of RMB216.1 million as a result of the increase in purchases as our production in DR Congo ramped up during the year.

We had net current liabilities of RMB176.0 million as of December 31, 2023, consisting of current assets of RMB290.4 million and current liabilities of RMB466.4 million, which represented an increase of RMB151.6 million from our net current liabilities of RMB24.3 million as of December 31, 2022. The increase of the net current liabilities as of December 31, 2023 as compared with that as of December 31, 2022 was primarily attributable to the increase in our current liabilities of RMB203.3 million, primarily due to (i) an increase in short term bank and other borrowings of RMB114.0 million for financing the construction of the Anhui cobalt processing plant and the DR Congo copper smelter I; and (ii) an increase in trade payables of RMB80.5 million as a result of the increase in purchases as our DR Congo copper smelter I commenced operations. The increase in our current liabilities as of December 31, 2023 was partly offset by increase of the current assets of RMB51.7 million as of December 31, 2023 caused by the increase in inventories of RMB125.9 million since the commencement of operation of our DR Congo copper smelter I in August 2023, partly offset by the decrease in cash and cash equivalents of RMB39.2 million.

LIQUIDITY AND CAPITAL RESOURCES

Our business operations and expansion plans require a significant amount of capital, including cash and cash equivalents as well as other working capital requirements. Historically, we financed our capital expenditure and working capital requirements mainly through cash generated from operations and bank and other borrowings. As of December 31, 2022, 2023, 2024 and June 30, 2025, we had cash and cash equivalents of RMB79.1 million, RMB39.9 million, RMB123.9 million and RMB126.5 million respectively.

Cash Flows

The following table sets forth a summary of our cash flows during the Track Record Period:

	Year ended December 31,			For the six months ended June 30,
	2022	2023	2024	2025
	(RMB'000)			
Net cash flows from operating activities	202,180	43,329	292,558	111,533
Net cash flows used in investing activities	(200,686)	(192,285)	(171,001)	(71,718)
Net cash flows from/(used in) financing activities	50,496	109,355	(38,406)	(36,925)
Net increase/(decrease) in cash and cash equivalents	51,990	(39,601)	83,151	2,890
Cash and cash equivalents at the beginning of the year	27,001	79,062	39,876	123,901
Effect of foreign exchange rate changes	71	415	874	(281)
Cash and cash equivalents at the end of the year/period	**79,062**	**39,876**	**123,901**	**126,510**

Operating Activities

Cash flows from operating activities consist of profit before income tax adjusted for certain non-cash or non-operating activities related items, primarily including depreciation of property, plant and equipment, finance costs, share of losses of an associate, foreign exchange differences, impairment losses on financial assets under ECL model. We derive our cash inflow mainly from operating activities through sales of copper products from production and trading of non-ferrous metal. Cash outflow from operating activities primarily consisted of payments for procuring inventories, employee benefit expenses, and other operating expenses incurred during our daily operations. We recorded net operating cash inflow from operating activities throughout the Track Record Period.

Our net cash flow from operating activities was RMB111.5 million in the six months ended June 30, 2025. This net cash inflow was attributable to profit before tax of RMB161.2 million, as adjusted to reflect non-cash or non-operating items, which consisted primarily of (i) depreciation of property, plant and equipment of RMB25.5 million; (ii) impairment losses on VAT receivables of RMB8.5 million; and (iii) finance costs of RMB8.0 million, partially offset by (i) decrease in trade and other payables and accrued expenses of RMB58.2 million and (ii) an increase in trade receivables and prepayments, deposits and other receivables of RMB22.6 million.

Our net cash from operating activities was RMB292.6 million in 2024. This net cash inflow was attributable to profit before tax of RMB242.8 million, as adjusted to reflect non-cash or non-operating items, which primarily consisted of (i) depreciation of property, plant, equipment and right-of-use assets and amortization of intangible assets totalled RMB42.4 million; (ii) finance cost of RMB26.9 million; (iii) increase in trade and other payables and accrued expenses of RMB225.4 million; and (iv) the increase in contract liabilities of RMB34.8 million. These were partially offset by the increase in inventories of RMB247.0 million and the increase in trade receivables and prepayments, deposits, other receivables totalled of RMB31.1 million.

Our net cash from operating activities was RMB43.3 million in 2023. This net cash inflow was attributable to (i) profit before tax of RMB26.0 million, as adjusted to reflect non-cash or non-operating items, which primarily consisted of (i) depreciation of property, plant, equipment and right-of-use assets and amortization of intangible assets totalled RMB21.5 million; (ii) net exchange losses of RMB19.7 million; (iii) impairment loss, net of reversal for the input VAT receivables and financial assets under ECL model totalled RMB19.2 million; (iv) finance costs of RMB13.4 million; and (v) the increase in trade and other payables and accrued expenses of RMB98.5 million. These were partially offset by (i) the increase in inventories of RMB125.8 million; and (ii) the increase in trade receivables and prepayment, deposits and other receivables totalled RMB10.4 million.

Our net cash from operating activities was RMB202.2 million in 2022. This net cash inflow was attributable to profit before tax of RMB93.9 million, as adjusted to reflect non-cash or non-operating items, which primarily consisted of (i) share of losses of an associate of RMB14.8 million; (ii) loss arising of fair value change of financial asset/liabilities at FVTPL of RMB9.9 million; (iii) the increase in contract liabilities of RMB29.7 million; (iv) the increase of trade and other payables and accrued expenses of RMB26.4 million; and (v) the decrease in inventories of RMB24.8 million.

Investing Activities

Our cash used in investing activities mainly consisted of our cash used in purchases of items of property, plant and equipment. During the Track Record Period, we have minimal cash generated from investing activities.

Our net cash used in investing activities was RMB71.7 million in the six months ended June 30, 2025, primarily attributable to the payment for the purchase of property, plant and equipment and intangible assets of RMB72.1 million.

Our net cash used in investing activities was RMB171.0 million in 2024. This net cash outflow was primarily due to the purchases of property, plant and equipment of RMB171.4 million.

Our net cash used in investing activities was RMB192.3 million in 2023. This net cash outflow was primarily due to the purchases of property, plant and equipment of RMB192.7 million.

Our net cash used in investing activities was RMB200.7 million in 2022. This net cash outflow was primarily due to the purchases of property, plant and equipment of RMB201.5 million.

Financing Activities

Our cash used in financing activities mainly consisted of cash for dividends payment to the Shareholders, repayment of bank and other borrowings and interest paid on bank and other borrowings. Cash generated from financing activities mainly consisted of proceeds from bank borrowings and issue of Shares.

Our net cash used in financing activities was RMB36.9 million in the six months ended June 30, 2025, primarily due to (i) repayment of bank and other borrowings of RMB168.7 million and (ii) interest paid of RMB8.7 million, partially offset by the proceeds from bank and other borrowings of RMB147.4 million.

Our net cash used in financing activities was RMB38.4 million in 2024. This net cash outflow was primarily due to (i) repayment of bank and other borrowings of RMB458.7 million; (ii) dividend of RMB60.7 million paid to the Shareholders; and (iii) interest paid on bank and other borrowings of RMB26.0 million. This net cash outflow was offset by the proceeds from bank and other borrowings of RMB512.2 million.

Our net cash generated from financing activities was RMB109.4 million in 2023. This net cash inflow was primarily contributed by the proceeds from bank and other borrowings of RMB262.5 million, which was partly offset by the repayment of loans and other borrowings of RMB137.9 million and interest paid of RMB12.3 million.

Our net cash generated from financing activities was RMB50.5 million in 2022. This net cash inflow was primarily contributed by the proceeds from bank and other borrowings of RMB100.2 million and the proceeds of RMB48.3 million received from the issuance of the Shares, which partly offset by the repayment of bank and other borrowings of RMB81.9 million.

WORKING CAPITAL SUFFICIENCY

During the Track Record Period, we met our working capital requirements mainly from cash generated from operations and bank and other borrowings.

Taking into account the financial resources available to us, including cash flow from operating activities and the estimated [**REDACTED**] from the [**REDACTED**], our Directors are of the view that we have sufficient working capital to meet our present requirements and for the next 12 months from the date of this document.

INDEBTEDNESS AND CONTINGENT LIABILITIES

Indebtedness

During the Track Record Period, our indebtedness consisted of (i) lease liabilities; and (ii) bank and other borrowings. The following table sets forth a breakdown of our indebtedness as of the dates indicated:

	As of December 31,			As of June 30,	As of October 31,
	2022	2023	2024	2025	2025
			(RMB'000)		*(unaudited)*
Included in current liabilities					
Lease liabilities	695	250	90	139	113
Bank and other borrowings	81,485	195,505	207,171	176,167	218,104
Sub-total	**82,180**	**195,755**	**207,261**	**176,306**	**218,217**
Included in non-current liabilities					
Lease liabilities	529	78	–	401	362
Bank and other borrowings	5,904	17,706	61,456	69,019	83,621
Sub-total	**6,433**	**17,784**	**61,456**	**69,420**	**83,983**
Total	**88,613**	**213,539**	**268,717**	**245,726**	**302,200**

Bank and Other Borrowings

As at December 31, 2022, we have bank and other borrowings of RMB87.4 million with annual interest rates ranged from 1.65% to 12%. Our bank and other borrowings increased to RMB213.2 million as of December 31, 2023, primarily used for the construction of the DR Congo and Anhui production plants. The annual interest rates of the bank and other borrowings as of December 31, 2023 ranged from 1.65% to 10%.

Our bank and other borrowings increased by 26.0% to RMB268.6 million as of December 31, 2024 from RMB213.2 million as of December 31, 2023, primarily due to the draw down of loans for financing our working capital and capital expenditures. The annual interest rates of the bank and other borrowings as of December 31, 2024 ranged from 1.1% to 9.5%.

Our bank and other borrowings further decreased by 8.7% to RMB245.2 million as of June 30, 2025, primarily due to the decrease in other borrowings of RMB34.3 million. The annual interest rates of the bank and other borrowings as of June 30, 2025 ranged from 1.1% to 10%.

The following table sets forth a breakdown of the bank and other borrowings as of the dates indicated:

	As of December 31,			As of June 30,	As of October 31,
	2022	2023	2024	2025	2025
			(RMB'000)		*(unaudited)*
Bank loans:					
Guaranteed by related parties and/or third parties	39,055	61,084	66,098	67,066	21,921
Pledged by bank deposits of a related party	4,505	–	–	–	–
Secured by property, plant and equipment, right-of-use assets and trade receivables of our Group	14,226	33,053	28,754	96,057	108,461
Guaranteed by related parties and pledged by securities of related parties, and secured by property, plant and equipment and right-of-use assets of our Group	–	–	61,703	–	–
Secured by bank deposits of our Group	–	–	4,503	6,441	4,538
Unguaranteed and unsecured bank loans	2,534	2,002	–	2,336	59,585
	60,320	96,139	161,058	171,900	194,505
Other borrowings:					
Guaranteed by related parties and secured by inventories of our Group from third parties	21,043	21,465	–	–	–
Unguaranteed and unsecured loans from third parties	6,026	95,607	107,569	73,286	107,220
	27,069	117,072	107,569	73,286	107,220
	87,389	**213,211**	**268,627**	**245,186**	**301,725**

Our Directors confirm that there has been no material change in our indebtedness position since October 31, 2025, being the latest practicable date for the purpose of the indebtedness statement. As of the Latest Practicable Date, there was no material restrictive covenant in our indebtedness which could significantly limit our ability to undertake additional debt or equity financing, nor was there any breach of covenant during the Track Record Period and up to the Latest Practicable Date. As of the Latest Practicable Date, except for bank borrowings, we did not have plans for other material external debt financing.

As of October 31, 2025, we had unutilized banking facilities of RMB367.0 million. We do not anticipate any changes to the availability of bank financing to finance our operations in the future, although we cannot assure you that we will be able to access bank financing on favorable terms or at all.

Lease Liabilities

Our lease liabilities mainly represented the amount to be paid by us as the lessee for the leases of office premises. The following table sets forth the carrying amount of our lease liabilities as of the dates indicated:

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	(RMB'000)			
Non-current	529	78	–	401
Current	695	250	90	139
Total	**1,224**	**328**	**90**	**540**

Our lease liabilities as of December 31, 2022, 2023 and 2024 and June 30, 2025 was RMB1.2 million, RMB0.3 million, RMB90.0 thousand and RMB0.5 million, respectively.

For a maturity analysis of our lease liabilities, see Note 31 to the Accountants' Report included in Appendix I to this document.

Contingent Liabilities

As of June 30, 2025, we did not have any material outstanding debt securities, mortgage, charges, debentures or other loan capital (issued or agreed to be issued), bank overdrafts, loans, liabilities under acceptance or acceptance credits, or other similar indebtedness, leasing and financial leasing commitments, hire purchase commitments, guarantees or other material contingent liabilities.

CAPITAL EXPENDITURES AND CONTRACTUAL COMMITMENTS

Capital Expenditures

Our capital expenditures during the Track Record Period primarily consisted of expenditures on property, plant and equipment and intangible assets. In 2022, 2023, 2024 and the six months ended June 30, 2025, we had capital expenditure relating to purchases of property, plant and equipment and intangible assets of RMB201.5 million, RMB192.7 million, RMB171.4 million and RMB72.1 million, respectively.

We do not expect to incur additional capital expenditure in the year ending December 31, 2025.

Our actual capital expenditures may differ from the amounts set forth above due to various factors, including our future cash flows, results of operations and financial conditions, economic conditions, the availability of financing on terms acceptable to us and development in the regulatory environment. In addition, we may incur additional capital expenditures from time to time as we pursue new opportunities to expand our business in the future.

Capital Commitments

The following table sets forth our contractual capital commitments as of the dates indicated:

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	(RMB'000)			
Contracted, but not provided for:				
Property, plant and equipment	205,533	123,383	68,914	2,718

OFF-BALANCE SHEET ARRANGEMENTS

As of the Latest Practicable Date, we had not entered into any off-balance sheet transactions.

MATERIAL RELATED PARTY TRANSACTIONS

We enter into transactions with our related parties from time to time during our ordinary course of business and on terms comparable to the terms of transactions with other entities that are not our related parties and the market price during the relevant period. Upon the completion of this [**REDACTED**], we will comply with the relevant Listing Rules and adopt a more prudent approach when reviewing and engaging related party transactions.

Transactions with Related Parties

During the Track Record Period, our transactions with related parties mainly comprised (i) purchases of property, plant and equipment from an associate, Jiangxi Tungsten Jinxun Resources Africa SAS; (ii) leasing of offices, staff dormitories and warehouse; and (iii) interest income earned from an associate from provision of a loan. See Note 33 to the Accountants' Report in Appendix I to this document for details of transactions carried out with our related parties during the Track Record Period.

It is the view of our Directors that each of the related party transactions set out in Note 33 of the Accountants' Report in Appendix I to this document (i) were conducted on normal commercial terms and/or on terms not less favorable than terms available from Independent Third Parties, which are considered fair, reasonable and in the interest of our Shareholders as a whole; and (ii) do not distort our Track Record Period results or make our historical results not reflective of future performance.

The following table sets forth our balances with related parties as of the dates indicated:

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade in nature:				
Trade payables at amortised cost from Jiangwu Jinxun	230	1,277	–	–
Non-trade in nature:				
Gross amounts of other receivables from an associate	10,416	11,582	–	–
Guarantees provided by Mr. Yuan Rong, and/or Ms. Liu Li and/or Ms. Yuan Mei for bank and other borrowings	48,584	62,527	110,777	47,156

Our Directors confirm that all the guaranteed bank and other borrowings will be terminated and/or repaid upon [**REDACTED**].

KEY FINANCIAL RATIOS

The following table sets forth certain of our key financial ratios as of the dates or for the periods indicated:

	Year ended December 31,			As of/For the six months ended June 30,
	2022	2023	2024	2025
Profitability ratios				
Gross profit margin (%)[1]	26.8%	19.3%	20.8%	23.1%
Net profit margin (%)[2]	13.1%	4.3%	11.4%	14.0%
Return on equity (%)[3]	28.8%	7.8%	43.8%	22.4%
Return on assets (%)[4]	17.0%	3.8%	17.9%	9.5%

	As of December 31,			As of/For the six months ended June 30,
	2022	2023	2024	2025
Liquidity ratios				
Current ratio *(times)*[5]	0.9	0.6	0.9	1.0
Quick ratio *(times)*[6]	0.7	0.2	0.3	0.4
Capital adequacy ratio				
Gearing ratio (%)[7]	24.6%	54.9%	50.2%	36.7%

Notes:

(1) Gross profit margin is calculated based on gross profit divided by revenue and multiplied by 100%.

(2) Net profit margin is calculated based on profit or loss for the period divided by revenue and multiplied by 100%.

(3) Return on equity is calculated based on profit for the year/period divided by the arithmetic mean of the opening and closing balances of total equity and multiplied by 100%.

(4) Return on assets is calculated based on profit for the year/period divided by the arithmetic mean of the opening and closing balances of total assets and multiplied by 100%.

(5) Current ratio is calculated based on total current assets divided by total current liabilities.

(6) Quick ratio is calculated based on total current assets less inventories divided by total current liabilities.

(7) Gearing ratio is calculated based on total borrowings (including borrowings and lease liabilities) divided by total equity multiplied by 100%.

Gross Profit Margin and Net Profit Margin

See "— Period to Period Comparison of Results of Operations" for a discussion of the factors affecting our gross profit margin and net profit or loss margin during the respective periods.

Return on Equity

Our return on equity decreased from 28.8% in 2022 to 7.8% in 2023, primarily due to a significant decrease in net profit in 2023, mainly reflecting the decrease in our gross profit and the increase in other losses, mainly arising from foreign exchange losses and impairment loss in relation to a loan to an associate in 2023. Our return on equity increased from 7.8% in 2023 to 43.8% in 2024, primarily due to the increase in our net profit in 2024, reflecting an increase in our revenue and gross profit and a decrease in foreign exchange loss. Our return on equity further increased to 44.8% as projected in 2025, mainly due to an increase in our net profit in the six months ended June 30, 2025.

Return on Assets

Our return on assets decreased from 17.0% in 2022 to 3.8% in 2023, primarily due to a significant decrease in net profit in 2023, mainly reflecting the decrease in our gross profit and the increase in other losses, mainly arising from foreign exchange losses and impairment loss in relation to a loan to an associate in 2023. Our return on assets increased from 3.8% in 2023 to 17.9% in 2024, primarily due to the increase in our net profit in 2024, reflecting an increase in our revenue and gross profit and a decrease in foreign exchange loss. Our return on assets further increased to 19% as projected in 2025, mainly due to the increased net profit in the six months ended June 30, 2025.

Current Ratio

Our current ratio decreased from 0.9 times as of December 31, 2022 to 0.6 times as of December 31, 2023, primarily due to the significant increase in our current liabilities, mainly reflecting an increase in bank and other borrowings. Our current ratio increased from 0.6 times as of December 31, 2023 to 0.9 times as of December 31, 2024, primarily as the increase in our current assets outpaced that for our current liabilities. In 2024, we purchased more inventories in view of our expanded production capacity. Our current ratio further increased to 1.0 for the six months ended June 30, 2025, mainly due to an increase in prepayments, deposits and other receivables and a decrease in trade payables measured at FVTPL.

Quick Ratio

Our quick ratio decreased from 0.7 times as of December 31, 2022 to 0.2 times as of December 31, 2023, primarily due to the significant increase in our current liabilities, mainly reflecting an increase in bank and other borrowings. Our quick ratio remained stable at 0.2 times and 0.3 times as of December 31, 2023 and 2024, respectively. Our quick ratio further remained relatively stable at 0.4 times for the six months ended June 30, 2025.

Gearing Ratio

Our gearing ratio increased from 24.6% as of December 31, 2022 to 54.9% as of December 31, 2023, mainly attributable to the increase in our bank and other borrowings. Our gearing ratio remained stable at 54.9% and 50.2% as of December 31, 2023 and 2024, respectively. Our gearing ratio further decreased to 36.7% for the six months ended June 30, 2025, mainly due to a decrease in our bank and other borrowings.

FINANCIAL RISKS

We are exposed to a variety of financial risks, including credit, liquidity, commodity and currency risks as set out below. We manage and monitor these exposures to ensure appropriate measures are implemented on a timely and effective manner. For further details, see Note 31 in the Accountants' Report set out in Appendix I to this document.

Credit Risk

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

Except for trade receivables at FVTPL, we performed impairment assessment for financial assets and other items under ECL model individually.

As of December 31, 2022, 2023, 2024 and June 30, 2025, our trade receivables at FVTPL were debtors with an aggregate amount of RMB43,161,000, RMB25,084,000, RMB36,517,000 and RMB39,743,000. As of the same dates, included in our trade receivables at amortized cost balance were debtors with an aggregate amount of RMB1,244,000, RMB517,000, RMB278,000 and RMB2,316,000 and were assessed for impairment at an amount equal to lifetime ECLs. As of December 31, 2022, 2023, 2024 and June 30, 2025, impairment allowance of RMB70,000, RMB26,000, RMB14,000 and RMB112,000 were made on these debtors.

Our exposure to credit risk is influenced mainly by the individual characteristics of each customer rather than the industry in which the customers operate. As of December 31, 2022, 2023, 2024 and June 30, 2025, 59%, 27%, 74% and 65% of the total trade receivables at FVTPL, respectively, was due from our largest debtor from sales of copper products, and 100%, 85%, 98% and 96% of the total trade receivables at FVTPL, respectively, was due from the five largest debtors from sales of copper products; and 45%, 62%, 100% and 57% of the total trade receivables at amortized cost, respectively, was due from our largest debtor from sales of goods other than copper products, and 100%, 100%, 100% and 100% of the total trade receivables at amortized cost, respectively, was due from the five largest debtors from sales of goods other than copper products. In order to manage the credit risk, we continuously monitor the level of exposure by ongoing review of credit records of customers to take follow-up actions on the balances of trade receivables. These customers are large and reputable in the market and they have been trading us with good settlement history.

Credit risk on bank balances and the time deposit is limited because the counterparty banks and financial institutions are with good reputation.

See Note 31 in the Accountants' Report set out in Appendix I to this document for further details.

Liquidity Risk

Our policy is to regularly monitor our liquidity requirements and compliance with lending covenants, to ensure that we maintain sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term. See Note 31 in the Accountants' Report set out in Appendix I to this document for further details.

Commodity Risk

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

See Note 31 in the Accountants' Report set out in Appendix I to this document for further details.

Currency Risk

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

DIVIDENDS

We are incorporated under the laws of the PRC. Any dividends we pay will be at the discretion of our Directors and will depend on our future operations and earnings, capital requirements and surplus, general financial condition, contractual restriction and other factors which our Directors consider relevant. Our shareholders in a general meeting may approve any declaration of dividends, which must not exceed the amount recommended by our Board. Under the applicable PRC laws and regulations, a PRC incorporated company is required to set aside at least 10% of its after-tax profits each year, after making up previous years' accumulated losses, if any, to contribute to certain statutory reserve funds until the aggregate amount contributed to such funds reaches 50% of its registered capital. The company may pay dividends out of after-tax profits after making up for accumulated losses and contributing to statutory reserve funds as mentioned above.

In May 2022, stock dividends of 0.5 shares per share and cash dividends of RMB0.1 per share in respect of the year ended December 31, 2021, aggregating to 34,314,511 shares and RMB6,863,000, were approved by the shareholders of the Company. In May 2023, cash dividends of RMB0.04 per share in respect of the year ended December 31, 2022, aggregating to RMB4,412,000, was approved by the shareholders of the Company. In May 2024, cash dividends of RMB0.05 per share in respect of the year ended December 31, 2023, aggregating to RMB5,515,000, was approved by the shareholders of the Company. In August 2024, cash dividends of RMB0.5 per share in respect of the six months ended June 30, 2024, aggregating to RMB55,148,000 was approved by the shareholders of the Company. Subsequent to June 30, 2025, an interim dividend of RMB0.28 per share, in an aggregate amount of RMB30,883,000, which was approved by the extraordinary general meeting convened on September 12, 2025.

We expect to pay a dividend no less than 20% of the profit after tax upon [**REDACTED**] each year, subject to our results of operations, cash flows, financial position, statutory and regulatory restrictions on the dividends paid by us, future prospects and others factors which we consider relevant. No dividend shall be declared or payable except out of our profits and reserves lawfully available for distribution. Our Directors have the absolute discretion to recommend any dividend subject to our constitutional documents and the relevant laws. We cannot assure you that our Company will be able to declare dividends of any amount each year or in any year.

DISTRIBUTABLE RESERVES

As of June 30, 2025, our Company had retained profits of RMB134.0 million, which could be distributed subject to current articles of association of the Company and the PRC Company Law.

[**REDACTED**] EXPENSES

Our [**REDACTED**] expenses mainly include [**REDACTED**] commissions, professional fees paid to legal advisors, the Reporting Accountants and other professional parties for their services rendered in relation to the [**REDACTED**] and the [**REDACTED**].

Based on the mid-point [**REDACTED**] of HK$[**REDACTED**] per Share, the total estimated [**REDACTED**] expenses in relation to the [**REDACTED**] are RMB[**REDACTED**] million (HK$[**REDACTED**] million), assuming the [**REDACTED**] is not exercised, which constitute approximately [**REDACTED**]% of the gross proceeds. Our total [**REDACTED**] expenses consist of (i) [**REDACTED**] expenses and fees (including [**REDACTED**] commissions, Stock Exchange trading fee, SFC and AFRC transaction levy) of RMB[**REDACTED**] million (HK$[**REDACTED**] million); and (ii) non-[**REDACTED**]-related expenses of RMB[**REDACTED**] million (HK$[**REDACTED**] million), including (a) fees payable to the Sole Sponsor, legal advisors and Reporting Accountants of RMB[**REDACTED**] million (HK$[**REDACTED**] million) and (b) other fees and expenses of RMB[**REDACTED**] million (HK$[**REDACTED**] million). During the Track Record Period, we recorded [**REDACTED**] expenses as profit and loss of RMB0.2 million and as other receivables of RMB10.9 million. Among the total [**REDACTED**] expenses, approximately HK$[**REDACTED**] million is expected to be charged to profit or loss for the year ending December 31, 2025, and approximately HK$[**REDACTED**] million directly attributable to the issue of the Shares is expected to be deducted from equity upon the completion of the [**REDACTED**].

Our Directors do not expect that such expenses will have a material adverse effect on our results of operations for the year ending December 31, 2025.

UNAUDITED [REDACTED] ADJUSTED NET TANGIBLE ASSETS

The following unaudited [**REDACTED**] statement of adjusted net tangible assets prepared in accordance with Rule 4.29 of the Listing Rules is set out to show the effect of the [**REDACTED**] on our consolidated net tangible assets attributable to equity shareholders of our Company as of June 30, 2025, as if the [**REDACTED**] had taken place on that date. The unaudited [**REDACTED**] statement of adjusted net tangible assets has been prepared for illustrative purpose only and, because of its hypothetical nature, it may not give a true picture of the financial position of our Group had the [**REDACTED**] been completed as of June 30, 2025 or at any future date. The unaudited [**REDACTED**] statement of adjusted net tangible assets is based on the unaudited consolidated total net tangible assets of our Group attributable to the owners of the Company as of June 30, 2025 derived from the Accountants' Report in set out in Appendix I to this document, and adjusted as follows:

	Consolidated net tangible assets of the Company attributable to the shareholders of the Company as of June 30, 2025[(1)]	**Estimated net proceeds from the [REDACTED][(2)]**	**Unaudited [REDACTED] adjusted net tangible assets attributable to equity shareholders of the Company**	**Unaudited [REDACTED] adjusted net tangible assets attributable to equity shareholders of the Company per Share[(3)(4)]**	
	(RMB'000)	*(RMB'000)*	*(RMB in million)*	*(RMB)*	*(HK$ equivalent)*
Based on an [**REDACTED**] of HK$[**REDACTED**] per H Share	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Based on an [**REDACTED**] of HK$[**REDACTED**] per H Share	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

Notes:

(1) The consolidated net tangible assets attributable to equity shareholders of our Company as of June 30, 2025 is based on the total equity attributable to equity shareholders of our Company of RMB668,741,000, after deducting intangible assets of RMB9,634,000, which is extracted from the Accountants' Report set out in Appendix I to this document.

(2) The estimated [**REDACTED**] from the [**REDACTED**] are calculated based on the indicative [**REDACTED**] of HK$[**REDACTED**] per H Share (being the minimum [**REDACTED**]) and HK$[**REDACTED**] per H Share (being the maximum [**REDACTED**]), and [**REDACTED**] Shares to be issued under the [**REDACTED**], after deduction of the [**REDACTED**] fees and other expenses related to the [**REDACTED**] paid or payable by our Group (excluding the [**REDACTED**] expenses that have been charged to profit and loss up to June 30, 2025), and do not take into account any Shares which may be issued upon the exercise of the [**REDACTED**].

(3) The unaudited [**REDACTED**] adjusted net tangible assets per Share is arrived at after the adjustments referred to in the preceding paragraphs and on the basis that [**REDACTED**] Shares were in issue immediately following the completion of the [**REDACTED**], and does not take into account any Shares which may be issued upon the exercise of the [**REDACTED**].

(4) The estimated [**REDACTED**] from the [**REDACTED**] and the unaudited [**REDACTED**] adjusted net tangible assets per Share are converted from or into Hong Kong dollars ("HK$") at an exchange rate of RMB1.0000 to HK$1.0985 prevailing on November 23, 2025. No representation is made that US$ amounts have been, could have been or may be converted to HK$, or vice versa, at that rate or at any other rate.

(5) No adjustment has been made to reflect any trading result or other transactions of our Group entered into subsequent to June 30, 2025, including but not limited to the interim dividend for the six months ended June 30, 2025 of RMB0.28 per share, in an aggregate amount of RMB30,883,000 which was approved by extraordinary general meeting on September 12, 2025. The unaudited [**REDACTED**] adjusted net tangible assets attributable to equity shareholders of the Company per Share would have been decreased by HK$0.23 per Share if the dividend declaration had been accounted for as of June 30, 2025.

RECENT DEVELOPMENT AND NO MATERIAL ADVERSE CHANGE

Recent Development

Subsequent to June 30, 2025, and up to October 31, 2025, our business experienced steady growth, with all key operational and financial metrics continuing to show robust improvement. Specifically, the copper cathode production from July to October 2025 increased by approximately 23.4%, compared to the same period in 2024; and for the ten months ended October 31, 2025, the copper cathode production increased by approximately 46.0%, compared to the same period in 2024. Furthermore, the copper cathode sales volume from July to October 2025 increased by approximately 10.3%, compared to the same period in 2024; and for the ten months ended October 31, 2025, the copper cathode sales volume increased by approximately 42.7%, compared to the same period in 2024. Our revenue from July to October 2025 increased by more than 10%, compared to the same period in 2024; and for the ten months ended October 31, 2025, our revenue increased by more than 30%, compared to the same period in 2024. Our sales and revenue growth rates were lower than production growth rates from July to October 2025 and the ten months ended October 31, 2025, primarily due to (i) the typical time lag between product production and sales; and (ii) our increased adoption of the direct delivery model in which we are responsible for logistics and bear logistics costs, reflecting our efforts to (a) adapt to domestic market demands by swiftly responding to customers' immediate needs and reducing intermediate processing steps; (b) lower overall costs by eliminating the need to coordinate export customs clearance, short-distance transfers to carriers, and other processes that may incur additional miscellaneous fees, while adopting a bulk shipping strategy; and (c) mitigate international trade risks by establishing fixed transportation routes to ship products in bulk. We anticipate that products produced from July to October 2025 will be gradually sold and recognized as revenue in the fourth quarter. Additionally, the construction of DR Congo copper smelter II commenced as scheduled in September, and is currently progressing smoothly: site clearance has been completed, construction of the main production workshops is advancing in an orderly manner, and the procurement process for large-scale equipment has been initiated and is proceeding according to our construction plan.

No Material Adverse Change

Our Directors confirm that, up to the date of this document, (i) there had been no material adverse change in our business, the industry where we operate, or market or regulatory environment to which we are subject; (ii) there has been no material adverse change in our financial or trading position or prospects since June 30, 2025, being the date of the latest audited consolidated financial position of our Group as set out in the Accountants' Report in Appendix I to this document; or (iii) there has been no event since June 30, 2025 that would materially affect the information shown in the Accountants' Report set forth in Appendix I to this document.

DISCLOSURE REQUIRED UNDER THE LISTING RULES

We confirm that, as of the Latest Practicable Date, there were no circumstances that would give rise to a disclosure requirement under Rules 13.13 to 13.19 in Chapter 13 of the Listing Rules upon the [**REDACTED**] of the Shares on the Stock Exchange.

FUTURE PLANS

See "Business — Business Strategies" for a detailed description of our future plans.

[REDACTED]

We estimate that we will receive net proceeds from the [**REDACTED**] of approximately HK$[**REDACTED**] million, assuming an [**REDACTED**] of HK$[**REDACTED**] per [**REDACTED**] (being the mid-point of the [**REDACTED**] range stated in this document), after deducting the [**REDACTED**] commissions and estimated expenses paid or payable by us in connection with the [**REDACTED**] and assuming that the [**REDACTED**] is not exercised.

In line with our strategies, we intend to apply the [**REDACTED**] from the [**REDACTED**] for the following purposes and in the amounts set forth below:

- **approximately [REDACTED]% of the net proceeds, or HK$[1,009.0] million, will be used to expand our core operations, including:**

  (i) approximately [**REDACTED**]% of the net proceeds, or HK$[**REDACTED**]] million, will be used for the upgrade of the hydrometallurgical processing capability of our DR Congo copper smelter I, as well as the improvement of the production yield of its cobalt hydroxide production line, including:

  (a) approximately [**REDACTED**]%, or HK$[**REDACTED**]] million, will be allocated for the procurement of equipment such as processing equipment, electrical equipment, and environmental protection equipment;

  (b) approximately [**REDACTED**]%, or HK$[**REDACTED**] million, will be allocated to cover construction costs, including fees for installation, construction, surveying and design, land acquisition and permits, as well as personnel training expenses; and

  (c) approximately [**REDACTED**]%, or HK$[**REDACTED**] million, will be allocated as contingency reserves, comprising basic contingency reserves and price fluctuation reserves;

  (ii) approximately [**REDACTED**]% of the net proceeds, or HK$[**REDACTED**] million, will be used for equipment procurement and daily operations of the facility in Anhui Province. Specifically, we plan to (a) procure new equipment such as degreasing machine, product drying system, automated product packaging system, baghouse dust collection system, and condensate deep purification systems; (b) make payments for previously acquired equipment and the construction project; and (c) procure raw materials and auxiliary materials such as cobalt hydroxide, flocculants, and extractants;

(iii) approximately [**REDACTED**]% of the net proceeds, or HK$[**REDACTED**] million, will be used for strategic acquisitions. As of the Latest Practicable Date, we had not identified or committed to any acquisition targets; and

(iv) approximately [**REDACTED**]% of the net proceeds, or HK$[**REDACTED**] million, will be used to improve and expand our R&D center in Kunming to further enhance our R&D capabilities, attract local talents and contribute local employment. We plan to purchase or lease new property with a total gross floor area of approximately 15,000 square meters to establish our first comprehensive R&D center in Kunming. Under the management of our headquarters, the R&D center will serve as our innovation engine and carry out requisite R&D activities to support our expanding R&D activities.

