Xinjiang Xinxin Mining Industry Co., Ltd.*

新疆新鑫礦業股份有限公司

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

(Stock code: 3833)

2025 FINAL RESULTS ANNOUNCEMENT

FINANCIAL HIGHLIGHTS

- Revenue was approximately RMB2,561.3 million, representing an increase of approximately 11.7% as compared to RMB2,292.4 million in 2024.

- Comprehensive profit attributable to shareholders of the Company was approximately RMB194.1 million, representing an increase of approximately 5.6% as compared to RMB183.8 million in 2024.

- Gross profit margin was approximately 25.3%, representing an increase of approximately 1.0 percentage point as compared to 24.3% in 2024. Net profit margin was approximately 6.6%, representing a decrease of approximately 0.8 percentage point as compared to 7.4% in 2024.

- Basic earnings per share was approximately RMB0.09, representing an increase of approximately RMB0.01 as compared to RMB0.08 in 2024.

- The Board proposed payment of final dividend of RMB0.05 per share, which is the same as the final dividend payout for 2024.

The board of directors (the "**Board**") of Xinjiang Xinxin Mining Industry Co., Ltd.* (the "**Company**") is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively referred to as the "**Group**") for the year ended 31 December 2025 (the "**Reporting Year**").

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December

	Notes	2025 RMB'000	2024 RMB'000 (restated)
Revenue	3	**2,561,304**	2,292,401
Less: Cost of sales	3	**(1,914,567)**	(1,736,359)
Taxes and surcharges	3(a)	**(60,177)**	(48,646)
Selling and distribution expenses		**(19,287)**	(17,569)
General and administrative expenses		**(234,702)**	(204,858)
R&D expenses		**(74,984)**	(39,075)
Financial expenses – net	5	**(51,134)**	(34,511)
Assets impairment losses	4(b)	**(70,779)**	(58,544)
Credit impairment reversal	4(c)	**675**	3,295
Gains on changes in fair value	4(d)	**82,842**	17,535
Add: Other income		**16,210**	35,382
Investment gains	4(e)	**5,792**	4,577
Including: Gains on investments in joint ventures		**3,901**	5,660
(Losses)/gains on disposals of assets		**(1,417)**	312
Operating profit		**239,776**	213,940
Add: Non-operating income		**4,156**	3,990
Less: Non-operating expenses	4(a)	**(6,356)**	(6,828)
Total profit	4	**237,576**	211,102
Less: Income tax expenses	6	**(67,713)**	(41,308)
Net profit		**169,863**	169,794

	Notes	**2025**	2024
		RMB'000	*RMB'000*
			(restated)
Classified by continuity of operations			
Net profit from continuing operations		**169,863**	169,794
Classified by ownership of the equity			
Net profit attributable to shareholders of the Company		**194,083**	183,799
Profit and loss attributable to non-controlling interests		**(24,220)**	(14,005)
Other comprehensive income after tax		**–**	–
Total comprehensive income		**169,863**	169,794
Total comprehensive income attributable to the Company		**194,083**	183,799
Total comprehensive loss attributable to non-controlling interests		**(24,220)**	(14,005)
Earnings per share			
Basic earnings per share *(RMB)*	7	**0.09**	0.08
Diluted earnings per share *(RMB)*	7	**0.09**	0.08

CONSOLIDATED BALANCE SHEET

As at 31 December

	Notes	2025 RMB'000	2024 RMB'000 (restated)
ASSETS			
Current assets			
Cash at bank and on hand		**636,244**	648,891
Financial assets held for trading		**38,189**	444
Notes receivable		**25,886**	35,558
Accounts receivable	9	**296,199**	426,308
Financing receivables	10	**78,593**	59,408
Advances to suppliers		**21,655**	34,074
Other receivables		**9,214**	7,218
Inventories		**1,075,687**	1,058,515
Other current assets		**117,677**	25,811
Total current assets		**2,299,344**	2,296,227
Non-current assets			
Long-term equity investments		**196,337**	190