The establishment of our first R&D center not only aims to narrow a critical gap between our production and R&D, but resonates deeply with our strategic shift from experience-driven to technology-driven approaches. Given our upstream resource footprint across Zambia, DR Congo and other countries continues to expand, relying solely on our prior production experience is insufficient to cater to the evolving technical challenges. Therefore, we believe that establishing an advanced R&D center and leveraging core technologies marks an imperative step taken by us to transform our overseas resource opportunities into sustained industrial and cost advantages.

We plan to leverage the R&D center to achieve: (i) core technology breakthroughs by focusing primarily on green and efficient mineral processing and smelting technologies; (ii) R&D of frontier metals to support the development of deep processed products. Frontier metals are a category of metals that break through the limitations of traditional metals, possess critical applications in advanced, emerging technology fields (such as high-end manufacturing, new energy, and national defense), feature high technological barriers, and demonstrate significant future demand potential; (iii) resources cycling by way of discovering recovery technologies for valuable metals from waste residues to tailings to advance circular economy and reduce environmental impact; and (iv) process optimization and cost-efficiency through continuous refining end-to-end processes from mining to minerals through systematic R&D in optimizing production costs.

- **approximately [REDACTED]% of the net proceeds, or HK$[REDACTED] million, will be used to repay certain of our interest-bearing bank borrowings with an aggregate principal amount of approximately HK$142.4 million, which were used as working capital. The interest rates for such borrowings range from approximately 1.10% to 9.50%, with maturity dates spanning from January 2026 to October 2026.**

- **approximately [REDACTED]% of the net proceeds, or HK$[REDACTED] million, will be used for working capital and general corporate purposes.**

In the event that the [**REDACTED**] is set at the high-end or low-end of the proposed [**REDACTED**] range and the [**REDACTED**] is not exercised, the net proceeds to be received by us will be increased or decreased by approximately HK$[**REDACTED**] million, respectively. To the extent our net proceeds are either more or less than expected, we will adjust our allocation of the net proceeds for the above purposes on a pro rata basis.

If the [**REDACTED**] is fully exercised, we will receive additional net proceeds of approximately HK$[**REDACTED**] million (assuming an [**REDACTED**] of HK$[**REDACTED**] per [**REDACTED**], being the mid-point of the [**REDACTED**] stated in this document). In the event that the [**REDACTED**] is exercised, we intend to apply the additional net proceeds to the above purposes on a pro rata basis.

To the extent that our proceeds are not sufficient to fund the purposes set out above, we intend to fund the balance through a variety of means, including cash generated from operations, bank loans and other borrowings.

If any part of our plan does not proceed as planned for reasons such as changes in government policies that would render any of our plans not viable, or the occurrence of force majeure events, our Directors will carefully evaluate the situation and may reallocate the net proceeds from the [**REDACTED**]. We will issue an appropriate announcement if there is any material change to the above proposed use of proceeds.

To the extent that the [**REDACTED**] of the [**REDACTED**] are not immediately used for the purposes described above, and to the extent permitted by the relevant laws and regulations, we will only deposit the proceeds in short-term interest-bearing accounts at licensed commercial banks and/or other authorized financial institutions (as defined under SFO or applicable laws and regulations in the other jurisdictions).

[**REDACTED**]

[**REDACTED**]

[**REDACTED**]

[**REDACTED**]

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[REDACTED]

[REDACTED]

[REDACTED]

The following is the text of a report set out on pages I-1 to I-[●], received from the Company's reporting accountants, KPMG, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this document.

ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF YUNNAN JINXUN RESOURCES CO., LTD. AND HUATAI FINANCIAL HOLDINGS (HONG KONG) LIMITED

Introduction

We report on the historical financial information of Yunnan Jinxun Resources Co., Ltd.* (雲南金潯資源股份有限公司) (the "**Company**") and its subsidiaries (together, the "**Group**") set out on pages I-[●] to I-[●], which comprises the consolidated statements of financial position of the Group and the statements of financial position of the Company as at 31 December 2022, 2023 and 2024 and 30 June 2025, and the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows, for each of the years ended 31 December 2022, 2023 and 2024 and the six months ended 30 June 2025 (the "**Track Record Period**"), and material accounting policy information and other explanatory information (together, the "**Historical Financial Information**"). The Historical Financial Information set out on pages I-[●] to I-[●] forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated [●] 2025 (the "**Document**") in connection with the initial listing of H shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited.

Directors' responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation and presentation set out in Note 1 to the Historical Financial Information, and for such internal control as the directors of the Company determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

* *For identification purposes only*

Reporting accountants' responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 "Accountants' Reports on Historical Financial Information in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**"). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation and presentation set out in Note 1 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Historical Financial Information gives, for the purpose of the accountants' report, a true and fair view of the Company's and the Group's financial position as at 31 December 2022, 2023 and 2024 and 30 June 2025, and of the Group's financial performance and cash flows for the Track Record Period in accordance with the basis of preparation and presentation set out in Note 1 to the Historical Financial Information.

Review of stub period corresponding financial information

We have reviewed the stub period corresponding financial information of the Group which comprises the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the six months ended 30 June 2024 and other explanatory information (the "**Stub Period Corresponding Financial Information**"). The directors of the Company are responsible for the preparation and presentation of the Stub Period Corresponding Financial Information in accordance with the basis of preparation and presentation set out in Note 1 to the Historical Financial Information. Our responsibility is to express a conclusion on the Stub Period Corresponding Financial Information based on our review. We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA. A review consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. 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 Stub Period Corresponding Financial Information, for the purpose of the accountants' report, is not prepared, in all material respects, in accordance with the basis of preparation and presentation set out in Note 1 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong limited and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I-[●] have been made.

Dividends

We refer to Note 29(c) to the Historical Financial Information which contains information about the dividends paid by the Company in respect of the Track Record Period.

KPMG

Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

[●] 2025

HISTORICAL FINANCIAL INFORMATION

Set out below is the Historical Financial Information which forms an integral part of this accountants' report.

The consolidated financial statements of the Group for the Track Record Period, on which the Historical Financial Information is based, were audited by KPMG under separate terms of engagement with the Company in accordance with Hong Kong Standards on Auditing issued by the HKICPA (the "**Underlying Financial Statements**").

Consolidated statements of profit or loss and other comprehensive income

(Expressed in Renminbi ("RMB"))

	Note	Years ended 31 December			Six months ended 30 June	
		2022	2023	2024	2024	2025
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Revenue	*4*	637,303	675,701	1,769,833	595,965	963,785
Cost of sales		(466,810)	(545,558)	(1,402,166)	(450,312)	(741,105)
Gross profit		170,493	130,143	367,667	145,653	222,680
Other income	*5*	6,332	3,131	1,865	1,265	818
Other gains and losses	*6*	(7,601)	(35,255)	(7,101)	15,237	11,555
Distribution and selling expenses		(9,498)	(10,159)	(11,626)	(5,163)	(6,252)
Administrative expenses		(44,206)	(48,175)	(81,173)	(36,265)	(59,552)
Profit from operations		115,520	39,685	269,632	120,727	169,249
Finance costs	*7(a)*	(6,811)	(13,410)	(26,870)	(12,218)	(8,045)
Share of losses of an associate	*15*	(14,823)	(252)	–	–	–
Profit before taxation	*7*	93,886	26,023	242,762	108,509	161,204
Income tax	*8*	(10,382)	3,123	(40,324)	(15,425)	(26,222)
Profit for the year/period		83,504	29,146	202,438	93,084	134,982
Other comprehensive income for the year/period						
Item that are or may be reclassified subsequently to profit or loss:						
Exchange differences on translation of financial statements of overseas subsidiaries		15,941	3,442	3,464	1,197	(1,550)
Other comprehensive income for the year/period		15,941	3,442	3,464	1,197	(1,550)
Total comprehensive income for the year/period		99,445	32,588	205,902	94,281	133,432
Earnings per share						
Basic and diluted (RMB)	*11*	0.81	0.27	1.84	0.84	1.22

The accompanying notes form part of the Historical Financial Information.

Consolidated statements of financial position

(Expressed in RMB)

	Note	At 31 December			At 30 June
		2022	2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Non-current assets					
Property, plant and equipment	*12*	339,428	504,961	617,621	654,834
Intangible assets	*13*	–	7,608	9,433	9,634
Right-of-use assets	*14*	6,046	20,223	20,160	20,333
Interest in an associate	*15*	252	–	–	–
Deferred tax assets	*28*	6,405	14,459	11,041	12,199
Prepayments, deposits and other receivables	*19*	46,141	45,150	36,196	53,747
		398,272	592,401	694,451	750,747
Current assets					
Inventories	*17*	56,417	182,357	432,129	423,557
Trade receivables at amortised cost	*18*	1,174	491	264	2,204
Trade receivables at fair value through profit or loss ("FVTPL")	*18*	43,161	25,084	36,517	39,743
Prepayments, deposits and other receivables	*19*	58,910	42,609	81,554	114,148
Time deposit	*20*	–	–	5,000	6,050
Cash and cash equivalents	*20*	79,062	39,876	123,901	126,510
		238,724	290,417	679,365	712,212
Current liabilities					
Trade payables at amortised cost	*21*	29,317	56,241	82,868	106,422
Trade payables designated at FVTPL	*21*	28,481	82,036	271,527	191,248
Accrued expenses and other payables	*22*	78,171	93,439	104,402	99,968
Contract liabilities	*23*	33,495	27,989	62,782	84,735
Income tax payable	*28*	11,176	10,855	34,848	39,131
Bank and other borrowings	*24*	81,485	195,505	207,171	176,167
Lease liabilities	*25*	695	250	90	139
Financial liabilities at FVTPL	*26*	246	66	–	107
		263,066	466,381	763,688	697,917
Net current (liabilities)/assets		(24,342)	(175,964)	(84,323)	14,295
Total assets less current liabilities		373,930	416,437	610,128	765,042

The accompanying notes form part of the Historical Financial Information.

	Note	At 31 December			At 30 June
		2022	2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Non-current liabilities					
Bank and other borrowings	*24*	5,904	17,706	61,456	69,019
Lease liabilities	*25*	529	78	–	401
Provision for restoration, rehabilitation and environmental costs	*27*	3,581	9,380	10,746	22,123
Deferred tax liabilities	*28*	3,442	–	2,944	4,758
		13,456	27,164	75,146	96,301
NET ASSETS		360,474	389,273	534,982	668,741
CAPITAL AND RESERVES					
Share capital	*29*	110,297	110,297	110,297	110,297
Reserves	*29*	250,177	278,976	424,685	558,444
TOTAL EQUITY		360,474	389,273	534,982	668,741

The accompanying notes form part of the Historical Financial Information.

Statements of financial position of the Company

(Expressed in RMB)

	Note	At 31 December			At 30 June
		2022	2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Non-current assets					
Property, plant and equipment	*12*	2,615	2,880	1,001	2,639
Right-of-use assets		944	–	–	–
Investments in subsidiaries	*16*	89,663	124,257	176,814	176,814
Deferred tax assets		759	1,649	16	59
Prepayments, deposits and other receivables	*19*	–	294	–	7,311
		93,981	129,080	177,831	186,823
Current assets					
Inventories	*17*	4,197	23,276	8,089	30,996
Trade receivables at amortised cost	*18*	63,590	106,609	103,181	143,299
Trade receivables FVTPL	*18*	10,867	8,561	882	87
Prepayments, deposits and other receivables	*19*	120,507	98,687	38,640	106,176
Time deposit	*20*	–	–	5,000	5,000
Cash and cash equivalents	*20*	61,428	9,769	25,220	7,614
		260,589	246,902	181,012	293,172
Current liabilities					
Trade payables at amortised cost	*21*	9,736	47,685	7,318	25,613
Trade payables designated at FVTPL	*21*	217	967	1,093	–
Accrued expenses and other payables	*22*	82,836	37,249	51,588	82,852
Contract liabilities	*23*	869	2,850	169	4,042
Income tax payable		1,863	336	2,528	6,600
Bank and other borrowings	*24*	49,037	41,062	44,572	42,608
Lease liabilities	*25*	304	–	–	–
Financial liabilities at FVTPL	*26*	246	66	–	107
		145,108	130,215	107,268	161,822
Net current assets		115,481	116,687	73,744	131,350
Total assets less current liabilities		209,462	245,767	251,575	318,173
Non-current liabilities					
Lease liabilities	*25*	339	–	–	–
NET ASSETS		209,123	245,767	251,575	318,173
CAPITAL AND RESERVES					
Share capital	*29*	110,297	110,297	110,297	110,297
Reserves	*29*	98,826	135,470	141,278	207,876
TOTAL EQUITY		209,123	245,767	251,575	318,173

The accompanying notes form part of the Historical Financial Information.

Consolidated statements of changes in equity

(Expressed in RMB)

	Share capital	Capital reserve	Statutory reserve	Exchange reserve	Retained profits	Total equity
	RMB'000 (Note 29(b))	*RMB'000 (Note 29(d))*	*RMB'000 (Note 29(e))*	*RMB'000 (Note 29(f))*	*RMB'000*	*RMB'000*
Balance at 1 January 2022	68,629	1,637	7,136	(14,987)	157,129	219,544
Changes in equity for 2022:						
Profit and total comprehensive income for the year	–	–	–	15,941	83,504	99,445
Appropriation to statutory reserve	–	–	4,459	–	(4,459)	–
Issuance of ordinary shares, net of issuance cost *(Note 29(b)(ii))*	7,353	40,995	–	–	–	48,348
Dividends declared *(Note 29(c))*	–	–	–	–	(6,863)	(6,863)
Stock dividends declared *(Note 29(b)(i))*	34,315	–	–	–	(34,315)	–
Balance at 31 December 2022 and 1 January 2023	110,297	42,632	11,595	954	194,996	360,474
Changes in equity for 2023:						
Profit and total comprehensive income for the year	–	–	–	3,442	29,146	32,588
Appropriation to statutory reserve	–	–	4,043	–	(4,043)	–
Employees share-based payments *(Note 30)*	–	623	–	–	–	623
Dividends declared *(Note 29(c))*	–	–	–	–	(4,412)	(4,412)
Balance at 31 December 2023 and 1 January 2024	110,297	43,255	15,638	4,396	215,687	389,273
Balance at 31 December 2023 and 1 January 2024	110,297	43,255	15,638	4,396	215,687	389,273
Changes in equity for 2024:						
Profit and total comprehensive income for the year	–	–	–	3,464	202,438	205,902
Appropriation to statutory reserve	–	–	6,600	–	(6,600)	–
Employees share-based payments *(Note 30)*	–	470	–	–	–	470
Dividends declared *(Note 29(c))*	–	–	–	–	(60,663)	(60,663)
Balance at 31 December 2024	110,297	43,725	22,238	7,860	350,862	534,982

The accompanying notes form part of the Historical Financial Information.

	Share capital	Capital reserve	Statutory reserve	Exchange reserve	Retained profits	Total equity
	RMB'000 (Note 29(b))	*RMB'000 (Note 29(d))*	*RMB'000 (Note 29(e))*	*RMB'000 (Note 29(f))*	*RMB'000*	*RMB'000*
(unaudited)						
Balance at 1 January 2024	110,297	43,255	15,638	4,396	215,687	389,273
Changes in equity for the six months ended 30 June 2024:						
Profit and total comprehensive income for the period	–	–	–	1,197	93,084	94,281
Appropriation to statutory reserve	–	–	5,648	–	(5,648)	–
Employees share-based payments *(Note 30)*	–	236	–	–	–	236
Dividends declared *(Note 29(c))*	–	–	–	–	(5,515)	(5,515)
Balance at 30 June 2024	110,297	43,491	21,286	5,593	297,608	478,275
Balance at 1 January 2025	110,297	43,725	22,238	7,860	350,862	534,982
Changes in equity for the six months ended 30 June 2025:						
Profit and total comprehensive income for the period	–	–	–	(1,550)	134,982	133,432
Appropriation to statutory reserve	–	–	6,627	–	(6,627)	–
Employees share-based payments *(Note 30)*	–	327	–	–	–	327
Balance at 30 June 2025	110,297	44,052	28,865	6,310	479,217	668,741

The accompanying notes form part of the Historical Financial Information.

Consolidated statements of cash flows

(Expressed in RMB)

	Note	Years ended 31 December			Six months ended 30 June	
		2022	2023	2024	2024	2025
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Operating activities						
Profit before taxation		93,886	26,023	242,762	108,509	161,204
Adjustments for:						
Depreciation of property, plant and equipment	*7(c)*	8,670	20,495	41,144	17,759	25,465
Depreciation of right-of-use assets	*7(c)*	1,030	989	668	332	332
Amortisation of intangible assets	*7(c)*	–	35	636	243	323
Expense for employees share-based payments	*30*	–	623	470	236	327
Finance costs	*7(a)*	6,811	13,410	26,870	12,218	8,045
Interest income	*5*	(1,032)	(1,309)	(175)	(91)	(283)
Share of losses of an associate		14,823	252	–	–	–
Net foreign exchange (gains)/losses	*6*	(4,061)	19,692	1,482	(2,037)	(9,328)
Impairment losses/(gains):						
– input value added tax ("VAT") receivables	*6*	1,930	6,780	(3,774)	(1,887)	8,456
– other financial assets under expected credit loss ("ECL") model	*6*	144	12,467	680	771	704
– property, plant and equipment		–	–	4,438	–	–
Losses/(gains) arising on fair value change of financial assets/liabilities at FVTPL		9,942	(3,635)	2,213	(12,084)	(11,436)
Net (gains)/losses on disposal of property, plant and equipment	*6*	(354)	(49)	2,062	–	49
Changes in working capital:						
Decrease/(increase) in inventories		24,828	(125,835)	(247,048)	(103,154)	8,572
Increase in trade receivables and prepayments, deposits and other receivables		(2,150)	(10,448)	(31,134)	(48,515)	(22,620)
Increase/(decrease) in trade and other payables and accrued expenses		26,372	98,538	225,443	94,141	(58,190)
Increase/(decrease) in contract liabilities		29,690	(5,506)	34,793	23,010	21,953
Cash generated from operations		210,529	52,522	301,530	89,451	133,573
Income tax paid	*28(a)*	(8,349)	(9,193)	(8,972)	(4,302)	(22,040)
Net cash generated from operating activities		202,180	43,329	292,558	85,149	111,533

The accompanying notes form part of the Historical Financial Information.

	Note	Years ended 31 December			Six months ended 30 June	
		2022	2023	2024	2024	2025
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Investing activities						
Interest received		90	323	175	91	283
Payments for the purchase of property, plant and equipment and intangible assets		(201,465)	(192,718)	(171,386)	(73,695)	(72,120)
Proceeds from disposal of property, plant and equipment, net of transaction costs		689	110	210	–	119
Net cash used in investing activities		(200,686)	(192,285)	(171,001)	(73,604)	(71,718)
Financing activities						
Proceeds from issuance of ordinary shares, net of issuance cost		48,348	–	–	–	–
Increase in time deposits		–	–	(5,000)	(5,000)	(1,050)
Payments for costs incurred in connection with the proposed [**REDACTED**] of H shares		–	–	–	–	(5,726)
(Increase)/decrease in deposits to secure guarantees granted by third parties		(2,000)	2,000	–	–	–
Dividends paid to shareholders of the Company		(6,863)	(4,412)	(60,663)	(5,515)	–
Proceeds from bank and other borrowings	*20(b)*	100,165	262,477	512,170	228,928	147,369
Repayment of bank and other borrowings	*20(b)*	(81,861)	(137,888)	(458,700)	(220,607)	(168,705)
Interest paid	*20(b)*	(6,284)	(12,331)	(25,962)	(5,582)	(8,696)
Capital element of lease rentals paid	*20(b)*	(931)	(416)	(241)	(116)	(103)
Interest element of lease rentals paid	*20(b)*	(78)	(75)	(10)	(6)	(14)
Net cash generated from/(used in) financing activities		50,496	109,355	(38,406)	(7,898)	(36,925)
Net increase/(decrease) in cash and cash equivalents		51,990	(39,601)	83,151	3,647	2,890
Cash and cash equivalents at 1 January	*20(a)*	27,001	79,062	39,876	39,876	123,901
Effect of foreign exchange rate changes		71	415	874	151	(281)
Cash and cash equivalents at end of the year/period	*20(a)*	79,062	39,876	123,901	43,674	126,510

The accompanying notes form part of the Historical Financial Information.

NOTES TO THE HISTORICAL FINANCIAL INFORMATION

(Expressed in RMB unless otherwise indicated)

1 BASIS OF PREPARATION AND PRESENTATION OF HISTORICAL FINANCIAL INFORMATION

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

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

The statutory financial statements of the Company for the years ended 31 December 2022, 2023 and 2024 were prepared in accordance with the Accounting Standards for Business Enterprises issued by the Ministry of Finance of the PRC and audited by RSM China Accounting Firm (Special General Partnership) (容誠會計師事務所(特殊普通合夥)) ("**RSM China**").

The Company had direct or indirect interests in the following subsidiaries, all of which are private companies:

Name of company	Place of establishment and business	Date of establishment	Particulars of registered/ paid-in capital	The Group's effective interest	Held by the Company	Held by subsidiaries	Principal activities
Shanghai Jinxun New Energy Co., Ltd. *(Notes (i) and (ii))* 上海金潯新能源有限公司 ("Jinxun Shanghai") . .	The PRC	3 February 2016	RMB10,000,000/ RMB10,000,000	100%	100%	–	Investment holding and mining trading business
Rong Xing Investments Limited *(Notes (iii))* *("Rong Xing Investments")*	Zambia	16 August 2016	Zambian Kwacha ("ZMK")20,000/ ZMK20,000	100%	99%	1%	Smelting, processing and sales of cathode copper and copper concentrate
Tibet Huiyi Information Technology Co., Ltd. *(Notes (i) and (iv))* ("Tibet Huiyi") 西藏匯益信息科技有限公司. .	The PRC	21 February 2017	RMB20,000,000/ RMB20,000,000	100%	100%	–	Mining trading business
Jinxun (Singapore) International Trade PTE. Ltd. *(Notes (v))* *(*"Jinxun (Singapore)").	Singapore	25 April 2018	Singapore Dollar ("SGD")14,141,374/ SGD14,141,374	100%	100%	–	Mining trading business
Jin Xun Congo Mining SARL *(Notes (vi))* . . .	The Democratic Republic of the Congo ("DRC")	13 August 2018	United States Dollar ("USD")10,000/ USD10,000	100%	–	100%	Smelting and sales of cathode copper and cobalt
Minera Jinxun Peru S.A.C. *(Notes (vii))* . .	Peru	14 October 2020	Peruvian Nuevo Sol ("SOL")2,168,054/ SOL2,168,054	100%	1%	99 %	Mining trading business

Name of company	Place of establishment and business	Date of establishment	Particulars of registered/ paid-in capital	The Group's effective interest	Held by the Company	Held by subsidiaries	Principal activities
Anhui Jinxun New Energy Material Co., Ltd. *(Notes (i) and (ii)))* 安徽金潯新能源材料有限公司 ("Jinxun Anhui").	The PRC	8 October 2022	USD10,000,000/ USD5,499,821	100%	–	100%	Manufacturing and sale of cobalt related material

Notes:

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

(ii) The statutory financial statements of these entities for the years ended 31 December 2022, 2023 and 2024 were prepared in accordance with the Accounting Standards for Business Enterprises issued by the Ministry of Finance of the PRC and audited by RSM China.

(iii) The statutory financial statements of the entity for the years ended 31 December 2022, 2023 and 2024 were prepared in accordance with IFRS Accounting Standards and audited by HLB Zambia Audit Services Limited.

(iv) The statutory financial statements of the entity for the years ended 31 December 2022, 2023 and 2024 were prepared in accordance with the Accounting Standards for Business Enterprises issued by the Ministry of Finance of the PRC and audited by Anhui Jinkaicheng Certified Public Accountants (General Partnership) (安徽金凱誠會計師事務所(普通合夥)).

(v) The statutory financial statements of the entity for the years ended 31 December 2022, 2023 and 2024 were prepared in accordance with Financial Reporting Standards in Singapore and audited by CLA Global TS Public Accounting Corporation.

(vi) As at the date of this report, no audited financial statements have been prepared for the entity.

(vii) The statutory financial statements of the entity for the fiscal years ended 31 December 2022, 2023 and 2024 were prepared in accordance with IFRS Accounting Standards. Financial statements of the entity for the fiscal years ended 31 December 2022 and 2023 were audited by P&S Auditores, Consultores and financial statements of the entity for the year ended 31 December 2024 was audited by ECOVIS Peru.

All companies now comprising the Group have adopted 31 December as their financial year end date.

The Historical Financial Information has been prepared in accordance with all applicable IFRS Accounting Standards as issued by the International Accounting Standards Board (the "IASB"). Further details of the material accounting policy information are set out in Note 2.

The IASB has issued a number of new and revised IFRS Accounting Standards. For the purpose of preparing this Historical Financial Information, the Group has adopted all applicable new and revised IFRS Accounting Standards to the Track Record Period, except for any new or revised standards or interpretations that are not yet effective for the accounting period beginning on 1 January 2025. The revised and new accounting standards and interpretations issued but not yet effective for the accounting period beginning on 1 January 2025 are set out in Note 36.

The Historical Financial Information also complies with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The accounting policies set out below have been applied consistently to all periods presented in the Historical Financial Information.

The Stub Period Corresponding Financial Information has been prepared in accordance with the same basis of preparation and presentation adopted in respect of the Historical Financial Information.

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

2 MATERIAL ACCOUNTING POLICY INFORMATION

(a) Basis of measurement

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

- Trade receivables and trade payables under provisional priced sales arrangements (see Note 2(d), 2(l) and 2(n)); and
- derivative financial instruments (see Note 2(d)).

(b) Use of estimates and judgements

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

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

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

(c) Subsidiaries and associate

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

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

An interest in an associate is accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequently, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income ("OCI") of those investees, until the date on which significant influence or joint control ceases.

When the Group's share of losses exceeds its interest in the associate, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee. For this purpose, the Group's interest is the carrying amount of the investment under the equity method together with any other long-term interests that in substance form part of the Group's net investment in the associate.

Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent there is no evidence of impairment.

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

(d) Derivative financial instruments

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

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

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

(e) Property, plant and equipment

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

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

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

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

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

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

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

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

(f) Intangible assets

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

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

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

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

(g) Leased assets

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

(i) As a lessee

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

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

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

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

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

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

(ii) As a lessor

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

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

(h) Credit losses and impairment of assets

(i) Credit losses from financial instruments

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

Measurement of ECLs

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

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

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

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

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

ECLs are measured on either of the following bases:

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

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

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

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

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

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

Significant increases in credit risk

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

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

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

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

– the financial asset is 90 days past due.

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

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

Credit-impaired financial assets

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

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

– significant financial difficulties of the debtor;

– a breach of contract, such as a default or past due event;

– it becoming probable that the borrower will enter into bankruptcy or other financial reorganisation;

– significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; or

– the disappearance of an active market for a security because of financial difficulties of the issuer.

Write-off policy

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

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

(ii) Impairment of non-current assets

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

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

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

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

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

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

(i) Inventories

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

Costs of inventories are determined on the following bases:

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

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

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

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

(j) Environmental rehabilitation

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

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

(k) Contract liabilities

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

(l) Trade and other receivables

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

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

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

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

(m) Cash and cash equivalents

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

(n) Trade and other payables

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

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

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

Trade payables arising from provisional pricing arrangements of copper concentrates purchase are settled at final prices set at a specified future period after shipment by suppliers based on prevailing spot prices. These trade payables are designated at FVTPL on contract by contract basis.

(o) Interest-bearing borrowings

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

(p) Employee benefits

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

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

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

(ii) Retirement benefit costs

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

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

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

(iii) Share-based payments

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

(iv) Termination benefits

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

(q) Income tax

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

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

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

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

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

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

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

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

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

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

(r) Provisions and contingent liabilities

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

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

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

(s) Revenue and other income

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

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

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

(i) Sale of goods

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

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

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

(ii) Interest income

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

(iii) Government grants

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

(t) Translation of foreign currencies

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

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

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

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

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

(u) Borrowing costs

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

(v) Related parties

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

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

(ii) has significant influence over the Group; or

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

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

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

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

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

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

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

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

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

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

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

(w) Segment reporting

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

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

3 ACCOUNTING JUDGEMENTS AND ESTIMATES

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

(a) Impairment assessment of property, plant and equipment

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

(b) Restoration, rehabilitation and environmental costs

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

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

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

(c) Income taxes

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

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

(d) Impairment for input VAT receivables

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

4 REVENUE AND SEGMENT REPORTING

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

(a) Revenue

(i) Disaggregation of revenue

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

	Years ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
Revenue from contracts with customers within the scope of IFRS 15 and recognised at a point in time					
Disaggregated by major products lines					
Copper production and processing					
– Copper cathodes	328,220	404,785	1,228,967	448,256	828,021
– Copper concentrate	62,396	12,177	946	946	1,179
– Cobalt hydroxide	–	–	–	–	10,739
Trading revenue	246,687	258,739	539,920	146,763	123,846
	637,303	675,701	1,769,833	595,965	963,785

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

	Years ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
Disaggregated by delivery location					
DRC	–	126,370	877,004	308,104	699,681
Zambia	388,723	288,399	352,912	141,098	127,721
The PRC	241,754	260,932	409,070	112,465	84,029
Peru	6,826	–	130,847	34,298	52,354
	637,303	675,701	1,769,833	595,965	963,785

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

	Years ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Disaggregated by place of registration					
Singapore	–	27,989	406,455	169,916	496,828
Switzerland	–	11,718	265,917	106,523	128,917
Chinese Mainland	241,754	350,521	634,035	199,708	120,965
Hong Kong	220,925	83,610	25,598	–	86,397
British Virgin Islands	107,295	192,513	266,201	98,266	78,255
Luxembourg	–	–	170,167	20,092	47,241
Peru	6,827	–	514	514	4,003
Zambia	60,502	9,350	946	946	1,179
	637,303	675,701	1,769,833	595,965	963,785

During the Track Record Period, the Group's customers with whom transactions have exceeded 10% of the total revenue of the Group in the respective years are as follows. Details of concentrations of credit risk arising from largest debtors are set out in Note 31(a).

	Years ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
Customer A	281,428	92,960	*	*	*
Customer B	107,295	192,513	266,201	98,266	*
Customer C	74,563	*	*	*	–
Customer D	*	124,466	*	*	–
Customer E	–	*	233,377	126,329	150,760
Customer F	–	*	*	62,824	128,917
Customer G	–	–	*	–	237,235

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

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

(b) Segment reporting

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

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

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

(i) Segment results

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

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

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

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

	2022		
	Metal production and processing	**Trading business**	**Total**
	RMB'000	*RMB'000*	*RMB'000*
Revenue from external customers and reportable segment revenue	390,616	246,687	637,303
Reportable segment gross profit	164,939	5,554	170,493

	2023		
	Metal production and processing	**Trading business**	**Total**
	RMB'000	*RMB'000*	*RMB'000*
Revenue from external customers and reportable segment revenue	416,962	258,739	675,701
Reportable segment gross profit	120,386	9,757	130,143

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

	Six months ended 30 June 2024		
	Metal production and processing	Trading business	Total
	RMB'000	*RMB'000*	*RMB'000*
(unaudited)			
Revenue from external customers and reportable segment revenue	449,202	146,763	595,965
Reportable segment gross profit	130,104	15,549	145,653

	Six months ended 30 June 2025		
	Metal production and processing	Trading business	Total
	RMB'000	*RMB'000*	*RMB'000*
Revenue from external customers and reportable segment revenue	839,939	123,846	963,785
Reportable segment gross profit	212,060	10,620	222,680

5 OTHER INCOME

	Years ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
Interest income	1,032	1,309	175	91	283
Government grants	4,628	918	266	13	332
Sale of spare parts and other materials	135	162	730	467	129
Others	537	742	694	694	74
	6,332	3,131	1,865	1,265	818

6 OTHER GAINS AND LOSSES

	Years ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Gains/(losses) on disposal of property, plant and equipment, net	354	49	(2,062)	–	(49)
Impairment (losses)/reversals recognised in respect of					
– input VAT receivables *(Note 19)*	(1,930)	(6,780)	3,774	1,887	(8,456)
– financial assets under ECL	(144)	(12,467)	(680)	(771)	(704)
– property, plant and equipment *(Note 12)*	–	–	(4,438)	–	–
Foreign exchange gains/(losses), net	4,061	(19,692)	(1,482)	2,037	9,328
(Losses)/gains from changes in fair value of financial liabilities/assets at FVTPL					
– trade receivables at FVTPL	(10,431)	3,141	2,871	17,021	11,901
– trade payables designated at FVTPL	528	461	(94)	182	(358)
– other financial liabilities at FVTPL	(39)	33	(4,990)	(5,119)	(107)
	(7,601)	(35,255)	(7,101)	15,237	11,555

7 PROFIT BEFORE TAXATION

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

(a) Finance costs

	Years ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
Interest on bank and other borrowings	7,050	13,647	26,472	11,744	8,433
Interest on lease liabilities	78	75	10	6	14
Unwinding of discount *(Note 27)*	335	916	1,025	499	996
Less: interest expense capitalised into plant under construction *(Note)*	(652)	(1,228)	(637)	(31)	(1,398)
	6,811	13,410	26,870	12,218	8,045

Note: Interest on bank and other borrowings have been capitalised at a rate of 10.0%, 10.0% and 4.3%, 4.3% (unaudited) and 4.3% per annum during the years ended 31 December 2022, 2023 and 2024 and the period ended six months ended 30 June 2024, 2025.

(b) Staff costs

	Years ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
Salaries, wages and other benefits	34,100	43,807	70,332	33,613	40,111
Contributions to defined contribution retirement schemes	1,643	2,387	3,538	1,500	1,802
	35,743	46,194	73,870	35,113	41,913

(c) Other items

	Years ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
Depreciation of property, plant and equipment *(Note 12)*	8,670	20,495	41,144	17,759	25,465
Amortisation of intangible assets *(Note 13)*	–	35	636	243	323
Depreciation of right-of-use assets *(Note 14)*	1,030	989	668	332	332
Total amortisation and depreciation	9,700	21,519	42,448	18,334	26,120
Lease payments not included in the measurement of lease liabilities	299	531	1,166	708	901
Cost of inventories *(Note)*	466,810	545,338	1,402,166	450,312	741,105
Auditor's remuneration	1,283	566	547	519	538
[**REDACTED**] expenses	–	–	–	–	[REDACTED]

Notes:

Cost of sales of inventories includes RMB9,856,000, RMB17,536,000, RMB36,710,000, RMB16,974,000 (unaudited) and RMB18,947,000 relating to staff costs during the years ended 31 December 2022, 2023 and 2024, and the periods ended six months ended 30 June 2024, 2025, which are included in the respective total amounts disclosed separately above or in Note 7(b).

Cost of sales of inventories also includes RMB7,067,000, RMB19,244,000, and RMB39,884,000, RMB17,142,000 (unaudited) and RMB24,781,000 relating to depreciation and amortisation expenses during the years ended 31 December 2022, 2023 and 2024 and the periods ended six months ended 30 June 2024, 2025, which are also included in the respective total amounts disclosed separately above.

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

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

	Years ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
Current tax ***(Note 28(a))***					
– Income tax in the PRC	7,119	4,128	14,835	6,529	15,342
– Income tax in Singapore	2,198	712	4,021	3,190	2,584
– Income tax in Peru	199	–	578	–	712
– Income tax in DRC	–	1,558	14,517	2,845	5,565
– Income tax in Zambia	2,725	1,948	–	1,457	1,349
Provision for the year/period	12,241	8,346	33,951	14,021	25,552
Deferred tax ***(Note 28(b))***					
Origination and reversal of temporary differences	(1,859)	(11,469)	6,373	1,404	670
	10,382	(3,123)	40,324	15,425	26,222

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

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

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

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

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

The Group enjoyed the following income tax incentives:

- Rong Xing Investments was granted a tax waiver on its income tax for the year ended 31 December 2022 of Zambian Kwacha ("ZMK") 27,915,000 (equivalent to RMB10,409,000).
- Tibet Huiyi located in the PRC, is eligible for a 15% income tax rate from 1 January 2021 to 31 December 2030. Tibet Huiyi is also eligible for an additional 6% income tax rate relief from 1 January 2022 to 31 December 2025.
- Upon meeting certain requirements for trading businesses in Singapore, Jinxun (Singapore) is eligible for a 10% income tax rate for profit arising from certain specified commodities trading revenue from 1 April 2025 to 31 March 2028.
- In Singapore, the income tax is eligible for progressive tax relief. The subsidiary of the Company is eligible for 75% income tax relief when the profit before taxation is less than SGD10,000, 50% income tax relief when the profit before taxation is SGD10,000 or greater but less than SGD200,000.

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

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

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

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

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

	Years ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
Profit before taxation	93,886	26,023	242,762	108,509	161,204
Tax at income tax rate in the PRC – for operations at 25%	16,722	11,048	36,852	15,464	30,152
Tax at income tax rate in Singapore – for operations at 17%	(138)	1,706	10,054	4,658	5,103
Tax at income tax rate in Peru – for operations at 29.5%	448	(506)	512	269	802
Tax at income tax rate in DRC – for operations at 30%	(4,117)	(3,551)	6,129	3,088	675
Tax at income tax rate in Zambia – for operations at 30%	12,003	(4,394)	4,215	2,415	1,683
Expected tax on profit before taxation, calculated at the rate applicable to profits	24,918	4,303	57,762	25,894	38,415
Effect of changes of tax rate	322	(69)	(149)	–	1
Effect of tax incentives granted to the Group	(20,641)	(7,729)	(21,414)	(10,036)	(15,862)
Tax effect of non-deductible expenses	6,663	2,585	8,225	1,705	5,553
Tax effect of deductible temporary differences not recognised	409	1,134	497	142	428
Tax effect of utilisation of prior years' unused tax losses previously and other deductible temporary differences not recognised	(569)	(87)	(416)	(269)	–
Tax effect of non-taxable income	(720)	(3,260)	(4,181)	(2,011)	(2,313)
Income tax	10,382	(3,123)	40,324	15,425	26,222

9 DIRECTORS' AND SUPERVISORS' EMOLUMENTS

Details of the emoluments of the directors and supervisors of the Company during the Track Record Period are as follows:

	Year ended 31 December 2022					
	Directors' fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Share option scheme	Retirement scheme contributions	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive Directors:						
Mr. Yuan Rong *Note ((i))*	–	539	68	–	63	670
Ms. Yuan Mei *Note ((i))*	–	219	149	–	15	383
Mr. Yang Yongchang *Note ((i))*	–	269	64	–	15	348
Mr. Lv Jixue *Note ((i)) ((vi))*	–	43	1	–	11	55
Mr. Li Hai *Note ((i))*	–	143	26	–	9	178
	–	1,213	308	–	113	1,634
Supervisors:						
Mr. Yan Lei *Note ((ii))*	–	145	43	–	9	197
Mr. Zhu Zhiming *Note ((ii))*	–	90	128	–	11	229
Ms. Li Jinhua *Note ((ii))*	–	21	42	–	9	72
	–	256	213	–	29	498
	–	1,469	521	–	142	2,132

	Year ended 31 December 2023					
	Directors' fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Share option scheme	Retirement scheme contributions	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive Directors:						
Mr. Yuan Rong *Note ((iii))*	–	724	37	–	68	829
Ms. Yuan Mei *Note ((iii))*	–	307	46	–	16	369
Mr. Yang Yongchang *Note ((iii))*	–	369	102	86	16	573
Non-executive director:						
Mr. Li Mengtao *Note ((iii))*	–	–	–	–	–	–
Independent non-executive directors:						
Ms. Zheng Dongyu *Note ((iv))*	60	–	–	–	–	60
Ms. Yao Ronghui *Note ((iv))*	60	–	–	–	–	60
Mr. Xia Hongying *Note ((iv))*	60	–	–	–	–	60
	180	1,400	185	86	100	1,951
Supervisors:						
Mr. Yan Lei *Note ((v))*	–	142	40	29	9	220
Mr. Zhu Zhiming *Note ((v))*	–	65	26	6	12	109
Ms. Wang Xiuxuan *Note ((v))*	–	77	26	–	8	111
	–	284	92	35	29	440
	180	1,684	277	121	129	2,391

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

	Six months ended 30 June 2024					
	Directors' fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Share option scheme	Retirement scheme contributions	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
(unaudited)						
Executive Directors:						
Mr. Yuan Rong	–	388	–	–	35	423
Ms. Yuan Mei	–	156	54	–	7	217
Mr. Yang Yongchang	–	187	53	43	8	291
Non-executive director:						
Mr. Li Mengtao	–	–	–	–	–	–
Independent non-executive directors:						
Ms. Zheng Dongyu	30	–	–	–	–	30
Ms. Yao Ronghui	30	–	–	–	–	30
Mr. Xia Hongying	30	–	–	–	–	30
	90	731	107	43	50	1,021
Supervisors:						
Mr. Yan Lei	–	73	56	14	4	147
Mr. Zhu Zhiming	–	37	17	3	6	63
Ms. Wang Xiuxuan	–	43	18	–	4	65
	–	153	91	17	14	275
	90	884	198	60	64	1,296

	Six months ended 30 June 2025					
	Directors' fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Share option scheme	Retirement scheme contributions	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive Directors:						
Mr. Yuan Rong	3	423	–	–	35	461
Ms. Yuan Mei	3	179	63	–	8	253
Mr. Yang Yongchang	3	194	53	43	8	301
Non-executive director:						
Mr. Li Mengtao *Note ((vii))*	–	–	–	–	–	–
Independent non-executive directors:						
Ms. Zheng Dongyu	30	–	–	–	–	30
Ms. Yao Ronghui *Note ((ix))*	20	–	–	–	–	20
Mr. Xia Hongying	30	–	–	–	–	30
Mr. Wong Hok Bun Mario *Note ((xi))*	18	–	–	–	–	18
	107	796	116	43	51	1,113
Supervisors:						
Mr. Yan Lei	–	80	22	14	4	120
Mr. Zhu Zhiming	–	40	5	3	7	55
Ms. Wang Xiuxuan *Note ((viii))*	–	27	4	–	2	33
Ms. Gao Chang *Note ((x))*	–	14	3	–	1	18
	–	161	34	17	14	226
	107	957	150	60	65	1,339

Notes:

(i) On 19 July 2019, Mr. Yuan Rong, Ms. Yuan Mei, Mr. Yang Yongchang, Mr. Lv Jixue and Mr. Li Hai were appointed as executive directors of the Company for the period from 2 August 2019 to 14 January 2023.

(ii) On 19 July 2019, Mr. Yan Lei was appointed as a supervisor of the Company for the period from 2 August 2019 to 14 January 2023. On 26 July 2021, Mr. Zhu Zhiming was appointed as a supervisor of the Company for the period from 26 July 2021 to 14 January 2023. Ms. Li Jinhua resigned as a supervisor of the Company on 31 August 2022.

(iii) On 14 January 2023, Mr. Yuan Rong, Ms. Yuan Mei and Mr. Yang Yongchang were appointed as executive directors of the Company, and Mr. Li Mengtao was appointed as a non-executive director of the Company for the period from 14 January 2023 to 14 January 2026.

Mr. Li Mengtao assumes a role in Chuanghe Xincai (Xiamen) Manufacturing Industry Transformation and Upgrading Fund Partnership Enterprise (Limited Partnership) ("創合鑫材(廈門)製造業轉型升級基金合夥企業(有限合夥)", "Chuanghe Xincai"), a shareholder of the Company, and his emoluments for services rendered by him to the Group commencing from the date of his appointment have been borne by Chuanghe Xincai.

(iv) On 14 January 2023, Ms. Zheng Dongyu, Ms. Yao Ronghui and Mr. Xia Hongying were appointed as independent non-executive directors of the Company for the period from 14 January 2023 to 14 January 2026.

(v) On 14 January 2023, Mr. Yan Lei, Mr. Zhu Zhiming and Ms. Wang Xiuxuan were appointed as supervisors of the Company for the period from 14 January 2023 to 14 January 2026.

(vi) In March 2022, Mr. Lv Jixue resigned as an executive director of the Company.

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

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

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

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

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

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

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

10 INDIVIDUALS WITH HIGHEST EMOLUMENTS

The number of directors, supervisors and other employees included in the five highest paid individuals for the years ended 31 December 2022, 2023 and 2024 and the periods ended six months ended 30 June 2024, 2025 are set forth below:

	Years ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	Number of individuals	*Number of individuals*	*Number of individuals*	*Number of individuals* *(Unaudited)*	*Number of individuals*
Director	1	1	–	1	1
Other employees	4	4	5	4	4
	5	5	5	5	5

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

	Years ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Salaries, allowances and benefits in kind	3,195	3,818	4,927	2,280	2,206
Discretionary bonuses	279	417	210	115	5
Share option scheme	–	58	58	29	123
Retirement scheme contributions	30	35	45	23	10
	3,504	4,328	5,240	2,447	2,344

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

	Years ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	Number of individuals	*Number of individuals*	*Number of individuals*	*Number of individuals (Unaudited)*	*Number of individuals*
HK$nil to HK$500,000	–	–	–	–	1
HK$500,001 to HK$1,000,000	3	2	1	4	2
HK$1,000,001 to HK$1,500,000	–	1	4	–	1
HK$1,500,001 to HK$2,000,000	1	1	–	–	–
	4	4	5	4	4

During the Track Record Period, no emoluments were paid or payable by the Group to these individuals as an inducement to join or upon joining the Group or as compensation for loss of office in connection with the management of the affairs of any member of the Group.

11 EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of the basic earnings per share during the Track Record Period is based on the profit attributable to ordinary equity shareholders of the Company and the weighted average number of ordinary shares in issue or deemed to be in issue during the Track Record Period.

As described in Note 29(b), the Company issued an aggregate stock dividend of 34,314,511 shares on 16 May 2022, which for the purpose of computing the weighted average number of ordinary shares, was deemed to be in issue prior to 1 January 2022.

Weighted average number of ordinary shares

	Years ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	Number of shares	*Number of shares*	*Number of shares*	*Number of shares (Unaudited)*	*Number of shares*
Ordinary shares issued at 1 January	68,629,022	110,296,643	110,296,643	110,296,643	110,296,643
Effect of ordinary shares issued *(Note 29(b))*	181,310	–	–	–	–
Effect of ordinary shares deemed to be issued *(Note 29(b))*	34,314,511	–	–	–	–
Weighted average number of ordinary shares in issue	103,124,843	110,296,643	110,296,643	110,296,643	110,296,643

(b) Diluted earnings per share

There were no dilutive potential shares outstanding during the Track Record Period. Hence, the diluted earnings per share is the same as basic earnings per share.

12 PROPERTY, PLANT AND EQUIPMENT

The Group

	Buildings	Machinery equipment	Electronic and transportation equipment and others	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Cost:					
At 1 January 2022	13,419	19,812	6,200	51,596	91,027
Additions	–	2,039	30,826	228,910	261,775
Transfer from construction in progress	50,009	30,955	1,173	(82,137)	–
Disposals	(109)	(174)	(1,621)	–	(1,904)
Exchange adjustments					
Other adjustments:	934	2,391	388	5,024	8,737
Provision for restoration, rehabilitation and environmental costs	(950)	–	–	–	(950)
At 31 December 2022 and 1 January 2023	63,303	55,023	36,966	203,393	358,685
Additions	–	5,456	10,725	164,687	180,868
Transfer from construction in progress	172,622	92,073	5,271	(269,966)	–
Disposals	–	(91)	(73)	–	(164)
Exchange adjustments	1,169	1,010	415	3,494	6,088
Other adjustments:					
Provision for restoration, rehabilitation and environmental costs	4,819	–	–	–	4,819
At 31 December 2023 and 1 January 2024	241,913	153,471	53,304	101,608	550,296
Additions	–	20,280	16,856	119,457	156,593
Transfer from construction in progress	44,719	58,363	–	(103,082)	–
Disposals	(21)	(452)	(2,388)	(291)	(3,152)
Exchange adjustments	4,070	2,358	359	1,451	8,238
Other adjustments:					
Provision for restoration, rehabilitation and environmental costs	191	–	–	–	191
At 31 December 2024 and 1 January 2025	290,872	234,020	68,131	119,143	712,166
Additions	–	845	5,856	48,258	54,959
Transfer from construction in progress	1,991	7,491	629	(10,111)	–
Disposals	–	(434)	(281)	–	(715)
Exchange adjustments	(1,276)	(1,030)	(270)	(46)	(2,622)
Other adjustments:					
Provision for restoration, rehabilitation and environmental costs	10,428	–	–	–	10,428
At 30 June 2025	302,015	240,892	74,065	157,244	774,216

	Buildings	Machinery equipment	Electronic and transportation equipment and others	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Accumulated depreciation:					
At 1 January 2022	(1,837)	(4,376)	(2,653)	–	(8,866)
Charge for the year	(2,155)	(5,269)	(3,491)	–	(10,915)
Written back on disposals	23	163	1,383	–	1,569
Exchange adjustments	(166)	(668)	(211)	–	(1,045)
At 31 December 2022 and 1 January 2023	(4,135)	(10,150)	(4,972)	–	(19,257)
Charge for the year	(7,859)	(8,329)	(9,158)	–	(25,346)
Written back on disposals	–	26	26	–	52
Exchange adjustments	(175)	(486)	(123)	–	(784)
At 31 December 2023 and 1 January 2024	(12,169)	(18,939)	(14,227)	–	(45,335)
Charge for the year	(14,251)	(17,984)	(12,233)	–	(44,468)
Written back on disposals	5	316	559	–	880
Exchange adjustments	(320)	(502)	(315)	–	(1,137)
At 31 December 2024 and 1 January 2025	(26,735)	(37,109)	(26,216)	–	(90,060)
Charge for the period	(7,739)	(11,350)	(6,454)	–	(25,543)
Written back on disposals	–	90	138	–	228
Exchange adjustments	136	202	122	–	460
At 30 June 2025	(34,338)	(48,167)	(32,410)	–	(114,915)
Accumulated impairment:					
At 31 December 2022, 31 December 2023 and 1 January 2024					
Charge for the year *(Note)*	(1,576)	(2,862)	–	–	(4,438)
Exchange adjustments	(16)	(31)	–	–	(47)
At 31 December 2024 and 1 January 2025	(1,592)	(2,893)	–	–	(4,485)
Charge for the period *(Note)*	–	–	–	–	
Exchange adjustments	6	12	–	–	18
At 30 June 2025	(1,586)	(2,881)	–	–	(4,467)
Net book value:					
At 31 December 2022	59,168	44,873	31,994	203,393	339,428
At 31 December 2023	229,744	134,532	39,077	101,608	504,961
At 31 December 2024	262,545	194,018	41,915	119,143	617,621
At 30 June 2025	266,091	189,844	41,655	157,244	654,834

As at 31 December 2022, 2023, 2024 and 30 June 2025, the Group pledged property, plant and equipment with a net carrying amount of RMB21,116,000, RMB86,223,000 and RMB190,665,000 and RMB143,018,000 to secure loans amounting to RMB14,226,000, RMB33,053,000, RMB90,457,000 and RMB96,057,000, respectively.

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

The Company

	Machinery equipment	Electronic and transportation equipment and others	Construction in Process	Total
	RMB'000	*RMB'000*		*RMB'000*
Cost:				
At 1 January 2022	74	2,214	586	2,874
Additions	–	306	1,288	1,594
Disposals	–	(1,087)	–	(1,087)
At 31 December 2022 and 1 January 2023	74	1,433	1,874	3,381
Additions	–	589	–	589
Transfer from construction in progress	–	1,758	(1,758)	–
Disposals	–	(11)	–	(11)
At 31 December 2023 and 1 January 2024	74	3,769	116	3,959
Additions	–	386	185	571
Disposals	–	(2,084)	(290)	(2,374)
At 31 December 2024 and 1 January 2025	74	2,071	11	2,156
Additions	–	271	1,595	1,866
Disposals	–	(123)	–	(123)
At 30 June 2025	74	2,219	1,606	3,899
Accumulated depreciation:				
At 1 January 2022	(47)	(1,536)	–	(1,583)
Charge for the year	(7)	(189)	–	(196)
Written back on disposals	–	1,013	–	1,013
At 31 December 2022 and 1 January 2023	(54)	(712)	–	(766)
Charge for the year	(7)	(311)	–	(318)
Written back on disposals	–	5	–	5
At 31 December 2023 and 1 January 2024	(61)	(1,018)	–	(1,079)
Charge for the year	(7)	(407)	–	(414)
Written back on disposals	–	338	–	338
At 31 December 2024 and 1 January 2025	(68)	(1,087)	–	(1,155)
Charge for the period	(2)	(155)	–	(157)
Written back on disposals	–	52	–	52
At 30 June 2025	(70)	(1,190)	–	(1,260)
Net book value:				
At 31 December 2022	20	721	1,874	2,615
At 31 December 2023	13	2,751	116	2,880
At 31 December 2024	6	984	11	1,001
At 30 June 2025	4	1,029	1,606	2,639

13 INTANGIBLE ASSETS

The Group

	Exploitation certificate
	RMB'000
Cost:	
At 31 December 2022 and 1 January 2023	–
Additions	7,645
At 31 December 2023 and 1 January 2024	7,645
Additions	2,358
Exchange adjustment	113
At 31 December 2024 and 1 January 2025	10,116
Additions	562
Exchange adjustment	(42)
At 30 June 2025	10,636
Accumulated amortisation:	
At 31 December 2022 and 1 January 2023	–
Charge for the year	(35)
Exchange adjustment	(2)
At 31 December 2023 and 1 January 2024	(37)
Charge for the year	(636)
Exchange adjustment	(10)
At 31 December 2024 and 1 January 2025	(683)
Charge for the period	(323)
Exchange adjustment	4
At 30 June 2025	(1,002)
Net book value:	
At 31 December 2022	–
At 31 December 2023	7,608
At 31 December 2024	9,433
At 30 June 2025	9,634

14 RIGHT-OF-USE ASSETS

The Group

	Properties leased for own use	Interest in leasehold land held for own use	Total
	RMB'000	*RMB'000*	*RMB'000*
Cost:			
At 1 January 2022	2,772	4,433	7,205
Additions	468	–	468
Expiration of lease term	(834)	–	(834)
Exchange adjustments	61	410	471
At 31 December 2022 and 1 January 2023	2,467	4,843	7,310
Additions	198	15,526	15,724
Expiration of lease term	(411)	–	(411)
Early termination of lease term	(1,573)	–	(1,573)
Exchange adjustments	(1)	81	80
At 31 December 2023 and 1 January 2024	680	20,450	21,130
Additions	–	431	431
Expiration of lease term	(225)	–	(225)
Exchange adjustments	2	180	182
At 31 December 2024 and 1 January 2025	457	21,061	21,518
Additions	553	–	553
Expiration of lease term	(189)	–	(189)
Exchange adjustments	–	(52)	(52)
At 30 June 2025	821	21,009	21,830
Accumulated depreciation:			
At 1 January 2022	(824)	(174)	(998)
Charge for the year	(917)	(113)	(1,030)
Expiration of lease term	834	–	834
Exchange adjustments	(49)	(21)	(70)
At 31 December 2022 and 1 January 2023	(956)	(308)	(1,264)
Charge for the year	(756)	(233)	(989)
Expiration of lease term	411	–	411
Early termination of lease term	944	0	944
Exchange adjustments	1	(10)	(9)
At 31 December 2023 and 1 January 2024	(356)	(551)	(907)
Charge for the year	(241)	(427)	(668)
Expiration of lease term	225	–	225
Exchange adjustments	(1)	(7)	(8)
At 31 December 2024 and 1 January 2025	(373)	(985)	(1,358)
Charge for the period	(114)	(218)	(332)
Expiration of lease term	189	–	189
Exchange adjustments	2	2	4
At 30 June 2025	(296)	(1,201)	(1,497)
Net book value:			
At 31 December 2022	1,511	4,535	6,046
At 31 December 2023	324	19,899	20,223
At 31 December 2024	84	20,076	20,160
At 30 June 2025	525	19,808	20,333

Notes:

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

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

(iii) As at 31 December 2022, 2023, 2024 and 30 June 2025, the Group pledged right-of-use assets with a net carrying amount of RMB4,535,000, RMB2,588,000, RMB14,493,000 and RMB14,307,000 to secure loans amounting to RMB14,226,000, RMB33,053,000, RMB90,457,000 and RMB 96,057,000, respectively.

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

Details of the maturity analysis of lease liabilities are set out in Note 25.

15 INTEREST IN AN ASSOCIATE

	Place of establish and business	Particulars of paid-up capital	Proportion of ownership interest held by the Group	Principal activity
Name of associate				
Jiangxi Tungsten Jinxun Resources Africa SAS 江鎢金潯非洲資源股份有限公司 ("Jiangwu Jinxun")	The DRC	USD100,000	49%	Trading business for metals

Jiangwu Jinxun is an unlisted entity whose quoted market price is not available. Jiangwu Jinxun is accounted for using the equity method in the Historical Financial Information.

Summarised financial information of Jiangwu Jinxun, adjusted for any differences in accounting policies, and reconciled to the carrying amounts in the Historical Financial Information, are disclosed below:

	At 31 December			At 30 June
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Gross amounts of the associate				
Assets and liabilities:				
Current assets	63,825	3,563	3,435	3,451
Non-current assets	1,748	257	203	203
Current liabilities	(65,058)	(48,447)	(48,503)	(48,719)
Non-current liabilities	–	–	–	–
Equity	515	(44,627)	(44,865)	(45,065)
Included in the above assets and liabilities:				
Cash and cash equivalents	340	259	1	1
Profit or loss:				
Revenue	47,645	17,794	–	–
(Loss)/gain and total comprehensive income for the year/period	(30,251)	(44,937)	64	–
Included in the above gains/loss:				
Depreciation and amortisation	2,116	1,101	728	–
Reconciled to the Group's interests in the associate				
Gross amounts of net assets/(deficit) of the associate	515	(44,627)	(44,865)	(45,065)
Group's interest held by the Company	49%	49%	49%	49%
Group's share of net assets of the associate	252	–	–	–
Carrying amount in the Historical Financial Information	252	–	–	–

The directors of the Company considered the Group and the Company has significant influence over Jiangwu Jinxun through its representative on the board of directors and the voting right of Jiangwu Jinxun.

16 INVESTMENTS IN SUBSIDIARIES

The Company

	At 31 December			At 30 June
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Investments in subsidiaries, at cost	89,663	124,257	176,814	176,814

17 INVENTORIES

The Group

	At 31 December			At 30 June
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Raw materials	27,127	78,400	230,502	211,950
Spare parts and consumables	5,410	7,363	28,396	39,822
Work in progress	3,233	54,768	79,981	71,505
Finished goods	20,647	41,826	93,250	100,280
	56,417	182,357	432,129	423,557

The Company

	At 31 December			At 30 June
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Spare parts and consumables	208	204	239	3,624
Finished goods	3,989	23,072	7,850	27,372
	4,197	23,276	8,089	30,996

18 TRADE RECEIVABLES AT AMORTISED COST AND TRADE RECEIVABLES AT FVTPL

The Group

	At 31 December			At 30 June
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables at amortised cost-contracts with customers	1,244	517	278	2,316
Less: Allowance for credit losses	(70)	(26)	(14)	(112)
	1,174	491	264	2,204
Trade receivables at FVTPL – contracts with customers	43,161	25,084	36,517	39,743

Ageing analysis

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

	At 31 December			At 30 June
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
0 to 30 days	649	422	264	2,204
31 to 90 days	–	7	–	–
91 to 180 days	–	62	–	–
181 to 365 days	387	–	–	–
Over one year	138	–	–	–
	1,174	491	264	2,204

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

	At 31 December			At 30 June
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
0 to 30 days	41,963	22,074	32,612	39,656
31 to 90 days	1,198	3,010	3,905	87
	43,161	25,084	36,517	39,743

The Company

	At 31 December			At 30 June
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables at amortised cost – contracts with customers	63,597	106,629	103,181	143,345
Less: Allowance for credit losses	(7)	(20)	–	(46)
	63,590	106,609	103,181	143,299
Trade receivables at FVTPL – contracts with customers	10,867	8,561	882	87

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

	At 31 December			At 30 June
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables at amortised cost – subsidiaries	63,462	106,240	103,181	142,429

Ageing analysis

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

	At 31 December			At 30 June
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
0 to 30 days	27,891	3,352	16,795	36,642
31 to 90 days	4,958	17,837	9,415	21,454
91 to 180 days	23,250	26,932	10,951	4,918
181 to 365 days	–	21,684	20,972	23,738
Over one year	7,491	36,804	45,048	56,547
	63,590	106,609	103,181	143,299

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

	At 31 December			At 30 June
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
0 to 30 days	10,867	8,561	153	–
31 to 90 days	–	–	729	87
	10,867	8,561	882	87

19 PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

The Group

	At 31 December			At 30 June
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Non-current:				
Prepayments for property, plant and equipment	10,123	1,071	4,624	8,682
Deposits	–	71	301	332
Input VAT receivables *(Note)*	39,921	54,980	38,130	59,848
Less: loss allowance	(3,903)	(10,972)	(6,859)	(15,115)
	46,141	45,150	36,196	53,747
Current:				
Prepayments for inventories and others	4,881	3,041	14,748	10,106
Prepayments for costs incurred in connection with the proposed [**REDACTED**] of H shares	–	–	–	[**REDACTED**]
Input VAT receivables *(Note)*	25,827	16,669	30,989	43,854
Tax recoverable	14,665	16,274	18,795	20,167
Deposits	4,760	1,547	19,377	31,770
Loans granted to an associate	10,416	11,582	–	–
Deposits in transit	–	5,666	–	–
Other receivables	5,151	7,024	180	648
Less: loss allowance	(6,790)	(19,194)	(2,535)	(3,275)
	58,910	42,609	81,554	114,148
	105,051	87,759	117,750	167,895

The Company

	At 31 December			At 30 June
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Non-current:				
Prepayments for property, plant and equipment	–	294	–	7,311
Current:				
Prepayments for inventories and others (to subsidiaries)	3,782	21,676	–	–
Prepayments for costs incurred in connection with the proposed [**REDACTED**] of H shares	–	–	–	[**REDACTED**]
Prepayments for inventories and others (to third parties)	4,169	2,330	3,541	3,580
Deposits	3,873	666	287	1,452
Tax recoverable	5,466	6,866	3,801	3,449
Amounts due from subsidiaries	27,737	24,166	31,046	41,793
Dividends receivable	75,600	43,000	–	45,000
Other receivables	2,966	4,812	47	126
Less: loss allowance	(3,086)	(4,829)	(82)	(102)
	120,507	98,687	38,640	106,176

Note: The gross carrying amount of input VAT receivables are primarily from the subsidiaries in Zambia and Peru. The impairment provision is estimated based on the present value of the estimated future cash flows, discounted using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the input VAT receivables for which the estimates of future cash flows have not been adjusted. As at 31 December 2022, 2023, 2024 and 30 June 2025, impairment provision amounting to RMB4,508,000, RMB11,288,000, RMB7,514,000 and RMB16,896,000 respectively in aggregate has been made on input VAT receivables.

20 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION

(a) Cash and cash equivalents comprise:

The Group

	At 31 December			At 30 June
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Cash at bank and on hand	79,062	39,876	128,901	132,560
Less: time deposit	–	–	(5,000)	(6,050)
Cash and cash equivalents	79,062	39,876	123,901	126,510

The Company

	At 31 December			At 30 June
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Cash at bank and on hand	61,428	9,769	30,220	12,614
Less: time deposit	–	–	(5,000)	(5,000)
Cash and cash equivalents	61,428	9,769	25,220	7,614

The time deposits carry interest rates at 1.8% and 1.35% per annum during the year ended 31 December 2024 and the period ended 30 June 2025.

(b) Reconciliation of liabilities arising from financing activities

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

	Bank and other borrowings	Lease liabilities	Total
	RMB'000	*RMB'000*	*RMB'000*
At 1 January 2022	66,646	1,651	68,297
Changes from financing cash flows:			
Financing cash flows			
Proceeds from new loans	100,165	–	100,165
New leases	–	468	468
Interest expenses	6,398	78	6,476
Repayment of loans	(81,861)	(931)	(82,792)
Interest paid	(6,284)	(78)	(6,362)
Exchange adjustments	2,325	36	2,361
At 31 December 2022 and 1 January 2023	87,389	1,224	88,613
Changes from financing cash flows:			
Financing cash flows			
Proceeds from new loans	262,477	–	262,477
New leases	–	198	198
Early termination of the lease	–	(680)	(680)
Interest expenses	12,419	75	12,494
Repayment of loans	(137,888)	(416)	(138,304)
Interest paid	(12,331)	(75)	(12,406)
Exchange adjustments	1,145	2	1,147
At 31 December 2023 and 1 January 2024	213,211	328	213,539
Changes from financing cash flows:			
Financing cash flows			
Proceeds from new loans	512,170	–	512,170
Interest expenses	25,835	10	25,845
Repayment of loans	(458,700)	(241)	(458,941)
Interest paid	(25,962)	(10)	(25,972)
Exchange adjustments	2,073	3	2,076
At 31 December 2024 and 1 January 2025	268,627	90	268,717
Changes from financing cash flows:			
Financing cash flows			
Proceeds from new loans	147,369	–	147,369
New leases	–	553	553
Interest expenses	7,035	14	7,049
Repayment of loans	(168,705)	(103)	(168,808)
Interest paid	(8,696)	(14)	(8,710)
Exchange adjustments	(444)	–	(444)
At 30 June 2025	245,186	540	245,726

	Bank and other borrowings	Lease liabilities	Total
	RMB'000	*RMB'000*	*RMB'000*
(unaudited)			
At 1 January 2024	213,211	328	213,539
Changes from financing cash flows:			
Financing cash flows			
Proceeds from new loans	228,928	–	228,928
Interest expenses	11,713	6	11,719
Repayment of loans	(220,607)	(116)	(220,723)
Interest paid	(5,582)	(6)	(5,588)
Exchange adjustments	993	3	996
At 30 June 2024	228,656	215	228,871

21 TRADE PAYABLES AT AMORTISED COST AND TRADE PAYABLES AT FVTPL

The Group

	At 31 December			At 30 June
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade payables at amortised cost	29,317	56,241	82,868	106,422
Trade payables at FVTPL	28,481	82,036	271,527	191,248

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

	At 31 December			At 30 June
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
0 to 30 days	25,871	20,865	58,545	77,088
31 to 90 days	892	9,736	19,505	26,807
91 to 180 days	–	13,686	2,506	2,017
181 to 365 days	2,290	289	208	301
Over one year	264	11,665	2,104	209
	29,317	56,241	82,868	106,422

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

	At 31 December			At 30 June
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
0 to 30 days	12,025	34,191	254,244	139,100
31 to 90 days	9,246	43,020	16,272	40,081
91 to 180 days	7,195	4,632	–	4,045
181 to 365 days	15	193	53	8,022
Over one year	–	–	958	–
	28,481	82,036	271,527	191,248

The Company

	At 31 December			At 30 June
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade payables at amortised cost	9,736	47,685	7,318	25,613
Trade payables at FVTPL	217	967	1,093	–

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

	At 31 December			At 30 June
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade payables at amortised cost – subsidiaries	9,101	41,079	5,657	24,447

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

	At 31 December			At 30 June
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
0 to 30 days	8,101	17,605	6,914	19,100
31 to 90 days	1,635	7,515	259	6,368
91 to 180 days	–	20,055	145	–
181 to 365 days	–	2,510	–	145
	9,736	47,685	7,318	25,613

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

	At 31 December			At 30 June
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
0 to 30 days	81	967	306	–
31 to 90 days	–	–	787	–
91 to 180 days	136	–	–	–
	217	967	1,093	–

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

22 ACCRUED EXPENSES AND OTHER PAYABLES

The Group

	At 31 December			At 30 June
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Payables for properties, plant and equipment and intangible assets	68,120	65,643	62,131	53,652
Payables for costs incurred in connection with the proposed [**REDACTED**] of H shares	–	–	–	[**REDACTED**]
Deposits	1,367	16,084	15,143	15,130
Others	2,926	2,773	11,585	10,934
Financial liabilities measured at amortised cost	72,413	84,500	88,859	84,868
Payroll payables	5,420	4,366	7,490	7,162
Other tax payables	338	4,573	8,053	7,938
	78,171	93,439	104,402	99,968

The Company

	At 31 December			At 30 June
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Payables for properties, plant and equipment	248	1,711	3,449	2,188
Payables for costs incurred in connection with the proposed [**REDACTED**] of H shares	–	–	–	[**REDACTED**]
Deposits	592	15,309	15,030	15,030
Amounts due to subsidiaries	77,840	17,693	27,533	57,278
Others	1,576	387	1,503	1,191
Financial liabilities measured at amortised cost	80,256	35,100	47,515	80,839
Payroll payables	2,298	1,626	3,902	1,790
Other tax payables	282	523	171	223
	82,836	37,249	51,588	82,852

23 CONTRACT LIABILITIES

The Group

	At 31 December			At 30 June
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Advance from customers	33,495	27,989	62,782	84,735

During each of years ended 31 December 2022, 2023 and 2024 and the period ended 30 June 2025, respectively, revenue of RMB3,805,000, RMB33,495,000, RMB27,989,000 and RMB62,782,000 recognised was related to contract liabilities carried forward.

As at 31 December 2022, 2023 and 2024 and 30 June 2025, all of contract liabilities is expected to be recognised as revenue within one year.

The Company

	At 31 December			At 30 June
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Advance from customers	869	2,850	169	4,042

24 BANK AND OTHER BORROWINGS

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

The Group

	At 31 December			At 30 June
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Bank loans:				
Guaranteed by related parties and/or third parties	39,055	61,084	66,098	67,066
Pledged by bank deposits of a related party	4,505	–	–	–
Secured by property, plant and equipment, right-of-use assets and trade receivables of the Group	14,226	33,053	28,754	96,057
Guaranteed by related parties, pledged by securities of the related parties, and secured by property, plant and equipment and right-of-use assets of the Group	–	–	61,703	–
Secured by time deposits of the Group	–	–	4,503	6,441
Unguaranteed and unsecured bank loans	2,534	2,002	–	2,336
	60,320	96,139	161,058	171,900
Other borrowings:				
Guaranteed by related parties and secured by inventories of the Group from third parties	21,043	21,465	–	–
Unguaranteed and unsecured loans from third parties	6,026	95,607	107,569	73,286
	27,069	117,072	107,569	73,286
	87,389	213,211	268,627	245,186

The Company

	At 31 December			At 30 June
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Bank loans:				
Guaranteed by related parties and/or third parties	39,055	41,062	40,069	38,100
Pledged by bank deposits of a related party	4,505	–	–	–
Secured by bank deposits of the Group	–	–	4,503	4,508
	43,560	41,062	44,572	42,608
Other loans				
Unguaranteed and unsecured loans from third parties	5,477	–	–	–
	49,037	41,062	44,572	42,608

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

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

The Group

	At 31 December			At 30 June
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 1 year or on demand	81,485	195,505	207,171	176,167
After 1 year but within 2 years	5,904	11,804	22,991	18,500
After 2 years but within 3 years	–	5,902	20,000	20,000
After 3 years but within 4 years	–	–	18,465	20,000
After 4 years but within 5 years	–	–	–	10,519
	5,904	17,706	61,456	69,019
	87,389	213,211	268,627	245,186

Bank and other borrowings of the Company were repayable within 1 year at the end of each reporting period.

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

The Group's asset

	At 31 December			At 30 June
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Property, plant and equipment	21,116	86,223	190,665	143,018
Right-of-use assets	4,535	2,588	14,493	14,307
Time deposits	–	–	5,000	6,050
Trade receivables at FVTPL	10,110	–	–	–
Inventories	41,157	50,000	–	–

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

	At 31 December			At 30 June
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Counter-guarantee by related parties	16,019	20,022	15,015	19,910
Guarantee deposits	2,000	–	–	–

(e) All of the Group's banking facilities were utilized as at 31 December 2022, 2023 and 2024. At 30 June 2025, the Group's unutilised banking facilities amounted to RMB190,000,000.

(f) Certain of the Group's bank loans are subject to the fulfilment of covenants commonly found in lending arrangements with financial institutions. If the Group were to breach the covenants, the loans would become repayable on demand. The Group regularly monitors its compliance with these covenants. Further details of the Group's management of liquidity risk are set out in Note 31(b). At 31 December 2022, 2023 and 2024 and 30 June 2025, none of the covenants relating to the bank loans had been breached.

All of the Group's bank and other borrowings are interest bearing.

(g) At 31 December 2022, 2023 and 2024 and 30 June 2025, certain bank loans were guaranteed by the subsidiaries within the Group.

25 LEASE LIABILITIES

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

The Group

	At 31 December			At 30 June
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 1 year	695	250	90	139
After 1 year but within 2 years	471	78	–	108
After 2 years but within 5 years	58	–	–	293
	529	78	–	401
	1,224	328	90	540

The Company

	At 31 December			At 30 June
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 1 year	304	–	–	–
After 1 year but within 2 years	319	–	–	–
After 2 years but within 5 years	20	–	–	–
	339	–	–	–
	643	–	–	–

26 FINANCIAL LIABILITIES AT FVTPL

	Years ended 31 December			At 30 June
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Non-ferrous metal futures contracts	246	66	–	107

27 PROVISION FOR RESTORATION, REHABILITATION AND ENVIRONMENTAL COSTS

	Years ended 31 December			At 30 June
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Balance at beginning of year/period	4,184	3,581	9,380	10,746
Provisions for new plant	–	5,023	–	–
Provisions revision	(950)	(204)	191	10,428
Unwinding of discount *(Note 7(a))*	335	916	1,025	996
Exchange adjustments	12	64	150	(47)
Balance at end of the year/period	3,581	9,380	10,746	22,123

The Group's provision for restoration, rehabilitation and environmental costs is related to the Group's subsidiaries in Zambia and DRC which are involved in smelting operations. The provision represents the accrued cost required to provide adequate restoration and rehabilitation measured by qualified professionals in Zambia and DRC, as discounted at rates ranging from 10.65%, 10.67% to 11.23%, 9.36% to 12.04% and 10.72% to 12.04% per annum during the Track Record Period, upon the completion of their operations. These amounts will be settled when rehabilitation is undertaken, generally at the end of a project life, which ranges from 10 to 15 years.

The Directors consider that adequate provision has been made at the end of each reporting period.

28 INCOME TAX IN THE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

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

	Years ended 31 December			At 30 June
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Income tax payable at 1 January	5,101	8,993	8,146	33,125
Provision for the year/period *(Note 8(a))*	12,241	8,346	33,951	25,552
Income tax paid	(8,349)	(9,193)	(8,972)	(22,040)
Net balance of income tax payable at end of the year/period	8,993	8,146	33,125	36,637
Represented by:				
Income tax recoverable (included in tax recoverable) *(Note 19)*	(2,183)	(2,709)	(1,723)	(2,494)
Income tax payable	11,176	10,855	34,848	39,131

(b) Deferred tax assets recognised

Movement of each component of deferred tax assets

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

Deferred tax arising from:	Depreciation of property, plant and equipment	Impairment of property, plant and equipment	Credit loss allowance on financial assets	Fair value of financial liabilities	Tax losses	Leases and decommissioning obligations	Unrealised gains and losses	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Balance at 1 January 2022	(2,717)	–	2,181	57	–	389	1,296	1,206
(Charged)/credited to the consolidated statement of profit or loss *(Note 8(a))*	(2,037)	–	(80)	4	2,638	172	1,162	1,859
Exchange adjustments	(336)	–	139	–	93	–	2	(102)
Balance at 31 December 2022 and 1 January 2023	(5,090)	–	2,240	61	2,731	561	2,460	2,963
(Charged)/credited to the consolidated statement of profit or loss *(Note 8(a))*	(2,290)	–	4,342	(45)	(727)	578	9,611	11,469
Exchange adjustments	(146)	–	48	–	40	–	85	27
Balance at 31 December 2023 and 1 January 2024	(7,526)	–	6,630	16	2,044	1,139	12,156	14,459
(Charged)/credited to the consolidated statement of profit or loss *(Note 8(a))*	(1,578)	1,346	(4,074)	(21)	(1,302)	523	(1,267)	(6,373)
Exchange adjustments	(129)	2	54	–	7	–	77	11
Balance at 31 December 2024 and 1 January 2025	(9,233)	1,348	2,610	(5)	749	1,662	10,966	8,097
(Charged)/credited to the consolidated statement of profit or loss *(Note 8(a))*	(425)	–	2,613	27	–	643	(3,528)	(670)
Exchange adjustments	40	(6)	(18)	–	–	(9)	7	14
Balance at 30 June 2025	(9,618)	1,342	5,205	22	749	2,296	7,445	7,441

(d) Reconciliation to the consolidated statement of financial position

	At 31 December			At 30 June
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Net deferred tax assets	6,405	14,459	11,041	12,199
Net deferred tax liabilities	(3,442)	–	(2,944)	(4,758)
	2,963	14,459	8,097	7,441

(e) Deferred tax assets not recognised

In accordance with the accounting policy set out in Note 2(q), the Group has not recognised deferred tax assets in respect of cumulative unused tax losses and deductible temporary differences arising from certain subsidiaries of the Group of RMB1,718,000, RMB9,665,000, RMB3,645,000 RMB4,831,000 as at 31 December 2022, 2023 and 2024 and 30 June 2025, respectively, as it is not probable that future taxable profits against which the losses can be utilised will be available in the relevant tax jurisdiction and entity.

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

	At 31 December			At 30 June
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Year of expiry:				
2027	1,530	1,530	1,438	1,438
2028	–	1,875	218	218
2029	–	–	1,325	1,325
2030	–	–	–	828
No expiry date	–	4,734	–	–
	1,530	8,139	2,981	3,809

(f) Deferred tax liabilities not recognised

Pursuant to the relevant income tax law, a 10% withholding tax is levied on dividends declared from subsidiaries in the PRC and DRC to Jinxun (Singapore), and from subsidiaries in Singapore and in Zambia to the Company. In addition, a 5% withholding tax is levied on dividends declared from a subsidiary in Peru to the Company and Jinxun (Singapore). As at 31 December 2022, 2023 and 2024 and 30 June 2025, temporary difference unrecognised for deferred tax liabilities relating to undistributed profits of subsidiaries amounted to RMB147,385,000, RMB150,849,000 and RMB255,076,000 and RMB292,411,000, respectively. Deferred tax liabilities of RMB14,739,000, RMB15,085,000 and RMB22,158,000 and RMB25,501,000, have not been recognised in this respect as it is probable that such profits will not be distributed in the foreseeable future.

29 CAPITAL, RESERVES AND DIVIDENDS

(a) Movements in components of equity

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

	Share capital	Capital reserve	Statutory reserve	Retained profits	Total equity
	RMB'000 (Note 29(b))	*RMB'000 (Note 29(d))*	*RMB'000 (Note 29(e))*	*RMB'000*	*RMB'000*
At 1 January 2022	68,629	460	9,267	44,690	123,046
Changes in equity for 2022:					
Profit and total comprehensive income for the year	–	–	–	44,592	44,592
Appropriation to reserves	–	–	4,459	(4,459)	–
Issue of shares, net of issuance cost *(Note 29(b))*	7,353	40,995	–	–	48,348
Dividends declared *(Note 29(c))*	–	–	–	(6,863)	(6,863)
Stock dividends declared *(Note 29(b))*	34,315	–	–	(34,315)	–
At 31 December 2022 and 1 January 2023	110,297	41,455	13,726	43,645	209,123
Changes in equity for 2023					
Profit and total comprehensive income for the year	–	–	–	40,433	40,433
Appropriation to reserves	–	–	4,043	(4,043)	–
Employees share-based payments *(Note 30)*	–	623	–	–	623
Dividends declared *(Note 29(c))*	–	–	–	(4,412)	(4,412)
At 31 December 2023 and 1 January 2024	110,297	42,078	17,769	75,623	245,767
Changes in equity for 2024:					
Profit and total comprehensive income for the year	–	–	–	66,001	66,001
Appropriation to reserves	–	–	6,600	(6,600)	–
Employees share-based payments *(Note 30)*	–	470	–	–	470
Dividends declared *(Note 29(c))*	–	–	–	(60,663)	(60,663)
At 31 December 2024	110,297	42,548	24,369	74,361	251,575
(unaudited)					
At 1 January 2024	110,297	42,078	17,769	75,623	245,767
Changes in equity for six months ended 30 June 2024:					
Profit and total comprehensive income for the period	–	–	–	56,483	56,483
Appropriation to reserves	–	–	5,648	(5,648)	–
Employees share-based payments *(Note 30)*	–	236	–	–	236
Dividends declared *(Note 29(c))*	–	–	–	(5,515)	(5,515)
At 30 June 2024	110,297	42,314	23,417	120,943	296,971

	Share capital	Capital reserve	Statutory reserve	Retained profits	Total equity
	RMB'000 (Note 29(b))	*RMB'000 (Note 29(d))*	*RMB'000 (Note 29(e))*	*RMB'000*	*RMB'000*
At 1 January 2025	110,297	42,548	24,369	74,361	251,575
Changes in equity for six months ended 30 June 2025:					
Profit and total comprehensive income for the period	–	–	–	66,271	66,271
Appropriation to reserves	–	–	6,627	(6,627)	–
Employees share-based payments *(Note 30)*	–	327	–	–	327
At 30 June 2025	110,297	42,875	30,996	134,005	318,173

(b) Share capital

	Number of shares	Amount
		RMB'000
Ordinary shares, issued and fully paid		
At 1 January 2022	68,629,022	68,629
Stock dividends declared *(Note (i))*	34,314,511	34,315
Issuance of ordinary shares *(Note (ii))*	7,353,110	7,353
At 31 December 2022, 31 December 2023 and 31 December 2024 and 30 June 2025	110,296,643	110,297

Notes:

(i) On 16 May 2022, stock dividends in respect of the year ended 31 December 2021 of 0.5 stock dividend per share, in an aggregate 34,314,511 shares stock dividends was approved by the shareholders of the Company.

(ii) On 22 December 2022, the Company entered into a capital increase agreement with an independent investor, namely Chuanghe Xincai, pursuant to which the investor made capital injection of RMB50,000,000 in the Company as consideration for subscription of 7,353,110 shares of the Company. The proceeds, net of related fees and expenses of RMB1,651,000, from the subscription amounted to RMB48,349,000, RMB7,353,000 and RMB40,995,000 were credited in the Company's share capital and capital reserve account, respectively.

(c) Dividends

In May 2022, stock dividends and cash dividends in respect of the year ended 31 December 2021 of 0.5 stock dividends per share and RMB0.1 per share, in an aggregate 34,314,511 shares stock dividends and RMB6,863,000 cash dividends were approved by the shareholders of the Company.

In May 2023, cash dividends in respect of the year ended 31 December 2022 of RMB0.04 per share, in an aggregate RMB4,412,000 was approved by the shareholders of the Company.

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

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

(d) Capital reserve

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

(e) Statutory reserve

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

(f) Exchange reserve

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of the companies comprising the Group into the Group's presentation currency. The reserve is dealt with in accordance with the accounting policies set out in Note 2(t).

(g) Capital management

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

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

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

30 SHARE-BASED PAYMENTS

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

In January 2023, certain share interests of Heli Investment (equivalent to 1,230,000 shares of the Company) were transferred from Ms. Yuan Mei to certain employees at a price of RMB3.10 per share to encourage and retain eligible persons to make contributions in the long-term growth of the Group, which was accounted for as equity settled share-based payment. The fair value of the shares transferred was RMB6.80 per share which was estimated with reference to the price of the capital increase of an independent investor in December 2022 (see Note 29(b)(ii)). The difference with the transfer price is to be recognized in staff costs over the vesting period from January 2023 to June 2029.

In March 2025, certain share interests of Heli Investment (equivalent to 371,000 shares of the Company) were transferred from Ms. Yuan Mei to certain employees at a price of RMB8.20 per share to encourage and retain eligible persons to make contributions in the long-term growth of the Group, which was accounted for as equity settled share-based payment. The fair value of the shares transferred was RMB12.00 per share which was estimated with reference to the offer price range for the proposed initial public offering of the Company. The difference with the transfer price is to be recognized in staff costs over the vesting period from March 2025 to April 2030.

31 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

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

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

(a) Credit risk

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

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

(i) Trade receivables at FVTPL

As at 31 December 2022, 2023 and 2024 and 30 June 2025, the Group's trade receivables at FVTPL were debtors with an aggregate amount of RMB43,161,000, RMB25,084,000 and RMB36,517,000 and RMB39,743,000.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer rather than the industry in which the customers operate. At 31 December 2022, 2023 and 2024 and 30 June 2025, 59%, 27% and 74% and 65% of the total trade receivables at FVTPL, respectively, was due from the Group's largest debtor from sales of copper products, and 100%, 85% and 98% and 96% of the total trade receivables at FVTPL, respectively, was due from the five largest debtors from sales of copper products. In order to manage the credit risk, the Group continuously monitor the level of exposure by ongoing review of credit records of customers to take follow-up actions on the balances of trade receivables. These customers are large and reputable in the market and they have been trading with the Group with good settlement history.

(ii) Trade receivables at amortised cost

As at 31 December 2022, 2023 and 2024 and 30 June 2025, included in the Group's trade receivables at amortised cost balance were debtors with an aggregate amount of RMB1,244,000, RMB517,000 and RMB278,000 and RMB2,316,000 and were assessed for impairment at an amount equal to lifetime ECLs. As at 31 December 2022, 2023 and 2024 and 30 June 2025, impairment allowance of RMB70,000, RMB26,000 and RMB14,000 and RMB112,000 were made on these debtors.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer rather than the industry in which the customers operate. At 31 December 2022, 2023 and 2024 and 30 June 2025, 45%, 62% and 100% and 57% of the total trade receivables at amortised cost, respectively, was due from the Group's largest debtor from sales of goods other than copper products, and 100%, 100% and 100% and 100% of the total trade receivables at amortised cost, respectively, was due from the five largest debtors from sales of goods other than copper products. In order to manage the credit risk, the Group continuously monitor the level of exposure by ongoing review of credit records of customers to take follow-up actions on the balances of trade receivables. These customers are large and reputable in the market and they have been trading with the Group with good settlement history.

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

(iii) Bank balances and the time deposit

Credit risk on bank balances and the time deposit is limited because the counterparty banks and financial institutions are with good reputation. Thus, the Directors considered that the probability of default is negligible for the bank balances and the time deposit of the Group and no expected credit loss was recognised as at 31 December 2022, 2023 and 2024 and 30 June 2025.

For all other financial assets including other receivables the Group measures the loss allowance equal to 12-month ECL, unless when there has been a significant increase in credit risk since initial recognition where the Group recognises lifetime ECL. The Group has assessed and concluded that the risk of default rate for the aforementioned other financial assets is close to zero based on the Group's assessment of the financial health of the counterparties, except for deposits, input VAT receivables, receivables from third parties and related party amounting to RMB86,075,000, RMB97,539,000 and RMB88,977,000 and RMB136,452,000 as at 31 December 2022, 2023 and 2024 and 30 June 2025 which was credit impaired and assessed individually, and the impairment allowance of RMB10,693,000, RMB30,166,000 and RMB9,394,000 and RMB18,390,000 was recognised in the Historical Financial Information as at 31 December 2022, 2023 and 2024 and 30 June 2025.

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

	Years ended 31 December			At 30 June
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
1 January	770	70	26	14
Impairment (reversal)/recognised	(734)	(44)	(12)	98
Exchange adjustments	34	–	–	–
At end of the year/period	70	26	14	112

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

	Years ended 31 December			At 30 June
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
1 January	7,443	10,693	30,166	9,394
Impairment recognised/(reversal)	2,808	19,291	(3,082)	9,062
Amount written off as uncollectible	–	–	(17,842)	–
Exchange adjustments	442	182	152	(66)
At end of the year/period	10,693	30,166	9,394	18,390

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

	Notes	12-month or lifetime ECL	At 31 December 2022	At 31 December 2023	At 31 December 2024	At 30 June 2025
Financial assets at amortised cost						
Trade receivables at amortised cost	*18*	Lifetime ECL	1,174	491	264	2,204
		Credit impaired	70	26	14	112
			1,244	517	278	2,316
Other receivables	*19*	12-month ECL	4,876	7,106	18,591	31,256
		Credit impaired	5,035	7,202	1,267	1,494
			9,911	14,308	19,858	32,750
Loans granted to an associate	*19*	12-month ECL	9,423	–	–	–
		Credit impaired	993	11,582	–	–
			10,416	11,582	–	–
Input VAT receivables	*19*	12-month ECL	61,083	60,267	60,992	86,806
		Credit impaired	4,665	11,382	8,127	16,896
			65,748	71,649	69,119	103,702
Bank balances	*20*	12-month ECL	79,062	39,876	123,901	126,510
Time deposit	*20*	12-month ECL	–	–	5,000	6,050
			79,062	39,876	128,901	132,560
			166,381	137,932	218,156	271,328

(b) Liquidity risk

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

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

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

	Weighted average interest rate	On demand or less than 6 months	Over 6 months but not more than 1 year	1 to 2 years	2 to 5 years	Total undiscounted cash flows	Carrying amounts
	%	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2022							
Non-derivative financial liabilities							
Trade and other payables	–	101,730	–	–	–	101,730	101,730
Bank and other borrowings	5.78%	30,030	55,755	6,080	–	91,865	87,389
Trade payables designated at FVTPL	–	28,481	–	–	–	28,481	28,481
		160,241	55,755	6,080	–	222,076	217,600
Lease liabilities	4.75%	376	375	500	66	1,317	1,224
Financial liabilities designed at FVTPL – Copper futures contracts		246	–	–	–	246	246

	Weighted average interest rate	On demand or less than 6 months	Over 6 months but not more than 1 year	1 to 2 years	2 to 5 years	Total undiscounted cash flows	Carrying amounts
	%	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2023							
Non-derivative financial liabilities							
Trade and other payables	–	140,741	–	–	–	140,741	140,741
Bank and other borrowings	5.87%	155,860	44,891	13,136	6,066	219,953	213,211
Trade payables designated at FVTPL		82,036	–	–	–	82,036	82,036
		378,637	44,891	13,136	6,066	442,730	435,988
Lease liabilities	4.75%	130	130	79	–	339	328
Financial liabilities designed at FVTPL – Copper futures contracts		66	–	–	–	66	66

	Weighted average interest rate	On demand or less than 6 months	Over 6 months but not more than 1 year	1 to 2 years	2 to 5 years	Total undiscounted cash flows	Carrying amounts
	%	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2024							
Non-derivative financial liabilities							
Trade and other payables		171,727	–	–	–	171,727	171,727
Bank and other borrowings	5.85%	162,589	49,912	25,405	40,766	278,672	268,627
Trade payables designated at FVTPL		271,527	–	–	–	271,527	271,527
		605,843	49,912	25,405	40,766	721,926	711,881
Lease liabilities	4.75%	46	45	–	–	91	90
30 June 2025							
Non-derivative financial liabilities							
Trade and other payables		191,290	–	–	–	191,290	191,290
Bank and other borrowings	6.65%	121,351	59,752	21,273	53,124	255,500	245,186
Trade payables designated at FVTPL		191,248	–	–	–	191,248	191,248
		503,889	59,752	21,273	53,124	638,038	627,724
Lease liabilities	4.75%	99	62	125	311	597	540

(c) Commodity risk

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

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

	Years ended 31 December			Six months ended 30 June
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Increase in profit for the year/period	7,178	18,839	10,758	17,862

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

(d) Currency risk

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

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

	Years ended 31 December			Six months ended 30 June
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
USD denominated monetary assets	171,541	204,960	239,483	271,481
USD denominated monetary liabilities	(16,036)	(10,835)	(16,520)	(33,946)
RMB denominated monetary assets	65	65	1,214	399
RMB denominated monetary liabilities	–	(14)	(57)	(57)
SGD denominated monetary assets	136	72	76	373
ZMK denominated monetary assets	61,377	64,354	54,514	75,034
ZMK denominated monetary liabilities	(534)	(704)	(10,904)	(5,282)
CDF denominated monetary assets	11	392	5,045	72
CDF denominated monetary liabilities	–	(3,833)	(29,347)	(26,769)
SOL denominated monetary assets	3,870	2,187	12,415	20,082
SOL denominated monetary liabilities	(378)	(392)	(1,736)	(262)

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

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

	Years ended 31 December			Six months ended 30 June
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
(Decrease)/increase in profit for the year/period				
USD				
Weakening				
– 5%	(5,831)	(7,280)	(8,361)	(8,908)
– 10%	(11,663)	(14,559)	(16,722)	(17,815)
– 15%	(17,494)	(21,839)	(25,083)	(26,723)
RMB				
Weakening				
– 5%	(2)	(2)	(43)	(13)
– 10%	(5)	(4)	(87)	(26)
– 15%	(7)	(6)	(130)	(39)
SGD				
Weakening				
– 5%	(5)	(3)	(3)	(14)
– 10%	(10)	(5)	(6)	(28)
– 15%	(15)	(8)	(9)	(42)
ZMK				
Weakening				
– 5%	(2,282)	(2,387)	(1,635)	(2,616)
– 10%	(4,563)	(4,774)	(3,271)	(5,231)
– 15%	(6,845)	(7,161)	(4,906)	(7,847)
CDF				
Weakening				
– 5%	–	129	911	1,001
– 10%	(1)	258	1,823	2,002
– 15%	(1)	387	2,734	3,003
SOL				
Weakening				
– 5%	(131)	(67)	(400)	(743)
– 10%	(262)	(135)	(801)	(1,487)
– 15%	(393)	(202)	(1,201)	(2,230)

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

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

(e) Fair value measurement

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

– Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.

– Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.

– Level 3 valuations: Fair value measured using significant unobservable inputs

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

	Level 1	Level 2	Level 3	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2022				
Financial liabilities – Copper future contracts *(Note (i))*	246	–	–	246
Trade receivables at FVTPL *(Note (ii))*	–	43,161	–	43,161
Trade payables designated at FVTPL *(Note (ii))*	–	28,481	–	28,481
31 December 2023				
Financial liabilities – Copper future contracts *(Note (i))*	66	–	–	66
Trade receivables at FVTPL *(Note (ii))*	–	25,084	–	25,084
Trade payables designated at FVTPL *(Note (ii))*	–	82,036	–	82,036
31 December 2024				
Trade receivables at FVTPL *(Note (ii))*	–	36,517	–	36,517
Trade payables designated at FVTPL *(Note (ii))*	–	271,527	–	271,527
30 June 2025				
Financial liabilities-non-ferrous metal future contracts *(Note (i))*	107	–	–	107
Trade receivables at FVTPL *(Note (ii))*	–	39,743	–	39,743
Trade payables designated at FVTPL *(Note (ii))*	–	191,248	–	191,248

Notes:

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

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

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

Except as detailed above, the Directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost recognised in the Historical Financial Information approximate their fair values.

32 COMMITMENTS

Capital commitments outstanding at respective reporting period end dates not provided for in the Historical Financial Information were as follows:

	At 31 December			At 30 June
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Capital expenditure in respect of the acquisition of property, plant and equipment contracted for but not provided in the Historical Financial Information	205,533	123,383	68,914	2,718

33 MATERIAL RELATED PARTY TRANSACTIONS

(a) Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the Company's directors and supervisors as disclosed in Note 9 and certain of the highest paid employees as disclosed in Note 10, is as follows:

	Years ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
Salaries and other emoluments	1,469	1,864	2,008	974	1,064
Discretionary bonuses	521	277	302	198	150
Employees share-based compensation scheme:	–	121	121	60	60
Retirement scheme contributions	142	129	128	64	65
	2,132	2,391	2,559	1,296	1,339

Total remuneration is included in "staff costs" (See Note 7(b)).

(b) Names and relationships of the related parties that had material transactions with the Group during the Track Record Period:

Names of related parties	Relationship
Jiangwu Jinxun	An associate of the Group
Mr. Yuan Rong	Ultimate controlling party
Ms. Liu Li	The spouse of Mr. Yuan Rong
Ms. Yuan Mei	Key management personnel of the Group and sister of Mr. Yuan Rong

(c) Transactions with related parties during the Track Record Period

	Years ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (Unaudited)	*RMB'000*
Purchase of property, plant and equipment from Jiangwu Jinxun	–	1,116	–	–	–
Lease charges relating to short-term leases to Jiangwu Jinxun	222	155	–	–	–
Interest income from Jiangwu Jinxun	941	986	–	–	–

(d) Balances with related parties

The Group's balances with related parties as at the end of each reporting period are as follows:

	At 31 December			At 30 June
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade in nature:				
Trade payables at amortised cost from Jiangwu Jinxun	230	1,277	–	–
Non-trade in nature:				
Gross amounts of other receivables from Jiangwu Jinxun *(Note 19)*	10,416	11,582	–	–
Guarantees provided by Mr. Yuan Rong, and/or Ms. Liu Li and/or Ms. Yuan Mei for the Group's bank and other borrowings *(Note 24)*	48,584	62,527	110,777	47,156

[All of guaranteed loans will be terminated and/or repaid upon the listing of the Company's shares on the Stock Exchange.]

34 IMMEDIATE AND ULTIMATE CONTROLLING PARTY

At 30 June 2025, the directors consider the immediate and ultimate controlling party of the Group to be Mr. Yuan Rong.

35 SUBSEQUENT EVENTS

Subsequent to the end of the reporting period, a interim dividend in respect of the six months ended 30 June 2025 of RMB0.28 per share, in an aggregate amount of RMB30,883,000 which was approved by extraordinary general meeting on 12 September 2025.

36 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE ACCOUNTING PERIOD BEGINNING ON 1 JANUARY 2025

Up to date of issue of the Historical Financial Information, the IASB has issued a number of new or amended standards which are not yet effective for the accounting period beginning on 1 January 2025 and which have not been adopted in the Historical Financial Information. These include the following:

	Effective for accounting period beginning on or after
Amendments to IFRS 9 and IFRS 7 – *Amendments to the classification and measurement of financial instruments*	1 January 2026
Amendments to IFRS 9 and IFRS 7, *Contracts Referencing Nature-dependent Electricity*	1 January 2026
Annual improvements to IFRS Accounting Standards-Volume 11	1 January 2026
IFRS 18, *Presentation and disclosure in financial statements*	1 January 2027
IFRS 19, *Subsidiaries without public accountability: disclosures*	1 January 2027
Amendments to IFRS 10 and IAS 28, *Sale or contribution of assets between an investor and its associate or joint venture*	To be determined

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the Historical Financial Information.

IFRS 18, *Presentation and disclosure in financial statements*

IFRS 18 will replace IAS 1 *Presentation of financial statements* and aims to improve the transparency and comparability of information about an entity's financial statements.

IFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027 and is to be applied retrospectively. Among other changes, under IFRS 18, entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to provide specific disclosures about management-defined performance measures in a single note in the financial statements.

The Group does not plan to early adopt IFRS 18. IFRS 18 will impact the presentation of financial statements and is not expected to have significant impact on the financial performance and positions of the Group.

SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company and its subsidiaries in respect of any period subsequent to 30 June 2025.

[**REDACTED**]

[**REDACTED**]

[**REDACTED**]

[**REDACTED**]

[**REDACTED**]

THE PRC TAXATION

Taxation on Dividends

Individual Investors

Pursuant to the Individual Income Tax Law of the PRC (《中華人民共和國個人所得税法》), which was most recently amended on August 31, 2018 and the Implementation Provisions of the Individual Income Tax Law of the PRC (《中華人民共和國個人所得税法實施條例》), which was most recently amended on December 18, 2018 (hereinafter collectively referred to as the "**IIT Law**"), dividends distributed by PRC enterprises are subject to individual income tax levied at a flat rate of 20%. For a foreign individual who is not a resident of the PRC, the receipt of dividends from an enterprise in the PRC is normally subject to individual income tax of 20% unless specifically exempted by the tax authority of the State Council or reduced by relevant tax treaty.

Pursuant to the Arrangement between Chinese Mainland and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income (《內地和香港特別行政區關於對所得避免雙重徵税和防止偷漏税的安排》) (hereinafter referred to as the "**Arrangement for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (《對所得避免雙重徵税和防止偷漏税的安排》)**") signed by Chinese Mainland and the Hong Kong Special Administrative Region on August 21, 2006, the PRC government may impose tax on dividends paid by a PRC company to a Hong Kong resident (including natural person and legal entity), but such tax shall not exceed 10% of the total amount of dividends payable. If a Hong Kong resident directly holds 25% or more of equity interest in a PRC company and the Hong Kong resident is the beneficial owner of the dividends and meets other conditions, such tax shall not exceed 5% of the total amount of dividends payable by the PRC company. The Fifth Protocol to the Arrangement between Chinese Mainland and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income (《國家税務總局關於<內地和香港特別行政區關於對所得避免雙重徵税和防止偷漏税的安排>第五議定書》) (the "**Fifth Protocol**") issued by the SAT and became effective on December 6, 2019, provides that such provisions shall not apply to arrangements or transactions made for one of the primary purposes of obtaining such tax benefits.

Enterprise Investors

In accordance with the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得税法》) issued by NPC on March 16, 2007 and most recently amended on December 29, 2018 and the Implementation Provisions of the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得税法實施條例》) issued by the State Council on December 6, 2007, came into effect on January 1, 2008 and most recently amended on December 6, 2024 (hereinafter collectively referred to as the "**EIT Law**"), a non-resident enterprise is generally subject to a 10% enterprise income tax on PRC-sourced income (including dividends received

from a PRC resident enterprise), if it does not have an establishment or premise in the PRC or has an establishment or premise in the PRC but its PRC-sourced income has no real connection with such establishment or premise. The aforesaid income tax payable by non-resident enterprises are withheld at source, where the payer of the income is required to withhold the income tax from the amount to be paid to the non-resident enterprise. Such withholding tax may be reduced or exempted pursuant to an applicable treaty for the avoidance of double taxation.

The Circular of the State Administration of Tax on Issues Relating to the Withholding and Remitting of Enterprise Income Tax by PRC Resident Enterprises on Dividends Distributed to Overseas Non-Resident Enterprise Shareholders of H Shares (《國家税務總局關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得税有關問題的通知》), which was issued and implemented by the SAT on November 6, 2008, further clarified that a PRC-resident enterprise must withhold corporate income tax at a rate of 10% on the dividends paid to non-PRC resident enterprise holders of H Shares which are derived out of profit generated since 2008. Non-PRC resident enterprise shareholders who need to enjoy tax treaty benefits, the relevant provisions of such tax treaty shall apply.

Pursuant to the Arrangement for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income, the PRC government may impose tax on dividends paid by a PRC company to a Hong Kong resident (including natural person and legal entity), but such tax shall not exceed 10% of the total amount of dividends payable. If a Hong Kong resident directly holds 25% or more of equity interest in a PRC company and the Hong Kong resident is the beneficial owner of the dividends and meets other conditions, such tax shall not exceed 5% of the total amount of dividends payable by the PRC company. The Fifth Protocol provides that such provisions shall not apply to arrangements or transactions made for one of the primary purposes of obtaining such tax benefits.

Although there may be other provisions under the Arrangement for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income, the treaty benefits under the criteria shall not be granted in the circumstance where relevant gains, after taking into account all relevant facts and conditions, are reasonably deemed to be one of the main purposes for the arrangement or transactions which will bring any direct or indirect benefits under this Arrangement, except when the grant of benefits under such circumstance is consistent with relevant objectives and goals under the Arrangement. The application of the dividend clause of tax agreements is also subject to the requirements of PRC tax laws and regulations, such as the Notice of the State Administration of Taxation on the Issues Concerning the Application of the Dividend Clauses of Tax Agreements (《國家税務總局關於執行税收協定股息條款有關問題的通知》).

Tax Treaties

Non-resident investors residing in jurisdictions which have entered into treaties or adjustments for the avoidance of double taxation with the PRC might be entitled to a reduction of the Chinese corporate income tax imposed on the dividends received from PRC companies. The PRC currently has entered into treaties or adjustments for the avoidance of double taxation with a number of countries and regions including Hong Kong Special Administrative Region, Macau Special Administrative Region, Australia, Canada, France, Germany, Japan, Malaysia, the Netherlands, Singapore, the United Kingdom and the United States. Non-PRC resident enterprises entitled to preferential tax rates in accordance with the relevant taxation treaties or arrangements are required to apply to the Chinese tax authorities for a refund of the corporate income tax in excess of the agreed tax rate, and the refund application is subject to approval by the Chinese tax authorities.

Taxation on Share Transfer

VAT and Local Additional Tax

Pursuant to the Notice on Fully Implementing the Pilot Reform for the Transition from Business Tax to Value-added Tax (《關於全面推開營業税改徵增值税試點的通知》) (the "**Circular 36**"), which was implemented on May 1, 2016 and partially repealed on July 1, 2017, January 1, 2018 and April 1, 2019, entities and individuals engaged in the services sale in the PRC are subject to VAT and "engaged in the services sale in the PRC" means that the seller or buyer of the taxable services is located in the PRC. Circular 36 also provides that transfer of financial products, including transfer of the ownership of marketable securities, shall be subject to VAT at 6% on the taxable revenue (which is the balance of sales price upon deduction of purchase price), for a general or a foreign VAT taxpayer. However, individuals who transfer financial products are exempt from VAT, which is also provided in the Notice of Ministry of Finance and State Administration of Taxation on Several Tax Exemption Policies for Business Tax on Sale and Purchase of Financial Commodities by Individuals (《財政部、國家税務總局關於個人金融商品買賣等營業税若干免税政策的通知》) effective on January 1, 2009. According to these regulations, if the holder is a non-resident individual, the PRC VAT is exempted from the sale or disposal of H shares; if the holder is a non-resident enterprise and the H-share buyer is an individual or entity located outside the PRC, the holder is not necessarily required to pay the PRC VAT, but if the H-share buyer is an individual or entity located in China, the holder may be required to pay the PRC VAT.

However, in view of no clear regulations, it is still uncertain whether the non-Chinese resident enterprises are required to pay the PRC VAT for the disposal of H shares in practice.

At the same time, VAT payers are also required to pay urban maintenance and construction tax, education surtax and local education surcharge, which shall be usually subject to 12% of the actual VAT payable (if any).

Income tax

Individual Investors

According to the IIT Law, gains on the transfer of equity interests in the PRC resident enterprises are subject to individual income tax at a rate of 20%.

Pursuant to the Circular on Declaring that Individual Income Tax Continues to be Exempted over Income of Individuals from the Transfer of Shares (《關於個人轉讓股票所得繼續暫免徵收個人所得税的通知》) issued by the SAT on March 30, 1998, from January 1, 1997, income of individuals from transfer of the shares of listed enterprises continues to be exempted from individual income tax. The SAT has not expressly stated whether it will continue to exempt tax on income of individuals from transfer of the shares of listed enterprises in the most recently amended IIT Law.

However, on December 31, 2009, the Ministry of Finance, SAT and CSRC jointly issued the Circular on Related Issues on Levying Individual Income Tax over the Income Received by Individuals from the Transfer of Listed Shares Subject to Sales Limitation (《關於個人轉讓上市公司限售股所得徵收個人所得税有關問題的通知》), which came into effect on January 1, 2010, which states that individuals' income from the transfer of listed shares obtained from the public offering of listed companies and transfer market on the Shanghai Stock Exchange and the Shenzhen Stock Exchange shall continue to be exempted from individual income tax, except for the relevant shares which are subject to sales restriction (as defined in the Supplementary Notice on Related Issues on Levying Individual Income Tax over the Income Received by Individuals from the Transfer of Listed Shares Subject to Sales Limitation (《關於個人轉讓上市公司限售股所得徵收個人所得税有關問題的補充通知》) jointly issued and implemented by such departments on November 10, 2010). Pursuant to the Announcement on Matters Concerning Further Improving the Individual Income Tax Collection Service for the Income of Individuals from the Transfer of Restricted Shares of Listed Companies (《關於進一步完善個人轉讓上市公司限售股所得個人所得税有關徵管服務事項的公告》) jointly issued by SAT, the Ministry of Finance and CSRC on December 27, 2024, when an individual pays individual income tax on his or her income from the transfer of restricted shares of a listed company, the place of tax payment is the place where the listed company issuing the restricted shares is located. As of the Latest Practicable Date, no aforesaid provisions have expressly provided that individual income tax shall be levied from non-PRC resident individuals on the transfer of shares in PRC resident enterprises listed on overseas stock exchanges.

Enterprise Investors

According to the EIT Law, a non-resident enterprise is generally subject to a 10% enterprise income tax on PRC-sourced income (including dividends received from a PRC resident enterprise), if it does not have an establishment or premise in the PRC or has an establishment or premise in the PRC but its PRC-sourced income has no real connection with such establishment or premise. The aforesaid income tax payable by non-resident enterprises

are withheld at source, where the payer of the income is required to withhold the income tax from the amount to be paid to the non-resident enterprise. Such withholding tax may be reduced or exempted pursuant to an applicable treaty for the avoidance of double taxation.

The Circular of the State Administration of Tax on Issues Relating to the Withholding and Remitting of Enterprise Income Tax by PRC Resident Enterprises on Dividends Distributed to Overseas Non-Resident Enterprise Shareholders of H Shares (《國家税務總局關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得税有關問題的通知》), which was issued and implemented by the SAT on November 6, 2008, further clarified that a PRC-resident enterprise must withhold corporate income tax at a rate of 10% on the dividends paid to non-PRC resident enterprise holders of H Shares which are derived out of profit generated since 2008. Non-PRC resident enterprise shareholders who need to enjoy tax treaty benefits, the relevant provisions of such tax treaty shall apply.

Stamp Duty

According to the Stamp Duty Law of the PRC (《中華人民共和國印花税法》), which was promulgated on June 10, 2021 and came into effect on July 1, 2022, PRC stamp duty only applies to specific taxable document executed or received within the PRC, having legally binding force in the PRC and protected under the PRC laws, thus the requirements of the stamp duty imposed on the transfer of shares of PRC listed companies shall not apply to the acquisition and disposal of H Shares by non-PRC investors outside of the PRC.

Estate Duty

As of the Latest Practicable Date, no estate duty has been levied in the PRC under the PRC laws.

Principal Taxation of the Company in the PRC

Enterprise Income Tax

According to the EIT Law, enterprises and other income-generating organizations (hereinafter collectively referred to as "**an enterprise**" or "**enterprises**") within the territory of the PRC are the taxpayers of enterprise income tax and shall pay enterprise income tax in accordance with the provisions of the EIT Law. The Enterprise Income Tax rate is 25%.

VAT

Pursuant to the Interim Regulations on Value-added Tax of the PRC (《中華人民共和國增值税暫行條例》) issued on December 13, 1993 by the State Council, came into effect on January 1, 1994, and revised on November 10, 2008, February 6, 2016 and November 19, 2017, as well as the Implementation Rules for the Interim Regulations on Value-Added Tax of the PRC (《中華人民共和國增值税暫行條例實施細則》) issued on December 25, 1993 by the MOF, came into effect on the same day and revised on December 15, 2008 and October 28,

2011, any entities and individuals engaged in the sale of goods, supply of processing, repair and replacement services, and import of goods within the territory of the PRC are taxpayers of VAT and shall pay the VAT in accordance with the law. The rate of VAT for sale of goods is 17% unless otherwise specified, such as the rate of VAT for sale of transportation is 11%. With the VAT reforms in the PRC, the rate of VAT has been changed several times. The Notice of the Ministry of Finance and the State Administration of Taxation on the Adjustment to VAT Rates (《財政部、國家稅務總局關於調整增值稅稅率的通知》) which was promulgated by the Ministry of Finance and the State Administration of Taxation on April 4, 2018 to adjust the tax rates of 17% and 11% applicable to any taxpayer's VAT taxable sale or import of goods to 16% and 10%, respectively, and this adjustment became effective on May 1, 2018. Subsequently, the Announcement of the Ministry of Finance and the State Administration of Taxation on Relevant Policies for Deepening the VAT Reform (《財政部、國家稅務總局關於深化增值稅改革有關政策的公告》) which was jointly promulgated by the MOF, the SAT and the General Administration of Customs on March 20, 2019 to make a further adjustment, which came into effect on April 1, 2019. The previous tax rate of 16% applicable to the VAT taxable sale behavior or import of goods shall be adjusted to 13%, and the previous tax rate of 10% applicable thereto shall be adjusted to 9%.

FOREIGN EXCHANGE ADMINISTRATION IN THE PRC

The lawful currency of the PRC is Renminbi, which is currently subject to foreign exchange control and cannot be freely converted into foreign currency. The SAFE, with the authorization of the People's Bank of China, is empowered with the functions of administering all matters relating to foreign exchange, including the enforcement of foreign exchange control regulations.

The Administrative Regulations on Foreign Exchange of the PRC (《中華人民共和國外匯管理條例》) which was issued by the State Council on January 29, 1996, implemented on April 1, 1996 and latest amended on August 5, 2008, classifies all international payments and transfers into current items and capital items. Current items are subject to the reasonable examination of the veracity of transaction documents and the consistency of the transaction documents and the foreign exchange receipts and payments by financial institutions engaging in conversion and sale of foreign currencies and supervision and inspection by the foreign exchange administrative authorities. For capital items, overseas organizations and overseas individuals making direct investments in the PRC shall, upon approval by the relevant authorities in charge, process registration formalities with the foreign exchange administrative authorities. Foreign exchange income received overseas can be repatriated or deposited overseas, and foreign exchange and foreign exchange settlement funds under the capital account are required to be used only for purposes as approved by the competent authorities and foreign exchange administrative authorities. In the event that international revenues and expenditure occur or may occur a material misbalance, or the national economy encounters or may encounter a severe crisis, the State may adopt necessary safeguard and control measures on international revenues and expenditure.

The Regulations for the Administration of Settlement, Sale and Payment of Foreign Exchange (《結匯、售匯及付匯管理規定》), which was promulgated by the People's Bank of China on June 20, 1996 and implemented on July 1, 1996, removes other restrictions on convertibility of foreign exchange under current items, while imposing existing restrictions on foreign exchange transactions under capital account items.

According to the Announcement on Improving the Reform of the Renminbi Exchange Rate Formation Mechanism (《關於完善人民幣匯率形成機制改革的公告》), which was issued by the People's Bank of China and implemented on July 21, 2005, the PRC has started to implement a managed floating exchange rate system in which the exchange rate would be determined based on market supply and demand and adjusted with reference to a basket of currencies since July 21, 2005. Therefore, Renminbi exchange rate was no longer pegged to U.S. dollar. The People's Bank of China would publish the closing price of the exchange rate of Renminbi against trading currencies such as U.S. dollar in the interbank foreign exchange market after the closing of the market on each working day, as the central parity of the currency against Renminbi transactions on the following working day.

According to the relevant laws and regulations in the PRC, PRC enterprises (including foreign investment enterprises) which need foreign exchange for current item transactions may, without the approval of the foreign exchange administrative authorities, effect payment through foreign exchange accounts opened at the designated foreign exchange bank, on the strength of valid transaction receipts and proof. Foreign investment enterprises which need foreign exchange for the distribution of profits to their shareholders and PRC enterprises (such as our Company) which, in accordance with regulations, are required to pay dividends to their shareholders in foreign exchange may, on the strength of resolutions of the board of directors or the shareholders' meeting on the distribution of profits, effect payment from foreign exchange accounts at the designated foreign exchange bank, or effect exchange and payment at the designated foreign exchange bank.

According to the Decisions on Matters including Canceling and Adjusting a Batch of Administrative Approval Items (《國務院關於取消和調整一批行政審批項目等事項的決定》) which was promulgated by the State Council on October 23, 2014, it decided to cancel the approval requirement of the SAFE and its branches for the remittance and settlement of the proceeds raised from the overseas listing of the foreign shares into RMB domestic accounts.

According to the Notice of the State Administration of Foreign Exchange on Issues Concerning the Foreign Exchange Administration of Overseas Listing (《國家外匯管理局關於境外上市外匯管理有關問題的通知》) issued by the SAFE and implemented on December 26, 2014, a domestic company shall, within 15 business days from the date of the end of its overseas listing issuance, register the overseas listing with the local branch office of state administration of foreign exchange at the place of its establishment; the proceeds from an overseas listing of a domestic company may be remitted to the domestic account or deposited in an overseas account, but the use of the proceeds shall be consistent with the content of the document and other disclosure documents. The SAFE also issued the Guidelines for the Foreign Exchange Business under the Capital Account (2024) (《資本項目外匯業務指引(2024

年版)》), which came into effect on May 6, 2024, which states that the funds raised by domestic companies through overseas listings shall, in principle, be repatriated to the PRC, either in RMB or foreign currency. Domestic companies using such funds for overseas direct investment, overseas securities investment, overseas lending, or other activities shall comply with the relevant foreign exchange regulations. The use of funds shall be consistent with the disclosed content in prospectuses, corporate bond offering documents, shareholder circulars, board or shareholder meeting resolutions, and other publicly disclosed documents.

According to the Notice of the State Administration of Foreign Exchange on Revolutionizing and Regulating Capital Account Settlement Management Policies (《國家外匯管理局關於改革和規範資本項目結匯管理政策的通知》) which was promulgated by the SAFE and implemented on June 9, 2016, and partially revised by Notice of the State Administration of Foreign Exchange on Further Deepening the Reform to Facilitate Cross-border Trade and Investment (《國家外匯管理局關於進一步深化改革促進跨境貿易投資便利化的通知》) on December 4, 2023, foreign currency earnings in capital account that relevant policies of willingness exchange settlement have been clearly implemented on (including the recalling of raised capital by overseas listing) may undertake foreign exchange settlement in the banks according to actual business needs of the domestic institutions.

This Appendix sets out summaries of certain aspects of PRC laws and regulations, which are relevant to the Company's operations and business. Laws and regulations relating to taxation in the PRC are discussed separately in "Appendix III – Taxation and Foreign Exchange" to this Document. The principal objective of this summary is to provide potential investors with an overview of the principal PRC legal and regulatory provisions applicable to the Company. This summary is not intended to include all the information which may be important to potential investors. For more details on laws and regulations which are relevant to our business, please refer to the section headed "Regulatory Overview" to this Document.

THE PRC LEGAL SYSTEM

The PRC legal system is based on the *Constitution of the PRC* (《中華人民共和國憲法》) (the "**Constitution**") and is made up of written laws, administrative regulations, local regulations, separate regulations, autonomous regulations, rules and regulations of departments, rules and regulations of local governments and international treaties of which the PRC government is a signatory, and other regulatory documents. Court verdicts do not constitute binding precedents. However, they may be used as judicial reference and guidance.

Pursuant to the *Constitution* and the *Legislation Law of the PRC* (2023 amendment) (《中華人民共和國立法法(2023年修正)) (the "**Legislation Law**"), the NPC and the Standing Committee of the NPC (SCNPC) are empowered to exercise the legislative power of the State. The NPC has the power to formulate and amend basic laws governing civil and criminal matters, state organs and other matters. The SCNPC is empowered to formulate and amend laws other than those required to be enacted by the NPC and to supplement and amend any parts of laws enacted by the NPC during the adjournment of the NPC, provided that such supplements and amendments are not in conflict with the basic principles of such laws.

The State Council is the highest organ of the PRC administration and has the power to formulate administrative regulations based on the Constitution and laws.

The people's congresses of provinces, autonomous regions and municipalities and their respective standing committees may formulate local regulations based on the specific circumstances and actual requirements of their own respective administrative areas, provided that such local regulations do not contravene any provision of the Constitution, laws or administrative regulations.

The ministries and commissions of the State Council, PBOC, National Audit Office of the PRC as well as the other organs endowed with administrative functions directly under the State Council may, in accordance with the laws as well as the administrative regulations, decisions and orders of the State Council and within the limits of their power, formulate rules.

The people's congresses of cities divided into districts and their respective standing committees may formulate local regulations in terms of urban and rural development and management, environmental protection, and historical and cultural protection based on the

specific circumstances and actual requirements of such cities, which will become enforceable after being reported to and approved by the standing committees of the people's congresses of the relevant provinces or autonomous regions but such local regulations shall conform with the Constitution, laws, administrative regulations, and the relevant local regulations of the relevant provinces or autonomous regions. People's congresses of national autonomous areas have the power to enact autonomous regulations and separate regulations in light of the political, economic and cultural characteristics of the nationality (nationalities) in the areas concerned.

The people's governments of the provinces, autonomous regions, and municipalities directly under the central government and the cities divided into districts or autonomous prefectures may enact rules, in accordance with laws, administrative regulations and the local regulations of their respective provinces, autonomous regions or municipalities. The Constitution has supreme legal authority and no laws, administrative regulations, local regulations, autonomous regulations or separate regulations may contravene the Constitution. The authority of laws is greater than that of administrative regulations, local regulations and rules. The authority of administrative regulations is greater than that of local regulations and rules. The authority of local regulations is greater than that of the rules of the local governments at or below the corresponding level. The authority of the rules enacted by the people's governments of the provinces or autonomous regions is greater than that of the rules enacted by the people's governments of the city divided into districts or autonomous prefecture within the administrative areas of the provinces and the autonomous regions.

The NPC has the power to alter or annul any inappropriate laws enacted by the SCNPC, and to annul any autonomous regulations or separate regulations which have been approved by the SCNPC but which contravene the Constitution or the Legislation Law. The SCNPC has the power to annul any administrative regulations that contravene the Constitution and laws, to annul any local regulations that contravene the Constitution, laws or administrative regulations, and to annul any autonomous regulations or local regulations which have been approved by the standing committees of the people's congresses of the relevant provinces, autonomous regions or municipalities directly under the central government, but which contravene the Constitution and the Legislation Law. The State Council has the power to alter or annul any inappropriate ministerial rules and rules of local governments. The people's congresses of provinces, autonomous regions or municipalities directly under the central government have the power to alter or annul any inappropriate local regulations enacted or approved by their respective standing committees. The people's governments of provinces and autonomous regions have the power to alter or annul any inappropriate rules enacted by the people's governments at a lower level.

According to the Constitution and the Legislation Law, the power to interpret laws is vested in the SCNPC. According to the *Resolution of the Standing Committee of the NPC Providing an Improved Interpretation of the Law* (《全國人民代表大會常務委員會關於加強法律解釋工作的決議》) passed on June 10, 1981, the Supreme People's Court of the PRC (the "**Supreme People's Court**") has the power to give general interpretation on questions involving the specific application of laws and decrees in court trials. The State Council and its

ministries and commissions are also vested with the power to give interpretation of the administrative regulations and department rules which they have promulgated. At the regional level, the power to give interpretations of the local laws and regulations as well as administrative rules is vested in the regional legislative and administrative organs which promulgate such laws, regulations and rules.

THE PRC JUDICIAL SYSTEM

Under the *Constitution and Organic Law of the People's Courts of the PRC* (2018 revision) (《中華人民共和國人民法院組織法(2018年修訂)》), the PRC judicial system is made up of the Supreme People's Court, the local people's courts and special people's courts.

The local people's courts are comprised of the primary people's courts, the intermediate people's courts and the higher people's courts. The higher-level people's courts supervise the primary and intermediate people's courts. The Supreme People's Court is the highest judicial body in the PRC. It supervises the judicial administration of the people's courts at all levels.

The Civil Procedure Law of the PRC (2023 amendment) (《中華人民共和國民事訴訟法(2023年修正)》) (the "**Civil Procedure Law**"), which was adopted in 1991 and amended in 2007, 2012, 2017, 2021 and 2023, sets forth the criteria for instituting a civil action, the jurisdiction of the people's courts, the procedures to be followed for conducting a civil action and the procedures for enforcement of a civil judgment or order. All parties to a civil action conducted within the PRC must comply with the Civil Procedure Law. Generally, a civil case is initially heard by a local court of the municipality or province in which the defendant resides. The parties to a contract may, by written agreement, select a judicial court where civil actions may be brought, provided that the judicial court is either the plaintiff's or the defendant's domicile, the place of execution or implementation of the contract or the place of the object of the action, provided that such choice shall not violate the requirements of the level of jurisdiction and exclusive jurisdiction.

A foreign national or enterprise generally has the same litigation rights and obligations as a citizen or legal person of the PRC. If a foreign country's judicial system limits the litigation rights of PRC citizens and enterprises, the PRC courts may apply the same limitations to the citizens and enterprises of that foreign country within the PRC.

If any party to a civil action refuses to comply with a judgment or ruling made by a people's court or an award made by an arbitration panel in the PRC, the other party may apply to the people's court for the enforcement of the same. There are time limits of two years imposed on the right to apply for such enforcement. If a person fails to satisfy a judgment made by the court within the stipulated time, the court will, upon application by either party, enforce the judgment in accordance with the law.

A party seeking to enforce a judgment or ruling of a people's court against a party who is not personally or whose property is not within the PRC may apply to a foreign court with jurisdiction over the case for recognition and enforcement of the judgment or ruling. A foreign judgment or ruling may also be recognized and enforced by the people's court according to PRC enforcement procedures if the PRC has entered into or acceded to an international treaty with the relevant foreign country, which provides for such recognition and enforcement, or if the judgment or ruling satisfies the court's examination according to the principle of reciprocity, unless the people's court finds that the recognition or enforcement of such judgment or ruling will result in a violation of the basic legal principles of the PRC, its sovereignty or security or against social and public interest.

Pursuant to the *Arrangement for Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Cases between Courts of the Mainland and Hong Kong Special Administrative Region* (《最高人民法院關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排》), which came into effect on January 29, 2024, a party with an enforceable final court judgment rendered by any designated people's court of China or any designated Hong Kong court requiring payment of money in a civil and commercial case, may apply for recognition and enforcement of the judgment in the relevant people's court of China or Hong Kong court.

THE PRC COMPANY LAW, OVERSEAS LISTING TRIAL MEASURES AND GUIDANCE FOR ARTICLES OF ASSOCIATION

A joint stock limited company incorporated in the PRC and seeking a listing on the Stock Exchange is mainly subject to the following laws and regulations in the PRC:

- The *Company Law of the PRC* (《中華人民共和國公司法》) (the "**Company Law**") which was promulgated by the Standing Committee of the NPC on December 29, 1993, came into effect on July 1, 1994, revised on December 25, 1999, August 28, 2004, October 27, 2005, December 28, 2013, October 26, 2018 and December 29, 2023 respectively and the latest revision of which was implemented on July 1, 2024.

- The Overseas Listing Trial Measures and five relevant guidelines which were promulgated by the CSRC on February 17, 2023 pursuant to the *PRC Securities Law* and are applicable to the direct and indirect overseas share offering or listing of domestic companies; and

- The *Guidelines for Articles of Association of Listed Companies* (《上市公司章程指引》) (the "**Guidance for Articles of Association**") which was most recently revised on March 28, 2025 by the CSRC. The Articles of Association are formulated based on the *Guidance for Articles of Association* on a reference basis, the summary of which is set out in the section entitled "Appendix V – Summary of the Articles of Association" to this Document.

Set out below is a summary of the major provisions of the currently effective *Company Law*, the Overseas Listing Trial Measures and the *Guidance for Articles of Association* which are applicable to the Company.

General

A joint stock limited company refers to an enterprise legal person incorporated in accordance with the *Company Law* with its registered capital divided into shares of equal par value. The liability of its shareholders is limited to the amount of shares held by them and the company is liable to its creditors for an amount equal to the total value of its assets.

A joint stock limited company shall conduct its business in accordance with laws and administrative regulations. It may invest in other limited liability companies and joint stock limited companies and its liabilities with respect to such invested companies are limited to the amount invested. If it is prescribed by any law that a company shall not become a capital contributor that shall bear the joint and several liability for the debts of the enterprises it invests in, such provisions shall prevail.

Incorporation

A joint stock limited company may be incorporated by promotion or public subscription.

A joint stock limited company may be incorporated by a minimum of one but not more than 200 promoters, and at least half of the promoters must have residence within the PRC. Companies incorporated by promotion are companies of which the entire registered capital is subscribed for by the promoters.

For companies incorporated by way of promotion, the promoters shall subscribe for the shares required to be subscribed for by them and make full payment for the shares they have subscribed for prior to the establishment of a joint stock limited company. Procedures relating to the transfer of titles to non-monetary assets shall be duly completed if such assets are to be contributed as capital. Promoters who fail to pay up their capital contributions or the actual value of the non-monetary property used as capital contributions is obviously lower than the shares subscribed for, other promoters shall bear several and joint liability with such promoter to the extent of the insufficient capital contributions.

Where companies are incorporated by public subscription, not less than 35% of their total number of shares must be subscribed for by the promoters, unless otherwise provided for by laws or administrative regulations. The promoters shall preside over and convene an inauguration meeting within thirty days from the date of the full payment of subscription capital. The inauguration meeting shall be formed by the promoters and subscribers. Where the shares issued are not fully subscribed for within the offer period stipulated in the share offering prospectus, or where the promoter fails to convene an inauguration meeting within thirty days of the subscription capital for the shares issued being fully paid up, the subscribers may

demand that the promoters refund the subscription capital so paid together with the interest calculated at bank rates of a deposit for the same period. Within thirty days of the conclusion of the inauguration meeting, the board of directors shall apply to the registration authority for registration of the establishment of the company. A company is formally established and has the status of a legal person after the registration with the relevant administration for market regulation has been completed and a business license has been issued.

REGISTERED CAPITAL

The promoters may make a capital contribution in currencies, or non-monetary assets such as in kind, intellectual property rights or land use rights which can be appraised with monetary value and transferred lawfully, except for assets which are prohibited from being contributed as capital by laws or administrative regulations. If a capital contribution is made in non-monetary assets, a valuation of the assets contributed must be carried out pursuant to the provisions of laws or administrative regulations on valuation without any over-valuation or under-valuation.

The shares of a company are represented by stocks. A stock is a certificate issued by the company to certify the share held by a shareholder. The stock issued by the company shall be in the form of registered stock.

All issue of shares of a joint stock limited company shall be based on the principles of equality and fairness. The same class of shares must carry equal rights. Shares issued at the same time and within the same class must be issued on the same conditions and at the same price. It may issue shares at par value or at a premium, but it may not issue shares below the par value.

Under the Overseas Listing Trial Measures, if a domestic company offers shares overseas, it may raise funds and dividend distributions in foreign currency or Renminbi.

Under the Company Law, a company issuing registered share certificates shall maintain a shareholder registry which sets forth the following matters:

- the name and domicile of each shareholder;
- the type of shares and number of shares subscribed by each shareholder;
- the serial numbers of shares held by each shareholder; and
- the date on which each shareholder acquired the shares.

INCREASE OF REGISTERED CAPITAL AND ISSUE OF SHARES

In light of its operational and development needs and in accordance with laws and regulations, a company may increase its share capital under any of the following methods, subject to the resolutions be passed at a shareholders' general meeting: (i) a public offering of shares; (ii) a private placement of shares; (iii) offering of bonus shares to existing shareholders; (iv) the conversion of reserve funds into shares; and (v) any other methods provided in law and administrative regulations and approved by the CSRC.

Pursuant to the Company Law, a company may, according to its articles of association, issue the following classified shares, which have different rights from those of the ordinary shares: (i) shares with priority or inferior rights to profits or remaining property in distribution; (ii) shares with more or less voting rights per share than those of the ordinary shares; (iii) shares whose transfer is subject to the consent of the company and other restrictions; and (iv) other classified shares provided by the State Council. A company making a public offering of shares shall not issue any of the classified shares as prescribed on items (ii) and (iii), except those issued prior to the public offering. Where a company is issuing new shares, resolutions shall be passed at general meeting in accordance with the articles of association in respect of the class and amount of the new shares, the issue price of the new shares, the commencement and end dates for the issue of the new shares and when the new shares are proposed to be issued to existing shareholders, the class and amount of such new shares.

To offer shares overseas, the domestic company shall report the application documents for offering and listing to the CSRC for record-filing within three business days after submission of the application documents for offering and listing overseas.

REDUCTION OF REGISTERED CAPITAL

A company may reduce its registered capital in accordance with the following procedures prescribed by the Company Law:

- the company shall prepare a balance sheet and an inventory of the assets;
- the reduction of registered capital shall be approved by a general meeting;
- the company shall inform its creditors of the reduction in registered capital within 10 days and publish an announcement of the reduction in the newspaper within 30 days after the resolution approving the reduction has been passed;
- creditors shall within 30 days after receiving the notice, or within 45 days of the public announcement if no notice has been received, require the company to pay its debts or provide corresponding guarantees covering the debts;

- the company shall apply to the relevant administration of registration for the registration of the reduction in registered capital.

REPURCHASE OF SHARES

According to the Company Law, a joint stock limited company may not purchase its shares other than for one of the following purposes: (i) to reduce its registered capital; (ii) to merge with another company that holds its shares; (iii) to grant its shares for carrying out an employee stock ownership plan or equity incentive plan; (iv) to purchase its shares from shareholders who vote against the resolution regarding the merger or division with other companies at a general meeting; (v) to apply shares for conversion of convertible corporate bonds issued by a listed company; and (vi) to maintain the company value and protect the shareholders' interests of a listed company as necessary.

Repurchase of its own shares on the grounds set out in (i) and (ii) above shall be subject to resolution passed by the general meeting; repurchase of its own shares on the grounds set out in (iii), (v) or (vi) above shall be subject to a resolution of the company's board of directors shall be made by a two-third majority of directors attending the meeting in accordance with the provisions of the company's articles of association or as authorized by the general meeting.

Following the repurchase of its own shares in accordance with (i) above, such shares shall be canceled within 10 days from the date of repurchase; the shares shall be transferred or canceled within six months if the repurchase of its own shares is in accordance with either (ii) or (iv) above; and the shares repurchased in accordance with (iii), (v) or (vi) above shall not exceed 10% of the company's total issued shares, and shall be transferred or canceled within three years.

A listed company shall perform its obligation of information disclosure according to the provisions of the Securities Law when repurchasing its own shares. In the event the repurchase of its own shares is in accordance with (iii), (v) or (vi) above, centralized public trading shall be adopted.

A company shall not accept its own shares as the subject matter of a mortgage.

TRANSFER OF SHARES

Shares held by shareholders may be transferred in accordance with the relevant laws and regulations. Pursuant to the Company Law, transfer of shares by shareholders shall be carried out at a legally established securities exchange or in other ways stipulated by the State Council. Registered shares may be transferred after the shareholders endorse the back of the share certificates or in any other manner specified by laws or administrative regulations. Following the transfer, the company shall enter the names and addresses of the transferees into its share register. No changes of registration in the share register described above shall be effected

during a period of twenty days prior to convening a shareholders' general meeting or five days prior to the record date for the purpose of determining entitlements to dividend distributions, subject to any legal provisions on the registration of changes in the share register of listed companies.

According to the Company law, shares issued prior to the public issuance of shares shall not be transferred within one year from the date of the joint stock limited company's listing on a stock exchange. Directors, supervisors and the senior management shall declare to the company their shareholdings in the company and any changes of such shareholdings; they shall not transfer more than 25% of all the shares they hold in the company annually during their tenure; and they shall not transfer the shares they hold within one year from the date on which the company's shares are listed and commenced trading on a stock exchange, nor within six months after their resignation from their positions with the company.

SHAREHOLDERS

According to the Company Law, the rights of holders of ordinary shares of a joint stock limited company include:

- the right to attend or appoint a proxy to attend general meetings and to vote thereat;
- the right to transfer shares in accordance with laws, administrative regulations and provisions of the articles of association;
- the right to inspect the company's articles of association, share register, counterfoil of company debentures, minutes of general meetings, resolutions of meetings of the board of directors, resolutions of meetings of the board of supervisors and financial and accounting reports and to make proposals or enquiries on the company's operations;
- the right to bring an action in the people's court to rescind resolutions passed by general meetings and board of directors where the articles of association is violated by the above resolutions;
- the right to receive dividends and other types of interest distributed in proportion to the number of shares held;
- in the event of the termination or liquidation of the company, the right to participate in the distribution of residual properties of the company in proportion to the number of shares held; and
- other rights granted by laws, administrative regulations, other regulatory documents and the company's articles of association.

The obligations of a shareholder include the obligation to abide by the company's articles of association, to pay the subscription moneys in respect of the shares subscribed for and in accordance with the form of making capital contributions, to be liable for the company's debts and liabilities to the extent of the amount of his or her subscribed shares and any other shareholders' obligation specified in the company's articles of association.

SHAREHOLDER'S GENERAL MEETINGS

The general meeting is the organ of authority of the company, which exercises its powers in accordance with the Company Law. According to the Company Law, the general meeting exercises the following principal powers:

- to elect or remove the directors and supervisors (other than the representative of the employees of the company) and to decide on matters relating to the remuneration of directors and supervisors;
- to examine and approve reports of the board of directors;
- to examine and approve reports of the board of supervisors;
- to examine and approve the company's proposals for profit distribution plans and loss recovery plans;
- to decide on any increase or reduction of the company's registered capital;
- to decide on the issue of bonds by the company;
- to decide on issues such as merger, division, dissolution and liquidation of the company and other matters;
- to amend the company's articles of association; and
- other powers as provided for in the articles of association.

Annual general meeting is required to be held once every year. Extraordinary general meeting is required to be held within two months after the occurrence of any of the following:

- the number of directors is less than the number stipulated by the law or less than two thirds of the number specified in the articles of association;
- the aggregate losses of the company which are not recovered reach one-third of the company's total paid-in registered capital;

- when shareholders individually or in aggregate holding 10% or more of the company's shares request the convening of an extraordinary general meeting;
- whenever the board of directors deems necessary;
- when the board of supervisors so requests; or
- other circumstances as provided for in the articles of associations.

According to the Company Law, general meetings shall be convened by the board of directors, and presided over by the chairman of the board of directors. In the event that the chairman is incapable of performing or does not perform his/her duties, the meeting shall be presided over by the vice chairman. In the event that the vice chairman is incapable of performing or not performing his/her duties, a director nominated by more than half of directors shall preside over the meeting.

Where the board of directors is incapable of performing or not performing its duties of convening the general meeting, the board of supervisors shall convene and preside over such meeting in a timely manner. In case the board of supervisors fails to convene and preside over such meeting, shareholders alone or in aggregate holding more than 10% of the company's shares for 90 days consecutively may unilaterally convene and preside over such meeting.

Where the board of directors is incapable of performing or not performing its duties of convening the general meeting, the board of supervisors shall convene and preside over such meeting in a timely manner. In case the board of supervisors fails to convene and preside over such meeting, shareholders alone or in aggregate holding more than 10% of the company's shares for 90 days consecutively may unilaterally convene and preside over such meeting.

According the Company Law, notice of annual general meeting shall state the time and venue of and matters to be considered at the meeting and shall be given to all shareholders 20 days before the meeting. Notice of extraordinary general meetings shall be given to all shareholders 15 days prior to the meeting.

There is no specific provision in the Company Law regarding the number of shareholders constituting a quorum in a general meeting.

According to the Company Law, shareholders present at general meeting have one vote for each share they hold, save that shares held by the company are not entitled to any voting rights.

Pursuant to the provisions of the articles of association or a resolution of the general meeting, the accumulative voting system may be adopted for the election of directors and supervisors at the general meeting. Under the accumulative voting system, each share shall be entitled to vote equivalent to the number of directors or supervisors to be elected at the general meeting and shareholders may consolidate their voting rights when casting a vote.

Pursuant to the Company Law, resolutions of the general meeting shall be adopted by more than half of the voting rights held by the shareholders present at the meeting. However, resolutions of the general meeting regarding the following matters shall be adopted by more than two-thirds of the voting rights held by the shareholders present at the meeting: (i) amendments to the articles of association; (ii) the increase or decrease of registered capital; (iii) the merger, division, dissolution, liquidation or change in the form of the company; and (iv) other matters considered by the general meeting, by way of an ordinary resolution, to be of a nature which may have a material impact on the company and should be adopted by a special resolution.

According to the Company Law, meeting minutes shall be prepared in respect of decisions on matters discussed at the general meeting. The chairman of the meeting and directors attending the meeting shall sign to endorse such minutes. The minutes shall be kept together with the shareholders' attendance register and the proxy forms.

BOARD OF DIRECTORS

According to the Company Law, a joint stock limited company shall have a board of directors which shall have at least three members. For a company that has three hundred or more employees, the board of directors shall include the staff representative unless the board of supervisors has been established and already included the staff representative supervisor. The term of a director shall be stipulated in the articles of association, provided that no term of office shall last for more than three years. A director may serve consecutive terms if re-elected. A director shall continue to perform his/her duties as a director in accordance with the laws, administrative regulations and articles of association until a duly re-elected director takes office, if re-election is not conducted in a timely manner upon the expiry of his/her term of office, or if the resignation of directors results in the number of directors being less than the quorum.

According to the Company Law, the board of directors mainly exercises the following powers:

- to convene the general meetings and report on its work to the general meetings;
- to implement the resolutions passed in general meetings;
- to decide on the company's business plans and investment proposals;
- to formulate the company's profit distribution proposals and loss recovery proposals;
- to formulate proposals for the increase or reduction of the company's registered capital and the issuance of corporate bonds;
- to prepare plans for the merger, division, dissolution and change in the form of the company;
- to decide on the setup of the company's internal management organs;
- to appoint or dismiss the company's manager and decide on his/her remuneration and, based on the manager's recommendation, to appoint or dismiss any deputy manager and financial officer of the company and to decide on their remunerations;
- to formulate the company's basic management system; and
- to exercise any other power under the articles of association.

MEETINGS OF THE BOARD OF DIRECTORS

According to the Company Law, the board of directors of a joint stock limited company shall hold at least two meetings per year. The board of directors shall issue a notice of meeting to all directors and supervisors 10 days before the meeting. Shareholders representing more than 10% of the voting rights, more than one-third of the directors or the board of supervisors may propose to convene an extraordinary meeting of the board of directors. The chairman of the board of directors shall convene and preside over a meeting of the board of directors within 10 days from the receipt of the proposal. A meeting of the board of directors may only be held if half or more of the directors are present. Resolutions of the board of directors shall be approved by a majority of all directors. Resolutions approved by the board of directors shall be by one person, one vote. Directors shall attend meetings of the board of directors in person. If a director is unable to attend for any reason, he/she may appoint another director to attend the meeting on his/her behalf by a written power of attorney specifying the scope of authorization.

If a resolution of the board of directors violates any laws, administrative regulations or the articles of association, and as a result of which the company sustains serious losses, the directors participating in the resolution are liable to compensate the company. However, if it can be proved that a director expressly objected to the resolution when the resolution was voted on, and that such objection was recorded in the minutes of the meeting, such director shall be relieved from that liability.

CHAIRMAN OF THE BOARD OF DIRECTORS

Pursuant to the Company Law, the board of directors shall appoint a chairman and may appoint a vice chairman. The chairman and the vice chairman shall be elected with approval of more than half of all the directors. The chairman shall convene and preside over board meetings and review the implementation of board resolutions. The vice chairman shall assist the chairman to perform his/her duties. Where the chairman is incapable of performing or is not performing his/her duties, the duties shall be performed by the vice chairman. Where the vice chairman is incapable of performing or is not performing his/her duties, a director elected by more than half of the directors shall perform his/her duties.

QUALIFICATIONS OF DIRECTORS

Under the Company Law, the following person may not serve as a director in a company:

- a person without capacity or restricted capacity to undertake any civil liabilities;

- a person who has been sentenced to any criminal penalty for corruption, bribery, embezzlement, misappropriation of property or destruction of the socialist economic order, or who has been deprived of his political rights due to his crimes and such sentence has expired for no more than five years, or who is granted probation, if no more than two years have passed since the expiration of the probation period;

- a person who has been a former director, factory manager or manager of a company or an enterprise that has entered into insolvent liquidation and who was personally liable for the insolvency of such company or enterprise, where no more than three years have elapsed since the date of the completion of the bankruptcy and liquidation of the company or enterprise;

- a person who has been a legal representative of a company or an enterprise that has had its business license revoked due to violations of the law or has been ordered to close down by law and the person was personally responsible, where less than three years have elapsed since the date of such revocation or the order to close down; or

- a person who is listed as a dishonest person subject to enforcement by the people's court due to failure to pay off a large amount of unliquidated mature debts.

BOARD OF SUPERVISORS

A joint stock limited company shall have a board of supervisors composed of not less than three members. The board of supervisors shall consist of representatives of the shareholders and an appropriate proportion of representatives of the company's staff, among which the proportion of representatives of the company's staff shall not be less than one-third, and the actual proportion shall be determined in the articles of association. Representatives of the company's staff at the board of supervisors shall be democratically elected by the company's staff at the staff representative assembly, general staff meeting or otherwise.

Directors and senior management shall not act concurrently as supervisors.

The board of supervisors shall appoint a chairman and may appoint a vice chairman. The chairman and the vice chairman of the board of supervisors shall be elected by more than half of the supervisors. The chairman of the board of supervisors shall convene and preside over board of supervisors meetings. Where the chairman of the board of supervisors is incapable of performing or is not performing his/her duties, the vice chairman of the board of supervisors shall convene and preside over supervisory board meetings. Where the vice chairman of the board of supervisors is incapable of performing or is not performing his/her duties, a supervisor nominated by more than half of the supervisors shall convene and preside over meetings of the board of supervisors.

Each term of office of a supervisor is three years and he/she may serve consecutive terms if re-elected. A supervisor shall continue to perform his/her duties as a supervisor in accordance with the laws, administrative regulations and the articles of association until a duly re-elected supervisor takes office, if re-election is not conducted in a timely manner upon the expiry of his/her term of office or if the resignation of supervisors results in the number of supervisors being less than the quorum. The board of supervisors meets at least once every six months. In accordance with the Company Law, resolutions by the board of supervisors shall be passed by a majority of all supervisors.

The board of supervisors may exercise its powers:

- to review the company's financial position;
- to supervise the directors and senior management in their performance of their duties and to propose the removal of directors and senior management who have violated laws, regulations, the articles of association or shareholders' resolutions;
- when the acts of directors or senior management are detrimental to the company's interests, to require the director and senior management to correct these acts;

- to propose the convening of extraordinary shareholders' general meetings and to convene and preside over shareholders' general meetings when the board of directors fails to perform the duty of convening and presiding over shareholders' general meetings under the PRC Company Law;

- to submit proposals to the shareholders' general meetings;

- to bring actions against directors and senior management pursuant to the relevant provisions of the PRC Company Law; and

- to exercise any other authority stipulated in the articles of association.

Supervisors may be present at board meetings and make inquiries or proposals in respect of the resolutions of the board. The board of supervisors may investigate any irregularities identified in the operation of the company and, when necessary, may engage an accounting firm to assist its work at the cost of the company.

MANAGER AND SENIOR MANAGEMENT

Pursuant to the Company Law, a company shall have a manager who shall be appointed or removed by the board of directors. The manager shall exercise his/her powers in accordance with the company's articles of association or the authorization of the board of directors.

Other provisions in the articles of association on the manager's powers shall also be complied with. The manager shall be present at meetings of the board of directors. However, the manager shall have no voting rights at meetings of the board of directors unless he/she concurrently serves as a director.

Pursuant to the Company Law, senior management refers to the manager, deputy manager, financial officer, secretary to the board of directors of a listed company and other personnel as stipulated in the articles of association.

DUTIES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Directors, supervisors and senior management are required under the Company Law to comply with the relevant laws, regulations and the articles of association, and shall be obliged to be faithful and diligent towards the company. Where the controlling shareholder or actual controller of the company who does not serve as a director but actually attends to the company's affairs, shall comply with the foregoing provisions.

Directors, supervisors and management personnel are prohibited from abusing their authority in accepting bribes or other unlawful income and from misappropriating the company's property.

Directors, supervisors and senior management are prohibited from:

- seizing the assets of the company or misappropriating company funds;
- depositing company funds into accounts under their own names or the names of other individuals;
- taking advantage of power to accept bribes or other illegal income;
- accepting commissions paid by a third party for transactions conducted with the company for their own benefit;
- unauthorized divulgence of confidential information of the company; and
- other acts in violation of their duty of loyalty to the company.

Where directors, supervisors and senior management directly or indirectly conclude any contract or engage in transactions with the company, they shall report to the board of directors or the shareholders' meeting and seek approval by resolutions of the board of directors or the shareholders' meeting in accordance with the articles of association. The requirement shall also apply to the conclusion of contracts or engagement in transactions by close relatives of the directors, supervisors and senior management or enterprises directly or indirectly controlled by close relatives of the directors, supervisors and senior management as well as persons who are otherwise related to the directors, supervisors and senior management.

Directors, supervisors and senior management shall not take advantage of duty to seek business opportunities for themselves or others that would have been directed to the company, unless such act has been reported to and approved by the board of directors or the shareholders' meeting in accordance with the articles of association or the company is unable to take the business opportunity in accordance with applicable laws, administrative regulations, and the articles of association.

Directors, supervisors and senior management shall not engage in the business similar to those of the company for themselves or others, unless such act has been reported to and approved by the board of directors or the shareholders' meeting in accordance with the articles of association.

Income generated by directors or senior management in violation of aforementioned shall be returned to the company.

A director, supervisor or senior management who contravenes any laws, regulations or the company's articles of association in the performance of his/her duties resulting in any loss to the company shall be liable to the company for compensation.

The Guidance for Articles of Association provides that a company's directors and senior management shall have duties of diligence towards the company, for example, the directors shall be prudent, serious and diligent in exercising the authority conferred by the company to ensure that the business activities of the company comply with state's laws, administrative regulations and various economic policy requirements and that the business activities do not go beyond the scope of business activities specified in the company's business license; the directors shall treat all shareholders equally; the shareholders shall keep abreast of the company's business management status; both the directors and the senior management shall sign written statements confirming periodic reports of the company and ensure that the information disclosed by the company is true, accurate and complete; both the directors and the senior management shall provide accurate information and materials to the board of supervisors and shall not interfere with the performance of duties by the board of supervisors or individual supervisors; both the directors and the senior management shall have other diligence duties prescribed by laws, administrative regulations, departmental rules and the company's articles of association.

FINANCE AND ACCOUNTING

Pursuant to the Company Law, a company shall establish its own financial and accounting systems according to the laws, administrative regulations and the regulations of the competent financial departments of the State Council. At the end of each financial year, a company shall prepare a financial report which shall be audited by an accounting firm in accordance with the laws. The financial and accounting reports shall be prepared in accordance with the laws, administrative regulations and the regulations of the financial departments of the State Council.

Pursuant to the Company Law, the company shall send the financial accounting report to all shareholders in accordance with the period stipulated in the articles of association, and the company's financial accounting report shall be made available for inspection by shareholders at least 20 days before the annual general meeting. A company that makes public stock offerings shall publish its financial reports.

When distributing each year's profits after taxation, the company shall set aside 10% of its profits after taxation for the company's statutory common reserve fund until the fund has reached more than 50% of the company's registered capital. When the company's statutory common reserve fund is not sufficient to make up for the company's losses for the previous years, the current year's profits shall first be used to make good the losses before any allocation is set aside for the statutory common reserve fund. After the company has made allocations to the statutory common reserve fund from its profits after taxation, it may, upon passing a resolution at a shareholders' general meeting, make further allocations from its profits after taxation to the discretionary common reserve fund. After the company has made good its losses and made allocations to the abovementioned reserve fund, the remaining profits after taxation shall be distributed in proportion to the number of shares held by the shareholders, except for those which are not distributed in a proportionate manner as provided by the articles of association.

Profits distributed to shareholders in violation of the requirements described above must be returned to the company. The company shall not be entitled to any distribution of profits in respect of shares held by it.

The premium over the nominal value of the shares of the company on issue and other income as required by relevant government authorities to be treated as the capital reserve fund shall be accounted for as the capital reserve fund. The common reserve fund of a company shall be applied to make good the company's losses, expand its business operations or increase its capital. Where any losses need to be covered with reserve fund of the company, discretionary reserve fund and statutory common reserve fund shall first be used and if still insufficient, capital reserve fund can be used in accordance with applicable provisions. Upon the transfer of the statutory common reserve fund into increasing capital, the balance of the statutory common fund shall not be less than 25% of the registered capital of the company before such transfer.

The company shall have no accounting books other than the statutory books. The company's capital shall not be deposited in any account opened under the name of an individual.

APPOINTMENT AND RETIREMENT OF ACCOUNTING FIRM

In accordance with the Company Law, the appointment or dismissal of the accounting firm responsible for the company's auditing shall be determined at a shareholders' general meeting, by the board of directors, or by the board of supervisors, as stipulated in the articles of association. The accounting firm should be allowed to make representations when the shareholders' general meeting, the board of directors, or the board of supervisors votes on its dismissal. The company should provide true and complete accounting evidence, accounting books, financial and accounting reports and other accounting information to the engaged accounting firm without any refusal, withholding or falsification of information.

The Guidance for Articles of Association provides that a company shall engage an accounting firm which is qualified with the PRC Securities Law to provide services including the audit of financial statements, the verification of net assets and other relevant consultancy services. The engagement term is one year and may be extended. The audit fee for the accounting firm shall also be determined by shareholders at a general meeting.

PROFIT DISTRIBUTION

According to the Company Law, a company shall not distribute profits before losses are covered and the statutory common reserve fund is provided.

AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Pursuant to the Company Law, the resolution of a shareholders' general meeting regarding any amendment to a company's articles of association requires affirmative votes by more than two-thirds of the votes held by shareholders attending the meeting.

Pursuant to the Guidance for Articles of Association, the company shall amend its articles of association under any of the following circumstances: (i) where, after any amendment to the PRC Company Law or any other applicable law or administrative regulation, the provisions of the articles of association conflict with the law and/or administrative regulations amended; (ii) where the company's circumstances change to such an extent that they are inconsistent with what is recorded in the articles of association; and (iii) where the shareholders' general meeting decides to amend the articles of association.

The Guidance for Articles of Association further provides that where any amendment to the articles of association adopted by a shareholders' general meeting is subject to approval by the competent authorities, such amendment shall be submitted for approval; where any amendment involves the company's registration items, the company's registration with the authority shall also be amended. In addition, an announcement shall be made in accordance with the applicable provisions provided that the amendment to the articles of association is required to be disclosed by any law or regulation.

DISSOLUTION AND LIQUIDATION

Pursuant to the Company Law, a company shall be dissolved for any of the following reasons: (i) the term of its operation set out in the articles of association has expired or other events of dissolution specified in the articles of association have occurred; (ii) the shareholders have resolved at a shareholders' general meeting to dissolve the company; (iii) the company is dissolved by reason of its merger or division; (iv) the business license of the company is revoked or the company is ordered to close down or to be dissolved in accordance with the laws; or (v) the company is dissolved by a people's court in response to the request of shareholders holding shares that represent more than 10% of the voting rights of all shareholders of the company, on the grounds that the operation and management of the company has suffered serious difficulties that cannot be resolved through other means, rendering ongoing existence of the company a cause for significant losses to the shareholders' interests.

On the occurrence of the abovementioned events, the company shall make an announcement on the National Enterprise Credit Information Publicity System within ten days.

In the event of paragraphs (i) and (ii) above, the company may carry on its existence by amending its articles of association if no property has been distributed to any shareholder. The amendments to the articles of association in accordance with the provisions described above shall require the approval of more than two-thirds of voting rights of shareholders attending a shareholders' general meeting.

Where the company is dissolved under the circumstances set forth in paragraph (i), (ii), (iv) or (v) above, a liquidation group shall be formed to commence the liquidation procedure within fifteen days of the date on which the dissolution event occurs.

Where the company is dissolved under the circumstances set forth in paragraph (i), (ii), (iv) or (v) above, the liquidation procedure shall be conducted and directors shall be the company's liquidation obligor and it should establish a liquidation group within fifteen days of the date on which the dissolution event occurs. The liquidation group shall be composed of directors or any other persons determined by a shareholders' general meeting. If a liquidation group is not established within the prescribed period or the liquidation fails to effect after the establishment of a liquidation group, the interested party may file an application with a people's court, requesting that the court appoint relevant personnel to form a liquidation group to administer the liquidation. The people's court should accept such application and form a liquidation group to conduct liquidation in a timely manner.

The liquidation group may exercise following powers during the liquidation:

- to dispose of the company's assets and to prepare a balance sheet and an inventory of assets;
- to notify the creditors by notice or announcement;
- to deal with and settle any outstanding business related to the liquidation;
- to pay any outstanding tax together with any tax arising during the liquidation process;
- to settle the company's claims and liabilities;
- to distribute the company's remaining assets after its debts have been paid off; and
- to represent the company in any civil procedures.

The liquidation group shall notify the company's creditors within ten days from its establishment, and publish an announcement in newspapers or on the National Enterprise Credit Information Publicity System within sixty days.

A creditor shall lodge his claim with the liquidation group within thirty days of receipt of the notification or within forty-five days of the date of the announcement if he has not received any notification.

A creditor shall, in making his claim, state matters relevant to his creditor's rights and furnish relevant evidence. The liquidation group shall register such creditor's rights. The liquidation group shall not make any settlement to creditors during the period of the claim.

Upon disposal of the company's property and preparation of the required balance sheet and inventory of assets, the liquidation group shall draw up a liquidation plan and submit this plan to a shareholders' general meeting or a people's court for endorsement. The remaining assets of the company, after payment of liquidation expenses, employee wages, social insurance expenses and statutory compensation, outstanding taxes and the company's debts, shall be distributed to shareholders in proportion to shares held by them.

The company shall continue to exist during the liquidation period, although it cannot engage in operating activities that are not related to the liquidation. The company's property shall not be distributed to shareholders before repayments are made in accordance with the requirements described above.

Upon liquidation of the company's property and preparation of the required balance sheet and inventory of assets, if the liquidation group becomes aware that the company does not have sufficient assets to repay its liabilities, it must apply to a people's court for a declaration of bankruptcy in accordance with the laws. Following such declaration by the people's court, the liquidation group shall hand over the administration matters to the bankruptcy administrator designated by the people's court.

Upon completion of the liquidation, the liquidation group shall prepare a liquidation report and submit it to the shareholders' general meeting or a people's court for confirmation of its completion, and to the company registration authority to cancel the company's registration, and an announcement of its termination shall be published. Members of the liquidation group are required to discharge their duties in good faith and in compliance with relevant laws.

Members of the liquidation group shall be prohibited from abusing their authority in accepting bribes or other unlawful income and from misappropriating the company's properties. Members of the liquidation group are liable to indemnify the company and its creditors in respect of any loss arising from their willful or material default.

Liquidation of a company declared bankrupt according to laws shall be processed in accordance with the laws on corporate bankruptcy.

OVERSEAS LISTING

Pursuant to the Overseas Listing Trial Measures, both initial public offerings or listings in overseas markets shall be filed with the CSRC within three business days after the relevant application is submitted overseas. Subsequent securities offerings of an issuer in the same overseas market where it has previously offered and listed securities shall be filed with the CSRC within three business days after the offering is completed. Moreover, where the filing documents are complete and in compliance with stipulated requirements, the CSRC will, within twenty business days after receiving the filing documents, conclude the filing procedure and publish the filing results on the CSRC website. Where the filing documents are incomplete or do not conform to stipulated requirements, the CSRC shall request supplementation and amendment thereto within five business days after receiving the filing documents. The issuer shall then complete supplementation and amendment within thirty business days.

LOSS OF SHARE CERTIFICATES

A shareholder may, in accordance with the relevant provisions set out in the PRC Civil Procedure Law, apply to a people's court if his share certificate(s) in registered form is either stolen, lost or destroyed, for a declaration that such certificate(s) will no longer be valid. After a people's court declares that such certificate(s) are invalid, the shareholder may apply to the company for the issuance of a replacement certificate(s).

MERGER AND DEMERGER

Merger of companies may be conducted by absorption or consolidation. If companies adopt the method of absorption, the absorbed company shall be dissolved. If companies are incorporated in the form of consolidation, the parties to the merger shall be dissolved.

The parties to the merger shall enter into a merger agreement and prepare a balance sheet and a list of properties. Within ten days of the date on which the resolution on merger is made, the creditors shall be notified by the company and a public announcement shall be in the press or on the National Enterprise Credit Information Publicity System within thirty days. The creditors may require the company to repay its debts or provide guarantees for covering the debts within thirty days of receipt of the notification or within forty-five days of the date of the announcement if the creditor has not received any notification; and in case of a merger, the credits and debts of the merging parties shall be assumed by the surviving or the new company.

Where a company merges with another company in which the former holds not less than 90% of the shares, the acquired company is not required to obtain approval by resolution of its shareholders' meeting, but shall notify the other shareholders who have the right to request the company to buy its equities or shares as a reasonable price. If the price paid for a company's merger does not exceed 10% of the company's net assets, approval by resolution of its

shareholder's meeting may not be required unless otherwise provided by the company's articles of association. Where a company's merger is exempt from approval by resolution of the shareholders' meeting in the previous two cases, it shall be subject to approval by resolution of the board of directors.

In case of a division, the company's assets shall be divided and a balance sheet and an inventory of assets shall be prepared. Within ten days of the date on which the resolution on division is made, the creditors shall be notified by the company, and a public announcement shall be made in the press or on the National Enterprise Credit Information Publicity System within thirty days. The liabilities of the company which have accrued prior to the division shall be jointly borne by the separated companies, unless otherwise stipulated in the agreement in writing entered into by the company with creditors in respect of the settlement of debts prior to division.

SECURITIES LAWS AND REGULATIONS OF PRC

The PRC has promulgated a number of regulations related to the issue and trading of shares as well as information disclosure. In October 1992, the State Council established the Securities Committee and the China Securities Regulatory Commission (CSRC). The Securities Committee is responsible for coordinating the drafting of securities regulations, formulating securities-related policies, planning the development of securities market, guiding, coordinating and supervising all securities-related institutions in the PRC, and administering the CSRC. The CSRC is the regulatory department of the Securities Committee, responsible for drafting regulatory provisions for the securities market, supervising securities companies, regulating the public offering of securities by PRC companies at home and abroad, overseeing securities trading, compiling securities-related statistics, and conducting relevant research and analysis. In April 1998, the State Council consolidated the two departments and reformed the CSRC.

The Interim Provisional Regulations on the Administration of Share Issuance and Trading covers the application and approval procedures for public offerings of equity securities, trading of equity securities, acquisition of listed companies, custody, clearing and transfer of listed equity securities, information disclosure, investigation, penalties of listed companies, and dispute resolution.

On December 25, 1995, the State Council promulgated and implemented the Regulations of the State Council Concerning Domestic Listed Foreign Shares of Joint Stock Limited Companies (which was repealed on March 31, 2023). The provisions mainly cover the issuance, subscription, trading and dividend declaration and other distribution of domestic listed foreign-invested shares, as well as the information disclosure of joint stock limited companies holding domestic listed foreign-invested shares.

The Securities Law of the People's Republic of China (the "Securities Law") took effect on July 1, 1999, and was revised on August 28, 2004, October 27, 2005, June 29, 2013, August 31, 2014, and December 28, 2019, respectively. The latest revision of the Securities Law came into effect on March 1, 2020. This is China's first national securities law, consisting of 14 chapters and 226 articles, regulating, among other things, the issuance and trading of securities, the acquisition by listed companies, and the obligations and responsibilities of stock exchanges, securities companies, and the State Council's securities regulatory authorities. The Securities Law comprehensively regulates the activities of securities market in PRC. Article 224 of the Securities Law stipulates that domestic enterprises shall comply with relevant regulations of the State Council to list their shares outside the PRC. Currently, the issuance and trading of foreign-issued shares (including H shares) are mainly governed by the rules and regulations promulgated by the State Council and the CSRC.

On November 14, 2019, the CSRC issued the Guidance for the Application for the "Full Circulation" of Domestic Unlisted Shares of H-Share Companies, which was partially revised on August 10, 2023 in accordance with the Decision on Revising and Abolishing Part of Securities and Futures Policy Documents by CSRC. The guideline aims to regulate the listing and circulation of unlisted domestic shares (including unlisted domestic shares held by domestic shareholders prior to overseas listing, unlisted domestic shares issued in China after overseas listing, and unlisted shares held by foreign shareholders) of joint-stock limited companies listed on the Hong Kong Stock Exchange (hereinafter referred to as H-Share Companies) (hereinafter referred to as "Full Circulation").

Unlisted domestic joint-stock companies may submit an application for "Full Circulation" when applying for overseas initial public offering and listing.

ARBITRATION AND ENFORCEMENT OF ARBITRAL AWARDS

On August 31, 1994, the SCNPC passed the Arbitration Law of the People's Republic of China (the "Arbitration Law"), which came into effect on September 1, 1995, and was amended on August 27, 2009, and September 1, 2017. According to the Arbitration Law, an arbitration committee may, before the China Arbitration Association promulgates arbitration rules, formulate interim arbitration rules in accordance with the Arbitration Law and the Civil Procedure Law. Where the parties have by agreement provided arbitration as the method for dispute resolution, the people's court will refuse to accept the case, unless the arbitration agreement is deemed invalid.

Where a dispute or claim of rights referred to in the preceding paragraph is referred to arbitration, the entire claim or dispute must be referred to arbitration, and all persons who have a cause of action based on the same facts giving rise to the dispute or claim or whose participation is necessary for the resolution of such dispute or claim, must comply with the arbitration. Disputes over the definition of shareholders and disputes over the issuer's register of shareholders need not be resolved by arbitration.

A claimant may elect for arbitration to be carried out at either the China International Economic and Trade Arbitration Commission ("CIETAC") in accordance with its arbitration rules, or at the Hong Kong International Arbitration Centre ("HKIAC") in accordance with its Securities Arbitration Rules (the "Securities Arbitration Rules"). Once a claimant refers a dispute or claim to arbitration, the other party shall submit to the arbitral body elected by the claimant. If the claimant elects for arbitration to be carried out at the HKIAC, any party to the dispute or claim may apply for a hearing to take place in Shenzhen in accordance with the Securities Arbitration Rules. According to the CIETAC Arbitration Rules which was amended on September 2, 2023 and implemented on January 1, 2024, CIETAC shall deal with economic and trading disputes over contractual or non-contractual transactions based on the agreement of the parties, including disputes involving Hong Kong based on the agreement of the parties. The CIETAC is established in Beijing and its branches and centers have been set up in Shenzhen, Shanghai, Tianjin, Chongqing, Zhejiang, Hubei, Fujian, Shanxi, Jiangsu, Sichuan, and Shandong.

Under the Arbitration Law and the Civil Procedure Law, an arbitral award is final and binding on the parties to the arbitration. If a party to the arbitration fails to comply with an arbitral award, the other party to the award may apply to the people's court for its enforcement. A people's court may refuse to enforce an arbitral award made by an arbitration commission if there is any irregularity on the procedures or composition of arbitrators specified by law, or if the award exceeds the scope of the arbitration agreement or is outside the jurisdiction of the arbitration commission.

A party seeking to enforce an arbitral award of a PRC arbitration tribunal against a party who, or whose property, is not within the PRC, may apply to a foreign court with jurisdiction over the case for enforcement. Similarly, an arbitral award made by a foreign arbitral body may be recognized and enforced by the PRC courts in accordance with the principle of reciprocity or any international treaty concluded or acceded to by the PRC. The PRC has acceded to the Convention on the Recognition and Enforcement of Foreign Arbitral Awards (the "New York Convention") adopted on June 10, 1958, pursuant to a resolution of the SCNPC passed on December 2, 1986. The New York Convention provides that all arbitral awards made in a state which is a party to the New York Convention shall be recognized and enforced by other parties thereto, subject to their rights to refuse enforcement under certain circumstances, including where the enforcement of the arbitral award is against the public policy of that state. It was declared by the SCNPC simultaneously with the accession of the PRC that (i) the PRC will only recognize and enforce foreign arbitral awards on the principle of reciprocity and (ii) the PRC will only apply the New York Convention in disputes considered under PRC laws to arise from contractual and non-contractual mercantile legal relations.

An arrangement was reached between Hong Kong and the Supreme People's Court for the mutual enforcement of arbitral awards. On June 18, 1999, the Supreme People's Court adopted the Arrangement Concerning Mutual Enforcement of Arbitral Awards between the Mainland and the Hong Kong Special Administrative Region, which took effect on February 1, 2000. The above arrangement was amended by the Supplemental Arrangement Concerning the Mutual

Enforcement of Arbitral Awards between the Mainland and the Hong Kong Special Administrative Region, which was adopted by the Supreme People's Court and took effect on November 27, 2020. In accordance with this arrangement, awards made by mainland arbitral authorities under the Arbitration Law can be enforced in Hong Kong, and Hong Kong arbitral awards are also enforceable in the mainland.

JUDICIAL JUDGEMENT AND ITS ENFORCEMENT

On January 14, 2019, the Judicial Committee of the Supreme People's Court adopted the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region, which came into effect on January 29, 2024 and seeks to establish a mechanism with greater clarity and certainty for recognition and enforcement of judgements in wider range of civil and commercial matters between Hong Kong and the Chinese Mainland. The arrangement discontinued the requirement for a choice of court agreement for bilateral recognition and enforcement. The arrangement further stipulates, among others, the scope and particulars of judgments, the procedures and methods of the application for recognition and enforcement, the review of the jurisdiction of the court that issued the original judgement, the circumstances where the recognition and enforcement of judgement shall be refused, and the approaches towards remedies for the reciprocal recognition and enforcement of judgements in civil and commercial matters between the courts in Chinese Mainland and those in Hong Kong. Upon implementation of this arrangement, the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region Pursuant to Choice of Court Agreements between Parties Concerned, adopted by the Judicial Committee of the Supreme People's Court on June 12, 2006 and effective from August 1, 2008, has been repealed.

This Appendix contains a summary of our Articles of Association for the primary purpose of providing potential investors with an overview of the Articles of Association. As the information contained below is in summary form, it does not contain any and all information that may be important to potential investors.

The Articles of Association and amendments thereto shall be adopted or approved by Shareholders at a general meeting in accordance with applicable laws and regulations (including the Company Law of the PRC, the Securities Law of the PRC, the Guidelines on Articles of Association of Listed Companies and the Hong Kong Listing Rules) and shall take effect on the Listing Date.

SHARES

The shares of the Company shall take the form of registered shares, which are certificates issued by the Company to certify the shares held by shareholders. The listing of the domestic shares of the Company on the National Equities Exchange and Quotations shall be centralized and registered with China Securities Depository and Clearing Corporation Limited. The H Shares issued by the Company are mainly held in custody by the escrow company under the Hong Kong Securities Clearing Company Limited.

The Company or its subsidiaries (including the Company's affiliated enterprises) shall not provide any financial assistance in the form of gifts, advances, guarantees, compensation or loans to persons who purchase or intend to purchase the Company's shares, except when the Company implements an employee stock ownership plan.

For the benefit of the Company, the Company may provide financial assistance to others to acquire shares of the Company or its parent company, subject to the resolution of the shareholders' general meeting or the resolution of the Board of Directors in accordance with the Company's Articles of Association or the authorization of the shareholders' general meeting, but the cumulative total amount of financial assistance shall not exceed 10% of the total issued share capital. The resolution of the Board of Directors shall be passed by more than two-thirds of all directors.

The responsible directors and senior management officers of the Company shall be liable for compensation of any losses caused to the Company in violation of the provisions.

Increase and Reduction and Repurchase of Shares

In accordance with the needs of business development, laws, regulations, the Hong Kong Listing Rules and other securities regulatory rules of the places where the company's shares are listed, and upon respective resolutions passed by the shareholders' general meeting, the Company may increase its capital in the following ways:

(1) Public offering of shares in compliance with statutory procedures;

(2) Private offering of shares (including private placement through implementation of equity incentives);

(3) Distribution of bonus shares to existing shareholders;

(4) Converting capital reserve into share capital;

(5) Other methods prescribed by laws, administrative regulations and approved by the securities regulatory authority of the places where the Company's shares are listed, the China Securities Regulatory Commission and the Hong Kong Stock Exchange.

The Company may reduce its registered capital. The Company reducing its registered capital shall comply with the Company Law and other relevant provisions and the procedures stipulated in the Articles of Association. The registered capital of the Company after the capital reduction shall not be lower than the statutory minimum amount.

The Company may, in accordance with laws, administrative regulations, departmental regulations, regulatory documents, the Hong Kong Listing Rules, other securities regulatory rules of the places where the Company's shares are listed and the provisions of the Articles of Association, acquire its shares in the following circumstances:

(1) Reducing the Company's registered capital;

(2) Merging with other companies holding the Company's shares;

(3) Using shares for employee stock ownership plans or equity incentives;

(4) Shareholders who are against the merger or division resolutions made at the general meeting requiring the Company to purchase their shares;

(5) Using shares to convert corporate bonds issued by the Company that can be converted into shares;

(6) Where it is necessary for the safeguard of the value of the Company and the interests of its shareholders;

(7) Other circumstances under which the Company's shares can be acquired in accordance with laws, administrative regulations, departmental regulations and the regulatory rules of securities of the places where the Company's shares are listed.

Apart from the foregoing, the Company shall not engage in trading in its own shares.

Any purchase by the Company of its own shares under the circumstances as required in (1) and (2) shall be resolved at a shareholders' general meeting; any purchase by the Company of its own shares under the circumstances as required in (3), (5) and (6) shall be in accordance with the authorization of the shareholders' general meeting and approved by a resolution of the Board meeting where over two-thirds of the directors are present, unless otherwise provided in the Hong Kong Listing Rules.

Where the Company has purchased its own Shares according to the above provision, in the event of (1), the same shall be cancelled within 10 days from the date of purchase; in the event of (2) or (4) above, the same shall be transferred or cancelled within 6 months; in the event of (3), (5) and (6), the total Shares of the Company held by the Company itself shall not exceed 10% of its total Shares in issue and shall be transferred or cancelled within 3 years after the purchase.

Transfer of Shares

Shares of the Company may be transferred in accordance with the law. If the listed shares of the Company are approved for public transfer on the National Equities Exchange and Quotations, the transfer shall be conducted in accordance with relevant laws, administrative regulations, departmental regulations and the relevant business rules of the National Equities Exchange and Quotations. The transfer of H Shares of the Company shall be registered with the local share registrar in Hong Kong entrusted by the Company. All transfers of H Shares shall be in the form of a written transfer instrument in normal or ordinary form or in any other form endorsed by the Board of Directors (including such standard transfer form or transfer form as prescribed by the Hong Kong Stock Exchange from time to time); and such transfer instrument may only be in the form of hand signature or affixed with the company seal (if the transferor or transferee is a company). If the transferor or transferee is an authorized clearing house or its agent within the meaning of the relevant ordinances of the laws of Hong Kong in force from time to time, the instrument of transfer may be signed by hand or in printed form. All instruments of transfer shall be deposited at the Company's legal address or such address designated by the Board of Directors from time to time.

The Company shall not accept the Company's shares as the subject of a pledge.

SHAREHOLDERS AND GENERAL MEETINGS

Register of Shareholders

The Company shall keep a register of members at the Company, which shall be sufficient evidence to prove that a shareholder holds the Shares of the Company, except where there is evidence to the contrary. Shareholders shall enjoy rights and assume obligations according to the class of shares held by them; shareholders holding the same class of shares shall enjoy the same rights and assume the same obligations. The register of members shall be kept by the secretary to the Board. The register of members shall record the following:

(1) Name and domicile of the shareholder;

(2) The class and number of shares held by each shareholder;

(3) The number of the share certificates held by each shareholder;

(4) The date on which each shareholder obtained the shares.

When the Company convenes a shareholders' general meeting, distributes dividends, liquidates, or engages in other acts that require confirmation of the identity of the shareholders, the Board of Directors or the convener of the shareholders' general meeting shall determine the shareholding record date. Shareholders whose names appear on the register after the close of business on the shareholding record date are the shareholders with relevant rights and interests.

The Hong Kong branch register of shareholders must be available for inspection by shareholders, but the Company may be allowed to suspend shareholder registration procedures under conditions equivalent to the following:

(1) After giving notice in accordance with subsection (2), the Company may close its register of members for one or more periods, but the total period of closure shall not exceed 30 days within one year;

(2) A notice referred to in subsection (1) shall, if given by the Company, be given in accordance with the listing rules applicable to the relevant stock market; or shall be given by advertisement in a newspaper of general circulation in Hong Kong; and, if given by any other company, shall be given by advertisement in a newspaper of general circulation in Hong Kong;

(3) In any year, the period of 30 days referred to in subsection (1) may be extended by resolutions passed by the shareholders of the Company during that year;

(4) The period of 30 days referred to in subsection (1) shall not be extended in any year by an additional period exceeding 30 days or by more than one additional period the total of which exceeds 30 days.

Shareholders

Shareholders of the Company shall enjoy the following rights:

(1) To receive dividends and other forms of profit distributions in proportion to their shareholdings;

(2) To request, convene, preside over, attend or appoint a proxy to attend general meetings and to exercise voting rights;

(3) To supervise the operations of the Company, and the right to present proposals or to raise inquiries;

(4) To transfer, gift or pledge the shares held in accordance with laws, administrative regulations, the Hong Kong Listing Rules and other securities regulatory rules of the places where the Company's shares are listed and the Articles of Association;

(5) To inspect the Articles of Association, the register of shareholders, the stubs of corporate bonds, the minutes of general meetings, the resolutions of the Board of Directors meetings, and the financial and accounting reports;

(6) To participate in the distribution of remaining assets of the Company in proportion to its shareholding when the Company is terminated or liquidated;

(7) To require the Company to acquire his/her/its shares for such shareholders who are against any resolution in relation to a merger or division of the Company;

(8) Shareholders have the right to know and the right to participate in the major issues of the Company as stipulated by laws, administrative regulations and the Articles of Association;

(9) Other rights as provided for in laws, administrative regulations, departmental rules, the Hong Kong Listing Rules and other securities regulatory rules of the places where the Company's shares are listed or the Articles of Association.

If a shareholder requests to access the relevant information or materials mentioned in the preceding article, he shall provide the Company with written documents certifying the class and number of shares he holds in the Company. The Company shall provide such documents upon the shareholder's request after verifying the identity of the shareholder. Shareholders who access or copy the relevant information described in the preceding article or request materials shall comply with the laws and administrative regulations on the protection of state secrets, business secrets, personal privacy and personal information.

General Provisions of General Meetings

The shareholders' general meeting is the Company's authority body and exercises the following powers in accordance with the law:

(1) To elect and replace directors, and decide on matters concerning the remuneration of directors;

(2) To consider and approve the report of the Board of Directors;

(3) To consider and approve the profit distribution plan and loss recovery plan of the Company;

(4) To resolve on the increase or decrease in registered capital of the Company;

(5) To resolve on the issuance of corporate bonds;

(6) To resolve on merger, division, dissolution and liquidation of the Company or alteration on the form of the Company;

(7) To amend the Articles of Association;

(8) To resolve on the Company's engagement or dismissal of the accounting firm that undertakes the Company's auditing services;

(9) To consider and approve the change of use of proceeds;

(10) To consider the equity incentive plan and employee stock ownership plan;

(11) To consider and approve the guarantee matters stipulated in Article 48 of the Articles of Association;

(12) To consider and approve the repurchase of the Company's shares;

(13) Reviewing matters concerning the purchase or sale of major assets by the Company within one year that exceed 30% of the Company's latest audited total assets;

(14) To consider other matters which shall be decided by the general meeting as required by laws, administrative regulations, departmental regulations, the Hong Kong Listing Rules, other securities regulatory rules of the places where the Company's shares are listed or the Articles of Association.

The general meeting may authorize the Board of Directors to make resolutions on the issuance of corporate bonds. Otherwise, the functions and powers of the above-mentioned general meeting shall not be exercised by the Board of Directors by way of authorization.

Any guarantee provided by the Company shall be submitted to the Board of Directors of the Company for consideration; any guarantee under any of the following circumstances shall also be submitted to the general meeting for consideration and approval.

(1) Any guarantee provided by the Company and its controlled subsidiaries after the total amount of external guarantees exceeds 50% of the latest net assets;

(2) Any guarantee provided by the Company after the total amount of its external guarantees exceeds 30% of the latest total assets;

(3) Guarantees exceeding 30% of the latest total assets, calculated on the basis of the cumulative amount of guarantees for twelve consecutive months;

(4) Guarantees provided for the guarantors whose assets-liability ratio exceeds 70%;

(5) A single guarantee amount exceeding 10% of the latest net assets;

(6) Guarantees provided to shareholders, de facto controllers and their affiliates/related parties;

(7) Other external guarantees that shall be considered and approved by the shareholders' general meeting in accordance with national laws, administrative regulations, departmental regulations, the Hong Kong Listing Rules, other securities regulatory rules of the places where the Company's shares are listed or the Articles of Association.

The provision of guarantees for affiliates/related parties by the Company shall have reasonable business logic and shall be submitted to the shareholders' general meeting for consideration after being considered and approved by the Board of Directors. The provision of guarantees by the Company for shareholders, de facto controllers and their affiliates/related parties shall be submitted to the shareholders' general meeting for consideration. The provision of guarantees by the Company for the controlling shareholders, de facto controllers and their affiliates/related parties, the controlling shareholders, de facto controllers and their affiliates/related parties shall provide counter guarantees.

Transactions (other than provision of guarantees) by the Company that meet any of the following criteria shall be submitted to the shareholders' general meeting for consideration:

(1) The total assets involved in the transaction (whichever is higher if there are both book value and appraised value) account for more than 50% of the Company's latest total assets;

(2) The transaction amount accounts for more than 50% of the market value of the Company;

(3) The net assets of the transaction subject (such as equity) in the latest fiscal year account for more than 50% of the market value of the Company;

(4) The relevant operating income of the transaction subject (such as equity) in the most recent fiscal year accounts for more than 50% of the operating income of the Company in the most recent fiscal year, and exceeds RMB50 million;

(5) The profits generated from the transactions account for more than 50% of the net profits of the Company in the latest fiscal year, and exceed RMB7.5 million;

(6) The net profit of the transaction subject (such as equity) in the latest fiscal year accounts for more than 50% of the net profit of the company in the latest fiscal year, and exceeds RMB7.5 million.

The aforementioned "transactions" include the following matters:

(1) Purchase or sale of assets;

(2) External investment (including entrusted wealth management, investment in subsidiaries, etc.);

(3) Provision of guarantee;

(4) Provision of financial assistance;

(5) Leased-in or leased-out assets;

(6) Entering into contracts on management (including entrusted operation and entrusted operation, etc.);

(7) Donate or receive assets;

(8) Restructuring of claims or debts;

(9) Transfer of research and development projects;

(10) Entering into authorization agreement;

(11) Waiver of rights;

(12) Other transactions as determined by the China Securities Regulatory Commission, the National Equities Exchange and Quotations, the Hong Kong Listing Rules, and other securities regulatory rules of the places where the Company's shares are listed.

The above purchases or sales of assets exclude transactions relating to daily operations such as purchases of raw materials, fuel and power and sales of products or commodities.

Extraordinary general meetings are convened from time to time. Under any of the following circumstances, the Company shall convene an extraordinary general meeting within 2 months from the date of occurrence:

(1) The number of directors is less than the statutory minimum number prescribed by the Company Law or less than two-thirds of the number prescribed in the Articles of Association;

(2) The Company's unrecovered losses reach one-third of its total share capital;

(3) When a shareholder who individually or collectively holds more than 10% of the Company's voting rights (excluding voting proxy rights) (excluding treasury shares) requests it;

(4) when the Board of Directors deems it necessary;

(5) Any other circumstance stipulated by laws, administrative regulations, departmental regulations, the Hong Kong Listing Rules or other securities regulatory rules of the places where the Company's shares are listed or the Articles of Association.

The number of outstanding shares mentioned in item 3 above shall be based on the number of shares held by the shareholder on the date when the shareholder makes a written request.

Convening the General Meetings

Independent directors (mean "independent non-executive directors", the same below) have the right to propose to the Board of Directors to convene an extraordinary general meeting. With the consent of more than half of all independent directors, independent directors have the right to propose to the Board of Directors to convene an extraordinary general meeting. Regarding the proposal of independent directors for convening an extraordinary general meeting, the Board of Directors shall, in accordance with laws, administrative regulations, the Hong Kong Listing Rules and the Articles of Association, give a written response within 10 days upon receipt of the proposal on whether it agrees or disagrees to convene the extraordinary general meeting. If the Board of Directors agrees to convene an

extraordinary general meeting, a notice of convening such general meeting will be given within 5 days after the resolution of the Board of Directors is passed; if the Board of Directors does not agree to convene an extraordinary general meeting, it will explain the reasons and make an announcement.

The Audit Committee has the right to propose to the Board of Directors to convene an extraordinary general meeting, and such proposal shall be made in writing to the Board of Directors. The Board of Directors shall, in accordance with laws, administrative regulations and the Articles of Association, give a written response on whether it agrees or disagrees to convene the extraordinary general meeting within 10 days after receipt of the proposal.

If the Board of Directors agrees to convene an extraordinary general meeting, a notice of convening such general meeting will be issued within 5 days after a resolution is passed by the Board of Directors. Any changes made to the original proposals contained in the notice shall be approved by the Audit Committee.

If the Board of Directors does not agree to convene such extraordinary general meeting, or fails to provide a response within 10 days after receipt of the proposal, the Board of Directors shall be deemed to be unable or failing to perform its duties of convening a general meeting of shareholders, and the Audit Committee may convene and preside over the meeting on its own.

Shareholders individually or in aggregate holding more than 10% of the shares (excluding treasury shares) of the Company have the right to make a request to the Board of Directors to convene an extraordinary general meeting, and such proposal shall be made in writing to the Board of Directors. The Board of Directors shall, in accordance with the requirements of laws, administrative regulations and the Articles of Association, give a written response within 10 days after receipt of the request on whether it agrees or disagrees to convene the extraordinary general meeting.

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

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

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

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

Where the shareholders individually or in aggregate holding more than 10% of the shares (excluding treasury shares) of the Company request to convene an extraordinary general meeting and the Board of Directors shall, within 10 days from the date of receipt of the request, make a decision on whether to convene an extraordinary general meeting and provide a written reply to the shareholders.

For the general meeting convened by Audit Committee the shareholders themselves, the Board of Directors and the Secretary to the Board of Directors shall cooperate and perform the obligation of information disclosure in a timely manner. The Board of Directors shall provide the Company's register of members as of the record date.

For a general meeting convened by Audit Committee the shareholders themselves, the Company shall bear the expenses required for the meeting.

Proposals and Notices of General Meetings

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

Shareholders individually or in aggregate holding 1% or more of the shares of the Company may put forward ad hoc proposal and submit it in writing to the convener 10 days before the general meeting. The convener shall, within 2 days after receiving the proposal, issue a supplementary notice of general meeting to notify the content of the ad hoc proposal and submit such ad hoc proposal to the general meeting for consideration; except for any ad hoc proposal that violates the laws, administrative regulations, the Hong Kong Listing Rules, or requirements of other securities regulatory rules of the places where the shares of the Company are listed or the Articles of Association, or is not within the scope of the authority of the general meeting.

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

No voting or resolution may be made by the general meeting on proposals that are not specified in the notice of general meeting or not in compliance with the requirements of laws and regulations, the Hong Kong Listing Rules, other securities regulatory rules of the places where the Company's shares are listed, and the Articles of Association.

The convener shall issue a notice to all shareholders 21 days before an annual general meeting, or 15 days before an extraordinary general meeting.

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

Holding the General Meetings

All Shareholders whose names appear on the register of members on the record date or their proxies shall have the right to attend a general meetings and exercise their voting rights in accordance with relevant laws and regulations, the Hong Kong Listing Rules, other securities regulatory rules of the places where the Company's shares are listed and the Articles of Association. Regardless of the mode of attendance, a shareholder shall have the right to speak and vote at the general meeting, unless the respective shareholder is required by the Hong Kong Listing Rules to abstain from voting in any particular matter.

Shareholders may attend and vote in person or by proxy at a general meeting.

If an individual shareholder attends the general meeting in person, he/she shall produce his/her identity card or other valid documents or certificates that can identify him/herself; if a proxy is appointed to attend the meeting on behalf of a shareholder, the proxy shall produce his/her own valid identity document and the instrument of proxy authorized by the relevant shareholder.

For corporate shareholders, their legal representative or a proxy appointed by the legal representative shall attend the general meeting. If the legal representative of the corporate shareholder attends the general meeting, he/she shall produce his/her identity card or a valid certificate proving his/her qualification as a legal representative; if a proxy attends the general meeting, the proxy shall produce his/her identity card and a written instrument of proxy authorized and issued by the legal representative of the corporate shareholder.

For any shareholder who is a recognized clearing house (or its nominee) as defined in the relevant regulations enacted in Hong Kong from time to time, such shareholder may authorize one or more persons as it thinks fit to act as its proxy at any general meeting; however if more than one person is authorized, such power of attorney shall specify the number and class of shares represented by each of these proxies as authorized and shall be signed by authorized persons of the recognized clearing house. A person so authorized may attend general meetings (without the need to produce shareholding credentials, notarized authorization and/or further evidence to prove that he/she is duly authorized) on behalf of the recognized clearing house (or its nominee) and exercises its rights (including the rights to speak and vote) as if the person is an individual shareholder of the Company.

Voting and Resolutions of General Meetings

Resolutions of a general meeting are classified into ordinary resolutions and special resolutions.

The following matters shall be passed by ordinary resolutions of the general meeting:

(1) the work reports of the Board of Directors;

(2) the profit distribution plan and the loss make-up plan proposed by the Board of Directors;

(3) the appointment and dismissal of directors and their remuneration and payment methods;

(4) the appointment or removal of the accounting firms or make resolutions on the remuneration arrangement of the accounting firms;

(5) the annual report of the Company;

(6) Other matters other than those required to be passed by special resolutions as prescribed by laws and regulations, administrative regulations, the Hong Kong Listing Rules and other securities regulatory rules of the places where the shares of the Company are listed or the Articles of Association.

The following matters shall be approved by special resolutions of the general meeting:

(1) to increase or decrease the registered capital of the Company;

(2) the division, merger, dissolution, change of corporate form and liquidation of the Company;

(3) the amendment to the Articles of Association;

(4) guarantee matters as stipulated in Article 48;

(5) the Company sells, purchases or replaces major assets within one year or the amount of guarantee exceeds 30% of the Company's total assets for the latest period;

(6) equity incentive plan;

(7) matters as required by laws, administrative regulations, the Hong Kong Listing Rules and other securities regulatory rules of the places where the Company's shares are listed or these Articles of Association, as well as other matters that may have a significant impact on the Company as determined by an ordinary resolution at the general meeting and need to be passed by special resolutions.

Shareholders (including proxies) may exercise their voting rights according to the amount of voting shares they represent. Except where cumulative voting is adopted, each share shall have one vote.

Shares of the Company held by the Company have no voting rights, and such shares are not included in the total number of shares with voting rights present at the general meeting.

If a shareholder is related and/or connected with the matters considered at the general meeting, he/she shall voluntarily declare the related/connected relationship at the general meeting and abstain from voting, and the voting shares held by such shareholder shall not be counted into the total number of shares with voting rights at the general meeting. If a shareholder fails to voluntarily declare the related/connected relationship and recuses from participation, other shareholders may require him to explain the situation and recuse from participation. The Board of Directors shall, before issuing the notice of general meeting, examine whether such shareholder is a related/connected shareholder and whether such shareholder should be recused in accordance with laws, regulations, the requirements of National Equities Exchange and Quotations Co., Ltd. and the Hong Kong Stock Exchange and disclose the details of the related/connected parties involved in the proposal to be considered in the notice of general meeting.

When matters on related/connected transactions are considered at the general meeting, the related/connected shareholders shall attend the meeting. Related/connected shareholders shall not participate in voting, and the number of voting shares held by them shall not be included in the total number of valid votes; the resolutions of the general meeting shall fully disclose the voting results of non-related/non-connected shareholders. The related/connected shareholders who should recuse may participate in the discussion on the related/connected transactions involving them, and may provide explanation and clarification to the general meeting on the reasons for the occurrence of such related/connected transactions, basic information of the transactions, and whether the transactions are fair and legal.

If all shareholders of the Company are related to/connected with the matters to be considered, they will not recuse and the general meeting will proceed as usual, provided that the matters considered and discussed shall be resolved and approved by the voting rights held by all shareholders.

DIRECTORS

A director of the Company is a natural person and may not act as a director of the Company under any of the following circumstances:

(1) if he/she is incapable or has limited capacity to perform civil conducts;

(2) if he/she is convicted of a criminal offence and imprisoned due to corruption, bribery, embezzlement, misappropriation of property or disrupting the socialist market economy order, or is deprived of political rights for criminal offence, less than 5 years have elapsed after expiration of the sentence, or if suspended sentence is pronounced, less than 2 years have elapsed from the date of expiration of the probationary period;

(3) if he/she was a director of a company or an enterprise or a manager of a factory that declared bankrupt and liquidated, and he/she was personally liable for the bankruptcy of such company or enterprise, less than three years have elapsed since the completion of the bankruptcy and liquidation of such company or enterprise;

(4) if he/she was the legal representative of a company or enterprise whose business license was revoked or which was ordered to close down due to violation of the laws, and he/she was personally liable, less than 3 years have elapsed since the date of revocation of the business license or the date of closure order of such company or enterprise;

(5) if he/she is listed as dishonest person subject to execution by the People's Court for a relatively large amount of personal debts that are due and remain outstanding;

(6) if he/she is banned from entering the securities market by the CSRC or is recognized as an improper person, and the prohibition period has not yet expired;

(7) if he/she has been subject to a disciplinary action as determined by a NEEQ company or stock exchange that he or she is unsuitable to serve as a director, supervisor or senior management officer of a company, and the sanction period has not yet expired;

(8) Under other circumstances as stipulated by the CSRC, the NEEQ company, laws, administrative regulations, departmental rules, the Hong Kong Listing Rules or the securities regulatory rules of the places where the Company's shares are listed.

Any election or appointment of directors in violation of the provisions of this Article shall be invalid.

If a director falls under any of the circumstances described in this Article during his or her term of office, the general meeting shall remove him/her from office.

Directors shall abide by laws, administrative regulations, the Hong Kong Listing Rules, other securities regulatory rules of the places where the Company's shares are listed and the Articles of Association and have a duty of loyalty to the Company. Directors shall take measures to avoid conflict between their own interests and those of the Company and shall not use their positions and powers to benefit from improper gains. Directors owe the following fiduciary duties to the Company:

(1) Not to accept bribery or other illegal income, or misappropriate property of the Company, by taking advantage of his/her position and power;

(2) Not to misappropriate funds of the Company;

(3) Not to allow Company's assets or funds to be deposited in accounts opened in his/her own name or in the names of other individuals;

(4) Not to violate the provisions of the Articles of Association by lending the Company's funds to others or using the Company's property to provide security for others without consent of the general meeting or the Board of Directors;

(5) Not to enter into contracts or conduct transactions with the Company in violation of the provisions of the Articles of Association or without consent of the general meeting;

(6) Without consent of the general meeting, not to take advantage of his/her position to seek for himself/herself or others any business opportunities that should belong to the Company, except under circumstances where the matter has been reported to the Board of Directors or the general meeting and has been resolved and approved by the general meeting, or the Company is forbidden to make use of such business opportunities pursuant to the laws, administrative regulations or the Articles of Association;

(7) Not to operate the same kind of business as the Company for himself/herself or others without consent of the general meeting in violation of the provisions of the Articles of Association;

(8) Not to accept the commission of transactions with the Company as its own;

(9) Not to disclose the Company's secrets without authorization;

(10) Not to take advantage of his/her related and/or connected relationship to harm the interests of the Company;

(11) Other obligations of fiduciary duties as required by laws, administrative regulations, departmental rules, the Hong Kong Listing Rules, other securities regulatory rules of the places where the Company's shares are listed and the Articles of Association.

A director and an associate of a director (as defined under the Hong Kong Listing Rules) entering into a contract or a transaction with the Company shall be conducted in accordance with the connected transaction requirements under the Hong Kong Listing Rules.

Any income derived by a director in violation of the provisions of this Article shall belong to the Company. If a director violates any laws, administrative regulations or the Articles of Association in the performance of his duties and causes losses to the Company, he/she shall be liable for compensation.

When close family members of the directors and senior management officers, the enterprises controlled directly or indirectly by the directors, senior management officers or their close family members, and associates with other related and/or connected relationship with the directors and senior management officers, enter into contracts or transactions with the Company, the provisions of item (5) in the first paragraph of this Article are application.

Directors shall abide by laws, administrative regulations, the Hong Kong Listing Rules, other securities regulatory rules of the places where the Company's shares are listed and these Articles of Association, owe a duty of diligence to the Company, shall perform duties in the best interest of the Company with reasonable attention and care as normally expected from managing personnel. Directors owe the following duty of diligence to the Company:

(1) to exercise the rights conferred by the Company prudently, conscientiously and diligently and ensure that the Company's business conducts comply with the requirements of national laws, administrative regulations and various national economic policies, and the business activities do not exceed the business scope as stipulated in the business license;

(2) to treat all shareholders fairly;

(3) to keep informed of the business operation and management of the Company in a timely manner;

(4) to sign written confirmation of the periodic reports of the Company and ensure the truthfulness, accuracy and completeness of the information disclosed by the Company;

(5) Other duties of diligence as required by laws, administrative regulations, departmental regulations, the Hong Kong Listing Rules, other securities regulatory rules of the places where the Company's shares are listed and these Articles of Association.

Board of Directors

The Board of Directors consists of 5-9 directors, who are elected by the general meeting of the Company. The Company shall have a Chairman of the Board.

The Board of Directors shall exercise the following functions and powers:

(1) To convene general meetings and reporting its work to the general meeting;

(2) To implement resolutions of the general meetings;

(3) To decide on the business plans and investment proposals of the Company;

(4) To formulate the profit distribution plans and loss make-up plans of the Company;

(5) To prepare periodic reports or summaries of such periodic reports of the Company;

(6) To formulate plans on the increase or decrease of registered capital, repurchase of the Company's shares, issuance of bonds, convertible bonds or other securities, and equity incentive plans;

(7) To formulate plans for material acquisitions, purchase of the Company's shares, merger, division, dissolution and change of corporate form;

(8) To make decisions on the Company's external investments, acquisition and disposal of assets, asset mortgages, external guarantees, entrusted financial management, related and/or connected transactions, external donations, etc. within the scope authorized by the general meeting;

(9) To decide on the establishment of the internal management institutions of the Company;

(10) To decide on the appointment or dismissal of the Company's general manager, deputy general manager and the secretary to the Board of Directors; to appoint or remove the senior management personnel such as the chief financial officer and the secretary to the Board of Directors of the Company according to the nominations of the general manager, and to decide on their remuneration, rewards and punishments;

(11) To formulate the basic management system of the Company;

(12) To formulate the proposal for amendment to the Articles of Association;

(13) To manage information disclosure by the Company;

(14) To propose to the general meeting the appointment or dismissal of the accounting firm to be the auditor of the Company;

(15) To hear work report of the general manager of the Company and inspect the work of the general manager;

(16) To discuss and evaluate whether the corporate governance mechanism provides all shareholders with appropriate protection and equal rights, and whether the corporate governance structure is reasonable and effective;

(17) To perform other functions and powers conferred by laws, administrative regulations, departmental rules, the Hong Kong Listing Rules, other securities regulatory rules of the places where the shares of the Company are listed or the Articles of Association.

Any matters in respect of which the powers exercised by the Board of Directors are beyond the scope authorized by the general meeting shall be submitted to the general meeting for consideration.

The Board of Directors of the Company shall establish the Audit Committee, the Nomination Committee and the Remuneration and Appraisal Committee. These special committees shall be accountable to the Board of Directors and perform their duties in accordance with the Articles of Association and the authorization of the Board of Directors. Proposals shall be submitted to the Board of Directors for consideration and decision. The Board of Directors is responsible for formulating the working procedures of the special committees and standardizing the operation of the special committees.

Transactions (other than provision of guarantees) of the Company that meet any of the following criteria shall be submitted to the Board of Directors for consideration:

(1) The total amount of assets involved in transactions (if both book value and appraised value are available, whichever is higher) accounts for more than 10% of the total assets of the Company for the latest period;

(2) The trading amount of transaction accounts for more than 10% of the market capitalization of the Company;

(3) The net asset value of the subject matter of transaction (such as equity) for the latest accounting year accounts for more than 10% of the market capitalization of the Company;

(4) The relevant operating income of the subject matter of transaction (such as equity) for the latest accounting year accounts for more than 10% of the operating income of the Company for the latest accounting year, and exceeds RMB10 million;

(5) The profit generated from transaction accounts for more than 10% of the net profit of the Company for the latest accounting year, and exceeds RMB1.5 million;

(6) The relevant net profit of the subject matter (such as equity) of transaction for the latest accounting year accounts for more than 10% of the net profit of the Company for the latest accounting year, and exceeds RMB1.5 million.

The Chairman of the Board of Directors shall exercise the following powers:

(1) To preside over the general meetings and to convene and preside over meetings of the Board of Directors;

(2) To supervise and inspect the implementation of the resolutions of the Board of Directors;

(3) To sign important documents of the Board of Directors;

(4) To perform other functions and powers as delegated by the Board of Directors;

(5) To exercise the functions and powers of legal representative;

(6) In the event of emergency conditions under force majeure such as extraordinary natural disasters, exercise the special right to dispose of the Company's affairs in compliance with legal requirements and in the interest of the Company, and report to the Board of Directors and the general meeting of the Company afterwards;

(7) To perform other functions and powers as delegated by the Articles of Association and the Board of Directors.

Significant matters shall be collectively decided by the Board of Directors, the Board of Directors shall not delegate statutory functions and powers to individual Directors or other persons to be exercised by them.

The Board of Directors shall hold at least four meetings per year, approximately one meeting per quarter, and shall be convened by the Chairman of the Board. All Directors and the General Manager shall be served with a notice in writing 14 days before the meeting.

Shareholders representing more than one-tenth of the voting rights, more than one-third of the members of the Board of Directors may propose to convene an extraordinary meeting of the Board of Directors. The Chairman of the Board of Directors shall convene and preside over the meeting of the Board of Directors within 10 days after receiving the proposal.

Meetings of the Board of Directors should be held only with the presence of more than one-half of the Directors. Unless otherwise provided by laws, administrative regulations, departmental rules, the Hong Kong Listing Rules and other securities regulatory rules of the places where the Company's shares are listed and the Articles of Association, resolutions of the Board of Directors must be passed by more than one-half of all the directors. Where there are special provisions in laws or administrative regulations, such special provisions shall prevail.

Voting on resolutions in the Board of Directors shall be conducted by one person, one vote.

Special Committee of the Board of Directors

The Company's Board of Directors establishes the Audit Committee to exercise the functions and powers of the Board of Supervisors as stipulated in the Company Law. The Audit Committee is accountable to the Board of Directors and performs its duties in accordance with this Articles of Association and the authorization of the Board of Directors. Proposals of the Audit Committee shall be submitted to the Board of Directors for review and decision. The Board of Directors is responsible for formulating working procedures for special committees to standardize their operations.

The Audit Committee shall consist of three members, all of whom shall be directors not serving as senior management of the Company. Among them, there shall be three independent directors, and the convener shall be an accounting professional from among the independent directors.

The Audit Committee shall hold meetings at least once each quarter. Interim meetings may be convened upon the proposal of two or more members or when the convener deems it necessary. A meeting of the audit committee shall be held only if at least two-thirds of its members are present.

Resolutions of the Audit Committee shall be adopted by an affirmative vote of more than half of its members.

Each member of the Audit Committee shall have one vote in voting on resolutions. Resolutions of the Audit Committee shall be recorded in meeting minutes as required, and the members of the Audit Committee present at the meeting shall sign the minutes.

GENERAL MANAGER AND OTHER SENIOR MANAGEMENT OFFICERS

The Company has one general manager, to be appointed or dismissed by the Board of Directors.

The Company shall have a chief financial officer, deputy general manager and secretary to the Board of Directors. The chief financial officer and deputy general manager shall be nominated by the general manager and to be appointed or dismissed by the Board of Directors; the secretary to the Board shall be nominated by the Chairman of the Board and to be appointed or dismissed by the Board of Directors.

The qualifications of candidates for senior management officers shall comply with laws and regulations, department rules, business rules and the Articles of Association of the Company. As senior management personnel, the person in charge of finance shall, in addition to the qualifications prescribed in the Articles of Association, hold the professional and technical qualifications for accountants or above, or have the professional knowledge background in accounting and have been engaged in accounting for more than three years.

Each term of office for the general manager is 3 years, and the general manager may be reappointed for consecutive appointments.

The general manager shall be accountable to the Board of Directors and exercises the following functions and powers:

(1) To be in charge of the production, operation and management of the Company, to organize the implementation of the resolutions of the Board of Directors, and to report to the Board of Directors;

(2) To organize the implementation of the annual business plan and investment plan of the Company;

(3) To formulate the plan for the establishment of the internal management structure of the Company;

(4) To formulate the basic management system of the Company;

(5) To formulate the specific rules of the company;

(6) To make proposal to the Board of Directors on the appointment or dismissal of other senior management officers of the Company;

(7) To decide on the appointment or dismissal of management personnel other than those whose appointment or dismissal shall be decided by the Board of Directors;

(8) To submit the annual business report of the previous year to the Board of Directors within three months after the end of each accounting year, and to submit the annual business plan of the following year to the Board of Directors within three months before the end of each accounting year and at least one month before the end of each accounting year;

(9) Other functions and powers as conferred by the Articles of Association or the Board of Directors.

The general manager shall attend meetings of the Board of Directors as non-voting attendees.

The Company has a secretary to the Board of Directors, who is responsible for the preparation of general meetings and meetings of the Board of Directors, keeping documents in safe custody, managing information of shareholders of the Company and handling information disclosure affairs.

The secretary to the Board of Directors shall comply with the relevant requirements of the laws, administrative regulations, departmental rules, the Hong Kong Listing Rules, other securities regulatory rules of the places where the Company's shares are listed and the Articles of Association.

FINANCIAL ACCOUNTING SYSTEM, PROFIT DISTRIBUTION AND AUDITING

The Company shall prepare a financial accounting report after the end of each accounting year. The Company shall prepare its annual financial accounting report within 4 months after the end of each accounting year and prepare an interim financial accounting report within 2 months after the end of the first 6 months of each accounting year.

The above financial accounting reports shall be prepared in accordance with the relevant laws, administrative regulations, departmental regulations, the Hong Kong Listing Rules and the securities regulatory rules of the places where the shares of the Company are listed.

When distributing the after-tax profit of current year, the Company shall appropriate 10% of the profit for transfer to the statutory reserve of the Company. If the accumulated amount of the Company's statutory reserve is more than 50% of the Company's registered capital, further appropriation is not necessary.

If the statutory reserve of the Company is insufficient to cover for the losses of the previous years, the profit for the current year shall be used to cover the losses before making appropriation to the statutory reserve in accordance with the preceding paragraph.

After making appropriation from the after-tax profit to the statutory reserve, the Company may also make further appropriation to the discretionary reserve from the after-tax profit upon approval by a resolution passed at the general meeting.

The remaining after-tax profit of the Company after making up losses and making appropriations to reserves shall be distributed in accordance with the proportion of shares held by shareholders.

If the general meeting violates the provisions of the preceding paragraph by distributing profits to shareholders before the Company makes up losses and makes appropriation to the statutory reserve, the shareholders must return the profit distributed in violation of the provisions to the Company; if any losses are caused to the Company, the shareholders and the responsible Directors and senior management personnel shall be liable for compensation.

Shares of the Company held by the Company do not participate in the distribution of profit.

The reserves of the Company are used to cover the losses of the Company, expand the production and operation of the Company or increase the capital of the Company. In making up losses incurred by the Company with the reserves, discretionary reserve and statutory reserve shall be used first; if the losses cannot be offset, the capital reserve may be used in accordance with the relevant provisions.

When the statutory reserve is converted into capital, the balance of such reserve shall not be less than 25% of the registered capital of the Company before the capitalization.

The profit distribution policy of the Company is as follows:

(1) Principles of profit distribution: The Company shall pay attention to the reasonable investment returns for investors as well as the sustainable development of the Company in profit distribution. The Board of Directors and the shareholders' general meeting of the Company shall give full consideration to the opinions of Directors and public investors in the decision-making and discussion process of the profit distribution policy.

(2) Form of profit distribution: The Company may distribute profits in cash, shares or a combination of cash and shares or in other forms permitted by laws and regulations.

(3) Interim dividends may be distributed to the extent permitted by the Company's size of profit for the current period, cash flow position and capital demand.

(4) Conditions and proportion of cash dividend distribution by the Company: The Company may distribute dividends in cash when the Company's profit for the current year and the accumulated undistributed profit are positive, and there is no significant investment plan or material cash expenditure event that affects the profit distribution. Whether the Company will distribute profits in cash and the proportion

of such profit distribution to the distributable profits of the parent company in the audited financial statements shall be considered and approved by the shareholders' general meeting of the Company.

(5) Conditions for distribution of share dividends: When the Company is in good operating condition and the Board of Directors considers that the distribution of share dividends is beneficial to the interest of all the shareholders of the Company as a whole, it may propose a distribution plan of share dividends and submit to the shareholders' general meeting for consideration and approval.

(6) Principles of use of undistributed profits: The Board of Directors shall explain the plan for the use of retained undistributed profits in the profit distribution plan submitted to the shareholders' general meeting. The undistributed profits, in principle, may be converted into capital or distributed as dividends according to the resolutions of the shareholders' general meeting. The undistributed profits retained by the Company are mainly used for significant investments such as external investment, acquisition of assets, purchase of equipment and investment in research and development, as well as liquidity for daily operations.

The Company may formulate an internal audit system in a timely manner and appoint full-time auditors to conduct internal audit and supervision over the Company's financial income and expenditures and economic activities.

The internal audit system of the Company and the responsibilities of its auditors shall be implemented after being approved by the Board. The person in charge of auditing shall be accountable to and report to the Board of Directors.

The Company engages accounting firms that are qualified to engage in securities-related business in compliance with the Securities Law, the Hong Kong Listing Rules and other securities regulatory rules of the places where the Company's shares are listed to conduct, among other things, auditing of accounting statements, verification of net assets and other related consulting services. The appointment period is 1 year and renewable.

The appointment and dismissal of an accounting firm by the Company shall be considered by the Board of Directors and then at the shareholders' general meeting. The Board of Directors shall not appoint or dismiss the accounting firm before a decision is made at the shareholders' general meeting.

NOTICES AND ANNOUNCEMENTS

Notices of the Company shall be issued in the following forms:

(1) Delivery by hand;

(2) By way of a letter (including email) or fax;

(3) Notification by telephone;

(4) Notification by text message;

(5) By way of announcement;

(6) Other forms as provided in the Articles of Association.

(7) Other forms as stipulated in laws, administrative regulations or other normative documents, approval by the securities regulatory authority of the place where the Company's shares are listed, or other forms as stipulated in the Articles of Association.

With respect to the manner in which the Company provides or sends corporate communications to the H Shareholders in accordance with the requirements of the Hong Kong Listing Rules, provided in compliance with laws, administrative regulations, departmental rules and the securities regulatory rules of the places where the Company's shares are listed and the Articles of Association, the corporate communications may be provided or sent to the H Shareholders through the website designated by the Company and/or the website of the Hong Kong Stock Exchange or through electronic means.

The term "corporate communications" mentioned in the preceding paragraph refers to any document issued or to be issued by the Company to any H Shareholders of the Company or any other person required by the Hong Kong Listing Rules for information or for action.

When a notice is given in the form of an announcement by exercising the powers/rights as set out in the Articles of Association, such announcement shall be published in accordance with the methods stipulated in the Hong Kong Listing Rules.

If the listing rules of the stock exchange in the place where the shares of the Company are listed require the Company to send, post, distribute, issue, publish or otherwise provide the relevant documents of the Company in both English and Chinese versions, and if the Company has made appropriate arrangements to determine whether its shareholders wish to receive the English version or the Chinese version only, and to the extent permitted by applicable laws and regulations and subject to applicable laws and regulations, the Company may (according to the preference specified by the shareholders) send the English version or the Chinese version only to the relevant shareholders.

MERGER, DIVISION, CAPITAL INCREASE, CAPITAL REDUCTION, DISSOLUTION AND LIQUIDATION

Merger, Division, Capital Increase and Capital Reduction

The merger of companies may be through merger by absorption or merger by new establishment.

A company absorbs another company in a merger by absorption, and the absorbed company is dissolved. Where two or more companies merge to establish a new company, it is a merger by new establishment, and both merging parties will be dissolved.

In the event of a company merger, the merging parties shall enter into a merger agreement and prepare a balance sheet and a list of assets. The company shall notify its creditors within 10 days, and make an announcement in a newspaper or on the national enterprise credit information publicity system within 30 days, from the date when the resolution on the decision of merger is passed. The creditors may, within 30 days from the date of receipt of the notice, or within 45 days from the date of the announcement if the creditor fails to receive the notice, require the company to settle the debts or provide corresponding guarantee.

In the event of a merger of companies, the claims and debts of the merging parties shall be inherited by the surviving company or the newly established company after the merger.

In the event of a company division, its assets shall be divided accordingly.

In the event of a company division, a balance sheet and a list of assets shall be prepared. The company shall notify creditors within 10 days, and make an announcement in a newspaper or on the national enterprise credit information publicity system within 30 days, from the date when the resolution on the division is passed.

Dissolution and Liquidation

The Company shall be dissolved for the following reasons:

(1) The operation period stipulated in the Articles of Association expires or other causes for dissolution stipulated in the Articles of Association have arisen;

(2) The resolution on a dissolution is passed by the shareholders' general meeting;

(3) Dissolution is necessary due to a company merger or division;

(4) Revocation of business license, order on the closure of business or deregistration of the business in accordance with the law;

(5) Where the Company encounters serious difficulties in its operation and management, and its continued existence will cause significant losses to the interests of shareholders and the situation cannot be resolved through other means, the shareholders who are holding more than 10% of the voting rights of all the shareholders of the Company may petition to the People's Court for a ruling to dissolve the Company.

If the reasons for dissolution prescribed in the preceding paragraph have arisen, the Company shall publicize the reason for dissolution through the national enterprise credit information publicity system within 10 days.

If the Company is dissolved pursuant to the provisions of items (1), (2), (4) and (5) of the preceding Article, it shall be liquidated. The Directors shall be the obligors of liquidation of the Company and shall, within 15 days from the occurrence of the cause of dissolution, set up a liquidation group to carry out liquidation. The liquidation group shall consist of Directors, unless it is otherwise provided in the Articles of Association or any other person is elected by a resolution of the shareholders' general meeting. If the liquidation obligor fails to perform its liquidation obligations in a timely manner and causes losses to the Company or its creditors, the obligor shall be liable for compensation. If a liquidation group is not established to carry out liquidation within the time limit, or the liquidation group is established but does not carry out liquidation, the interested parties may apply to the People's Court for a ruling to designate relevant personnel to form a liquidation group to implement liquidation.

The liquidation group shall exercise the following functions and powers during the liquidation period:

(1) To liquidate the properties of the Company, and to prepare a balance sheet and a list of assets respectively;

(2) To issue notice and public announcement to the creditors;

(3) To handling the outstanding business of the Company relating to the liquidation;

(4) To pay off the taxes in arrears and taxes arising in the course of liquidation;

(5) To liquidate claims and debts;

(6) To dispose of the remaining assets of the Company after the debts are settled;

(7) To participate in civil litigation actions on behalf of the Company.

The liquidation group shall notify creditors within 10 days, and make an announcement in a newspaper or on the national enterprise credit information publicity system within 60 days, from the date of its establishment. The creditors shall declare their claims to the liquidation group within 30 days after receiving the notice, or within 45 days after the date of announcement if they fail to receive the notice.

When a creditor declares his claims, he shall explain the relevant matters in relation to his claims and provide supporting materials.

The liquidation group shall register the claims.

During the period of declaring claims by creditors, the liquidation group shall not make repayment to creditors.

After the liquidation group has liquidated the Company's properties, has prepared the balance sheet and the list of assets, it shall formulate a liquidation plan and submit it to the shareholders' general meeting or the People's Court for confirmation.

After paying the liquidation expenses, salaries of employees, social insurance premiums and statutory compensations, overdue taxes and corporate debt repayment respectively from the Company's properties, the remaining assets shall be distributed by the Company in proportion to the shareholdings held by the shareholders.

During the liquidation period, the Company survives, but it cannot carry out business activities unrelated to the liquidation. Before settlement of payments in accordance with the provisions of the preceding paragraph, the assets of the Company will not be distributed to the shareholders.

After the liquidation group has liquidated the Company's properties and has prepared the balance sheet and the list of assets, if the liquidation group finds that the Company's properties are not sufficient to pay off the debts, it shall apply to the People's Court for a bankruptcy liquidation.

After the People's Court has accepted the bankruptcy application, the liquidation group shall transfer the liquidation matters to the bankruptcy administrator designated by the People's Court.

After liquidation of the Company, the liquidation group shall prepare a liquidation report, submit it to the shareholders' general meeting or the People's Court for confirmation, and also submit it to the company registration authority to apply for deregistration of the Company, and make an announcement on the termination of the Company.

AMENDMENT TO THE ARTICLES OF ASSOCIATION

The Company shall amend its articles of association under any of the following circumstances:

(1) After amendments have been made to the Company Law or relevant laws, administrative regulations, Hong Kong Listing Rules and other securities regulatory rules of the places where the Company's shares are listed, the provisions stipulated in the Articles of Association are in conflict with the provisions of the amended laws or administrative regulations;

(2) The particulars of the Company have changed and are inconsistent with the details recorded in the Articles of Association;

(3) The shareholders' general meeting has resolved to amend the Articles of Association.

Amendments to the Articles of Association approved by a resolution at the shareholders' general meeting shall be subject to the approval of the competent authority and must be submitted to the competent authority for approval; if the amendments involve registration details of the Company, a change in registration particulars shall be carried out in accordance with the law.

DISPUTE RESOLUTION

The Company and its shareholders, directors and senior management officers shall abide by the following dispute resolution rules:

Any disputes arising among the Company, shareholders, directors and senior management officers that involves the provisions of the Articles of Association shall be resolved through negotiation first. If negotiation fails, it may be resolved through litigation.

A. FURTHER INFORMATION ABOUT OUR COMPANY

1. Incorporation of our Company

Our Company was established in the PRC on January 21, 2010 and was converted into a joint stock company with limited liability under the Company Law with effect from July 15, 2016. Our Company has established a principal place of business in Hong Kong at 40th Floor, Dah Sing Financial Centre, No. 248 Queen's Road East, Wanchai, Hong Kong and with the Registrar of Companies in Hong Kong as a non-Hong Kong company in Hong Kong under Part 16 of the Companies Ordinance on June 10, 2025. Ms. Wan Wing Yi Carol (温詠宜), our company secretary, has been appointed as the authorized representative of our Company for the acceptance of service of process and notices on behalf of our Company in Hong Kong.

As our Company was established in the PRC, our corporate structure and Articles of Association are subject to the relevant laws and regulations of the PRC. A summary of the relevant provisions of our Articles of Association is set out in "Appendix V — Summary of Articles of Association" to this document.

2. Changes in the share capital of our Company

As of the date of the establishment of our Company, our registered capital was RMB1,000,000. On July 15, 2016, our Company was converted into a joint stock company with limited liability under the PRC Company Law. Upon completion of such conversion, the registered capital of our Company was RMB28,000,000 divided into 28,000,000 Non-H Shares with a nominal value of RMB1.00 each.

The following sets out the change in the share capital of our Company within the two years immediately preceding the date of this document:

Immediately following the completion of the [**REDACTED**] (without taking into account any H Shares which may be issued pursuant to the exercise of the [**REDACTED**]), the registered share capital of our Company will be increased to RMB[**REDACTED**] divided into [110,296,643] Non-H Shares and [**REDACTED**] H Shares fully paid up or credited as fully paid up. Save as aforesaid and as mentioned in "— 4. Written resolutions of our Shareholders passed on May 16, 2025" below, there has been no alteration in our share capital within the two years immediately preceding the date of this document.

3. Restriction of share repurchase

For details of the restrictions on the share repurchase by our Company, see "Appendix V — Summary of Articles of Association" to this document.

4. Written resolutions of our Shareholders passed on May 16, 2025

Pursuant to the written resolutions passed by our Shareholders on May 16, 2025, among other matters:

(a) the issue of H Shares with a nominal value of RMB1.00 each and such H Shares to be [**REDACTED**] on the Stock Exchange was approved;

(b) the number of H Shares to be issued shall be no more than 25% of the total issued share capital of our Company upon completion of the [**REDACTED**];

(c) subject to the completion of the [**REDACTED**], the Articles of Association were approved and adopted, which shall become effective on the [**REDACTED**], and our Board has been authorized to amend the Articles of Association in accordance with any comments from the Stock Exchange and the relevant PRC regulatory authorities; and

(d) our Board has been authorized to handle all relevant matters relating to, among other things, the [**REDACTED**], the issue of H Shares and the [**REDACTED**].

5. Particulars of our subsidiaries

Particulars of our subsidiaries are set forth in note 1 of the Accountants' Report.

Set out below is certain information of our subsidiaries as of the Latest Practicable Date:

No.	Name of subsidiaries	Name of shareholder(s)	Percentage of ownership of our Company
1.....	Jinxun Shanghai	Our Company	100%
2.....	Rong Xing Investments	Jinxun Shanghai	1%
		Our Company	99%
3.....	Jinxun Singapore	Our Company	100%
4.....	Tibet Huiyi	Our Company	100%
5.....	Jinxun DR Congo	Jinxun Shanghai	1%
		Jinxun Singapore	99%
6.....	Jinxun Peru	Jinxun Singapore	99%
		Our Company	1%
7.....	Jinxun Anhui	Jinxun Singapore	100%

Save as disclosed in "History and Corporate Structure" in this document, there has been no other alteration in the registered capital of any of our subsidiaries within the two years immediately preceding the date of this document.

B. FURTHER INFORMATION ABOUT OUR BUSINESS

1. Summary of material contracts

The following contract (not being contracts in the ordinary course of business) has been entered into by members of our Group within the two years preceding the date of this document and is material:

(a) the [**REDACTED**].

2. Intellectual property rights of our Group

(a) Trademarks

As of the Latest Practicable Date, our Group was the registered owner of the following trademarks which, in the opinion of our Directors, are material to our business:

No.	Trademark	Registration number	Class	Registered proprietor	Place of registration	Date of registration	Date of Expiry
1. .		21106759	42	Company	PRC	October 21, 2018	October 20, 2028
2. .		21106758	42	Company	PRC	October 28, 2017	October 27, 2027
3. .		21106493	35	Company	PRC	October 28, 2017	October 27, 2027
4. .		21106426	35	Company	PRC	October 28, 2017	October 27, 2027
5. .		21106212	6	Company	PRC	January 14, 2018	January 13, 2028
6. .		21106115	6	Company	PRC	October 28, 2017	October 27, 2027

(b) Patents

As of the Latest Practicable Date, our Group had registered the following patents which, in the opinion of our Directors, are material to our business:

No.	Patent	Type	Patent number	Registered owner	Place of registration	Date of registration	Validity period
1	High-performance lithium-ion power battery production method using cobalt sulfate (一種高性能鋰離子動力電池使用硫酸鈷生產方法)	Invention	202210644113X	Our Company	PRC	June 9, 2022	20 years
2	High-efficiency vortex flow feeding system for thickener (一種濃密機的高效渦旋流式進料系統)	Utility model	202222662034X	Yantai Xingsheng Environmental Technology Co. Ltd. (煙台興晟環保科技有限公司), Our Company	PRC	October 10, 2022	10 years
3	Micro-positive pressure plant for lithium battery material production (一種鋰電池材料生產用微正壓式廠房)	Utility model	2022218121867	Our Company	PRC	July 14, 2022	10 years
4	New gaseous organic phase condensation recovery device (一種新型氣態有機相冷凝回收裝置)	Utility model	2022218102226	Our Company	PRC	July 14, 2022	10 years
5	New anti-leakage bagging device for powder materials (一種新型粉體物料防洩漏裝袋裝置)	Utility model	2022217334387	Our Company	PRC	July 7, 2022	10 years
6	Copper foil and aluminum foil mixed slag drying device (一種銅箔鋁箔混合渣烘乾裝置)	Utility model	2022217334391	Our Company	PRC	July 7, 2022	10 years

No.	Patent	Type	Patent number	Registered owner	Place of registration	Date of registration	Validity period
7	Improved organic phase saponification device (一種改進型有機相皂化裝置)	Utility model	2022216257468	Our Company	PRC	June 28, 2022	10 years
8	An improved air oxidation tank device (一種改進型空氣氧化槽裝置)	Utility model	2022216257472	Our Company	PRC	June 28, 2022	10 years
9	Ion exchange resin recycling device (一種離子交換樹脂循環利用裝置)	Utility model	2022215948609	Our Company	PRC	June 24, 2022	10 years
10	Copper-cobalt concentrate leaching tank self-circulation defoaming device (一種銅鈷精礦浸出槽自循環消泡裝置)	Utility model	2022214226412	Our Company	PRC	June 9, 2022	10 years
11	Device for recovering organic phase by percolation of interphase filter cake (一種相間物濾餅滲濾回收有機相裝置)	Utility model	2022214226427	Our Company	PRC	June 9, 2022	10 years
12	Environmentally friendly powder packaging bag breaking and dust collection integrated device (一種環保型粉體包裝袋破包收塵一體化裝置)	Utility model	2022214226253	Our Company	PRC	June 9, 2022	10 years
13	Device for salvaging interphase in large extraction tank (一種大型萃取槽打撈相間物的裝置)	Utility model	2022214225231	Our Company	PRC	June 9, 2022	10 years
14	Extraction and mixing outdoor hanging liquid guide box (萃取混合室外掛導液盒)	Utility model	2020204877780	Our Company	PRC	April 7, 2022	10 years

No.	Patent	Type	Patent number	Registered owner	Place of registration	Date of registration	Validity period
15	Extraction double-layer clarification chamber (萃取雙層澄清室)	Utility model	2020204885255	Our Company	PRC	April 7, 2022	10 years
16	Silicon rectifier unit for hydrometallurgy (一種濕法冶煉用硅整流機組)	Utility model	2019208552094	Our Company	PRC	June 9, 2019	10 years
17	Stirring extraction device for hydrometallurgy (濕法冶煉用攪拌萃取裝置)	Utility model	2019208552107	Our Company	PRC	June 9, 2019	10 years
18	Extraction box third impurity phase interception sedimentation collection device (一種萃取箱第三雜相攔阻沉降收集裝置)	Utility model	2023230155203	Jinxun Anhui	PRC	November 8, 2023	10 years
19	Automatic mud removal device for dust-containing tail gas spray tower (一種含塵尾氣噴淋塔自動除泥裝置)	Utility model	2023229010699	Jinxun Anhui	PRC	October 27, 2023	10 years
20	Improved cooling circulating water heat exchange and temperature reduction device (一種改進型冷卻循環水換熱降溫裝置)	Utility model	2023228570369	Jinxun Anhui	PRC	October 24, 2023	10 years
21	Improved exhaust gas demisting device (一種改進型廢氣除水霧裝置)	Utility model	2023226894166	Jinxun Anhui	PRC	October 8, 2023	10 years
22	Double-chamber high-efficiency slag receiving hopper device for filter press (一種壓濾機雙倉高效接渣斗裝置)	Utility model	202322604674X	Jinxun Anhui	PRC	September 25, 2023	10 years

No.	Patent	Type	Patent number	Registered owner	Place of registration	Date of registration	Validity period
23	Improved steam inner extension steam pipe and fixing device (一種改進型蒸汽內伸布汽管及固定裝置)	Utility model	2023225874339	Jinxun Anhui	PRC	September 22, 2023	10 years
24	Unattended forklift driving channel gate device (一種無人值守式叉車行駛通道大門裝置)	Utility model	2023200809684	Jinxun Anhui	PRC	January 12, 2023	10 years
25	Anti-blocking device for return pump of leaching tank (一種浸出槽返液泵防堵塞裝置)	Utility model	2023200808681	Jinxun Anhui	PRC	January 12, 2023	10 years
26	Acid and alkali pipeline leakage protection device (一種酸鹼管道防洩漏防護裝置)	Utility model	2023200576453	Jinxun Anhui	PRC	January 9, 2023	10 years
27	Improved self-priming pump siphon water tank device (一種改進型自吸泵虹吸水箱裝置)	Utility model	2023200181478	Jinxun Anhui	PRC	January 5, 2023	10 years
28	High-efficiency clarification device for iron hydroxide colloidal suspension (一種氫氧化鐵膠體懸浮物高效澄清裝置)	Utility model	2023200019657	Jinxun Anhui	PRC	January 3, 2023	10 years
29	An improved extraction tank ventilation device (一種改進型萃取槽通風裝置)	Utility model	202320002025X	Jinxun Anhui	PRC	January 3, 2023	10 years

No.	Patent	Type	Patent number	Registered owner	Place of registration	Date of registration	Validity period
30	Guide mechanism for submerged arc welding of thickener bottom plate (一種濃密機底板埋弧焊接的導向機構)	Invention	2022114516725	Yantai Xingsheng Environmental Technology Co. Ltd. (煙台興晟環保科技有限公司), 煙台興晟環保科技有限公司、Jinxun Anhui	PRC	November 21, 2022	20 years

(c) Copyrights

As of the Latest Practicable Date, our Group was the owner of the following copyrights which, in the opinion of our Directors, are material to our business:

No.	Copyright	Version	Registration number	Registered owner	Place of registration	Date of registration
1	Yunnan Jinxun Shares Market Price Platform (雲南金潯股份市場價格平台)	V1.0	2019SR0432496	Company	PRC	May 7, 2019
2	Yunnan Jinxun Co., Ltd. Role Management Platform (雲南金潯股份角色管理平台)	V1.0	2019SR0432892	Company	PRC	May 7, 2019
3	Yunnan Jinxun Co., Ltd. Settlement Management Platform (雲南金潯股份結算管理平台)	V1.0	2019SR0432942	Company	PRC	May 7, 2019
4	Yunnan Jinxun Co., Ltd. Department Management Platform (雲南金潯股份部門管理平台)	V1.0	2019SR0431778	Company	PRC	May 7, 2019
5	Yunnan Jinxun Co., Ltd. Contract Management Platform (雲南金潯股份合同管理平台)	V1.0	2019SR0426900	Company	PRC	May 6, 2019

No.	Copyright	Version	Registration number	Registered owner	Place of registration	Date of registration
6	Yunnan Jinxun Co., Ltd. Inspection Order Management Platform (雲南金潯股份檢驗單管理平台)	V1.0	2019SR0430531	Company	PRC	May 6, 2019
7	Yunnan Jinxun Shares Report Management Platform (雲南金潯股份報表管理平台)	V1.0	2019SR0429283	Company	PRC	May 6, 2019
8	Yunnan Jinxun Co., Ltd. Financial Management Platform (雲南金潯股份財務管理平台)	V1.0	2019SR0427047	Company	PRC	May 6, 2019
9	Yunnan Jinxun Stock Weighing Order Management Platform (雲南金潯股份磅單管理平台)	V1.0	2019SR0427192	Company	PRC	May 6, 2019
10	Yunnan Jinxun Co., Ltd. Customer Management Platform (雲南金潯股份客戶關係管理平台)	V1.0	2019SR0430542	Company	PRC	May 6, 2019
11	Jinxun Nonferrous Metals Settlement System (金潯有色金屬結算系統)	1.0.12.11	2017SR038305	Company	PRC	February 10, 2017

(d) Domain names

As of the Latest Practicable Date, our Group had registered the following domain names which, in the opinion of our Directors, are material to our business:

No.	Domain Name	Name of Registered Proprietor	Date of Registration	Date of Expiry
1	jinxunec.com	Our Company	July 31, 2016	July 31, 2027

C. FURTHER INFORMATION ABOUT OUR DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

1. Directors

(a) Disclosure of Interests — Interests and short positions of the Directors and the chief executive of our Company in the registered capital of our Company and its associated corporations

Immediately following completion of the [**REDACTED**] (without taking into account any H Shares which may be issued pursuant to the exercise of the [**REDACTED**]), the interests or short positions of our Directors or chief executive of our Company in the Shares, underlying Shares and debentures of our Company or our associated corporations (within the meaning of Part XV of the SFO) which will be required to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required, pursuant to the Model Code for Securities Transactions by Directors of [**REDACTED**] Issuers, to be notified to our Company and the Stock Exchange, once our Shares are [**REDACTED**], will be as follows:

Interest in Shares of our Company

Name of Director	Nature of interest	Number of Shares interested[(1)]	Approximate percentage of interest
Mr. Yuan[(2)]	Beneficial owner	[**REDACTED**] Shares (L)	[**REDACTED**]%
	Interest in a controlled corporation	[**REDACTED**] Shares (L)	[**REDACTED**]%
Ms. Yuan Mei[(3)].	Interest in a controlled corporation	[**REDACTED**] Shares (L)	[**REDACTED**]%
Mr. Yang Yongchang[(4)]	Interest in a controlled corporation	[**REDACTED**] Shares (L)	[**REDACTED**]%

Notes:

(1) The letter "L" denotes the person's long position in our Shares.

(2) Heli Investment (our 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 our Shareholder. Heli Investment has 19 limited partners, including Ms. Yuan Mei, our executive Director and Mr. Yuan's sister, who owns approximately 69.32%, Mr. Yang Yongchang, our executive Director, who owns approximately 4.02%, Mr. Chen Weijun, a director of Jinxun Anhui, who owns approximately 0.23% and 15 existing employees and one former employee who collectively owns approximately 16.43% as of the Latest Practicable Date. For the purpose of the SFO, Mr. Yuan is deemed to be interested in the interest held by Heli Investment.

(3) Ms. Yuan Mei (our executive Director) is a limited partner holding approximately 69.32% in Heli Investment. For the purpose of the SFO, Ms. Yuan is deemed to be proportionately interested in the corresponding [**REDACTED**] Shares held by Heli Investment.

(4) Mr. Yang Yongchang (our executive Director) is a limited partner holding approximately 4.02% of partnership interest in Heli Investment. For the purpose of the SFO, Mr. Yang is deemed to be proportionately interested in the corresponding [**REDACTED**] Shares held by Heli Investment.

(b) Particulars of Directors' service agreements and letters of appointment

Each of our Directors has entered into a service agreement or letter of appointment with our Company. The principal particulars of these service agreements and letters of appointment comprise (a) the term of the service; (b) termination provisions; and (c) dispute resolution provision. The service agreements and letters of appointment may be renewed in accordance with our Articles of Association and the applicable laws, rules and regulations from time to time.

Save as disclosed above, none of our Directors has or is proposed to have a service agreement with any member of our Group (other than contracts expiring or determinable by the relevant employer within one year without the payment of compensation (other than statutory compensation)).

(c) Directors' remuneration

During the three years ended December 31, 2024 and the six months ended June 30, 2025, the aggregate remuneration (including salaries, allowances and benefits in kind, discretionary bonuses, retirement scheme contributions) paid to our Directors were approximately RMB1.63 million, RMB1.95 million, RMB2.05 million and RMB1.11 million, respectively. For details, please refer to note 9 of the Accountants' Report set out in Appendix I to this document.

Under the arrangement currently in force, the aggregate remuneration (including salaries, allowances and benefits in kind, discretionary bonuses, retirement scheme contributions) of our Directors for the year ending December 31, 2025 is estimated to be no more than approximately RMB2.42 million.

2. Substantial Shareholders

Save as disclosed in "Substantial Shareholders" in this document, so far as our Directors are aware, immediately following the completion of the [**REDACTED**] (without taking into account any H Shares which may be issued pursuant to the exercise of the [**REDACTED**]), no person (other than our Directors and chief executives of our Company) will have or be deemed or taken to have an interest and/or short position in our Shares or the underlying Shares which would fall to be disclosed under the provisions of Division 2 and 3 of Part XV of the SFO, or who will be, directly or indirectly, interested in 10% or more of the issued voting shares of any member of our Group.

3. Agency fees or commissions received

Save as disclosed in this document, no commissions, discounts, brokerages or other special terms were granted in connection with the issue or sale of any capital of any member of our Group within the two years immediately preceding the date of this document.

4. Disclaimers

(a) save as disclosed in this section, none of our Directors or chief executive of our Company has any interest or short position in our shares, underlying shares or debentures of our Company or any of its associated corporation (within the meaning of the SFO) which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required to be notified to our Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of [**REDACTED**] Issuers once our Shares are [**REDACTED**];

(b) none of our Directors or experts referred to under "— D. Other information — 7. Qualifications and consents of experts" below has any direct or indirect interest in the promotion of our Company, or in any assets which have within the two years immediately preceding the date of this document been acquired or disposed of by or leased to any member of our Group, or are proposed to be acquired or disposed of by or leased to any member of our Group;

(c) none of our Directors or experts referred to under "— D. Other information — 7. Qualifications and consents of experts" below is materially interested in any contract or arrangement subsisting at the date of this document which is significant in relation to the business of our Group taken as a whole;

(d) save as disclosed in this section, none of our Directors has any existing or proposed service contracts with any member of our Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation));

(e) save as disclosed in "— C. Further information about our Directors and substantial shareholders — 2. Substantial Shareholders" above, none of our Directors knows of any person (not being a Director or chief executive of our Company) who will, immediately following completion of the [**REDACTED**] (without taking into account any Shares which may be issued pursuant to the exercise of the [**REDACTED**]), have an interest or short position in our Shares or underlying Shares of our Company which would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of SFO or be interested, directly or indirectly, in 10% or more of the issued voting shares of any member of our Group; and

(f) so far as is known to our Directors as of the Latest Practicable Date, none of our Directors their respective close associates (as defined under the Listing Rules) or Shareholders of our Company who are interested in more than 5% of the total number of issued Shares has any interests in the five largest customers or the five largest suppliers of our Group.

D. OTHER INFORMATION

1. Estate Duty

Our Directors have been advised that currently no material liability for estate duty is likely to fall on our Company or any of our subsidiaries in the PRC.

2. Litigation

During the Track Record Period and as of the Latest Practicable Date, we had not been involved in any litigation, arbitration or administrative proceedings which could have a material adverse impact on our business, financial condition or results of operations. As of the Latest Practicable Date, we were not aware of any pending or threatened litigation, arbitration or administrative proceedings against us which may have a material and adverse impact on our business, financial condition or results of operations.

3. Sole Sponsor

The Sole Sponsor satisfies the independence criteria applicable to sponsors as set out in Rule 3A.07 of the Listing Rules. The Sole Sponsor will receive an aggregate fee of HK$2,000,000 for acting as the sponsor for the [**REDACTED**].

The Sole Sponsor has made an application on our Company's behalf to the Stock Exchange for the [**REDACTED**] of, and permission to deal in, the H Shares to be issued pursuant to the [**REDACTED**]. All necessary arrangements have been made for the Shares to be admitted into [**REDACTED**].

4. Preliminary expenses

As of the Latest Practicable Date, our Company has not incurred any material preliminary expenses.

5. No material adverse change

Our Directors confirm that there has been no material adverse change in our Group's financial or trading position since June 30, 2025 (being the date on which the latest audited consolidated financial information of our Group was prepared).

6. Promoters

The promoters of our Company consist of Mr. Yuan and Heli Investment. Save as disclosed in the section headed "History and Corporate Structure", within the two years immediately preceding the date of this document, no cash, securities or other benefit has been paid, allotted or given nor are any proposed to be paid, allotted or given to any promoters in connection with the [**REDACTED**] and the related transactions described in this document.

7. Qualifications and consents of experts

The following are the qualifications of the experts who have given opinion or advice which are contained in this document:

Name	Qualifications
Huatai Financial Holdings (Hong Kong) Limited	A licenced corporation under the SFO for type 1 (dealing in securities), type 2 (dealing in futures contracts), type 3 (leveraged foreign exchange trading), type 4 (advising on securities), type 6 (advising on corporate finance), type 7 (providing automated trading services) and type 9 (asset management) of the regulated activities as defined under the SFO
KPMG	Certified Public Accountants Public Interest Entity Auditor registered in accordance with the Accounting and Financial Reporting Council Ordinance
JunHe LLP	Legal advisors to our Company as to PRC laws
Bennani & Associés RDC SAS	Legal advisors to our Company as to DR Congo laws
Chibesakunda & Co.	Legal advisors to our Company as to Zambian laws
Estudio Muñiz Sociedad Civil de Responsabilidad Limitada	Legal advisors to our Company as to Peruvian laws
Shook Lin & Bok LLP	Legal advisors to our Company as to Singaporean laws
Hogan Lovells International LLP	Legal advisor as to International Sanctions laws
Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.	Industry consultant

Each of the experts named above [has given] and [has not] withdrawn its written consent to the issue of this document with the inclusion of its reports, letters, opinions, summaries of opinions and/or references to its name included herein in the form and context in which they respectively appear.

8. Interests of experts in our Company

Except as disclosed in this document and save for its obligations under the [**REDACTED**] Agreements, none of the persons named in "— 7. Qualifications and consents of experts" above is interested beneficially or otherwise in any Shares or shares of any member of our Group or has any right or option (whether legally enforceable or not) to subscribe for or nominate persons to subscribe for any shares or securities in any member of our Group.

9. Taxation of holders of H Shares

The sale, purchase and transfer of H Shares are subject to Hong Kong stamp duty. The current rate chargeable on each of the seller and purchaser is 0.1% of the consideration or, if higher, the fair value of the H Shares being sold or transferred. For further information in relation to taxation, see "Appendix III — Taxation and Foreign Exchange" to this document.

10. Binding effect

This document shall have the effect, if an application is made in pursuance of it, of rendering all persons concerned bound by all of the provisions (other than the penal provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance so far as applicable.

11. Miscellaneous

(a) Within the two years immediately preceding the date of this document:

(i) save as disclosed in "History and Corporate Structure" in this document, no share or loan capital of our Company or any of our subsidiaries has been issued or agreed to be issued fully or partly paid either for cash or for a consideration other than cash;

(ii) no share or loan capital of our Company or any of our subsidiaries is under option or is agreed conditionally or unconditionally to be put under option;

(iii) no commissions, discounts, brokerages or other special terms have been granted or agreed to be granted in connection with the issue or sale of any share or loan capital of our Company or any of our subsidiaries; and

(iv) no commission has been paid or payable for subscription, agreeing to subscribe, procuring subscription or agreeing to procure subscription of any share in our Company or any of our subsidiaries;

(b) no founder, management or deferred Shares nor any debenture in our Company or any of our subsidiaries have been issued or agreed to be issued;

(c) there has not been any interruption in the business of our Group which may have or has had a significant effect on the financial position of our Group in the 12 months preceding the date of this document;

(d) there has been no material adverse change in the financial or trading position or prospects of our Group since June 30, 2025 (being the date to which the latest audited consolidated financial statements of our Group were prepared);

(e) all necessary arrangements have been made to enable our H Shares to be admitted to [**REDACTED**] for clearing and settlement;

(f) no company within our Group is presently listed on any stock exchange or traded on any trading system and our Group is not seeking or proposing to seek any listing of, or permission to deal in, the share or loan capital of our Company on any other stock exchange;

(g) our Company has no outstanding convertible debt securities or debentures;

(h) there is no arrangement under which future dividend are waived or agreed to be waived; and

(i) there is no restriction affecting the remittance of profits or repatriation of capital into Hong Kong and from outside Hong Kong.

12. Bilingual document

The English language and Chinese language versions of this document are being published separately in reliance upon the exemption provided by section 4 of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

In case of any discrepancies between the English language version and Chinese language version of this document, the English language version shall prevail.

A. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

The documents attached to the copy of this document delivered to the Registrar of Companies in Hong Kong for registration were:

(a) the written consents referred to in "Appendix VI — Statutory and General Information — D. Other Information — 7. Qualifications and consents of experts" to this document; and

(b) a copy of each of the material contracts referred to in "Appendix VI — Statutory and General Information — B. Further Information about Our Business — 1. Summary of material contracts" to this document.

B. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the websites of the Stock Exchange (**www.hkexnews.hk**) and our Company (**www.jinxunec.com**) up to and including the date which is 14 days from the date of this document:

(a) the Articles of Association;

(b) the Accountants' Report from the Reporting Accountants, the text of which is set out in Appendix I to this document;

(c) the report from the Reporting Accountants in respect of the unaudited pro forma financial information, the text of which is set out in Appendix II to this document;

(d) the audited consolidated financial statements of our Group for the three years ended December 31, 2024 and the six months ended June 30, 2025;

(e) the legal opinion issued by JunHe LLP, our PRC Legal Advisors, in respect of certain general corporate matters of our Group;

(f) the legal opinion issued by Bennani & Associés RDC SAS, our legal advisors as to DR Congo laws, in respect of certain corporate matters of Jinxun DR Congo;

(g) the legal opinion issued by Chibesakunda & Co, our legal advisors as to Zambian laws, in respect of certain general corporate matters of Rong Xing Investments;

(h) the legal opinion issued by Estudio Muñiz Sociedad Civil de Responsabilidad Limitada, our legal advisors as to Peruvian laws, in respect of certain general corporate matters of Jinxun Peru;

(i) the legal opinion issued by Shook Lin & Bok LLP, our legal advisors as to Singaporean laws, in respect of certain general corporate matters of Jinxun Singapore;

(j) the memorandum of advice issued by Hogan Lovells International LLP, our legal advisor as to International Sanctions laws;

(k) the industry report issued by Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.;

(l) the written consents referred to in "Appendix VI — Statutory and General Information — D. Other Information — 7. Qualifications and consents of experts" to this document;

(m) the material contracts referred to in "Appendix VI — Statutory and General Information — B. Further Information about Our Business — 1. Summary of material contracts" to this document;

(n) the service agreements and letters of appointment entered into between our Company and each of our Directors referred to in "Appendix VI — Statutory and General Information — C. Further Information about Our Directors and Substantial Shareholders — 1(b). Particulars of Directors' service agreements and letters of appointment" to this document; and

(o) the PRC Company Law, the PRC Securities Law, the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies, together with their unofficial English translation.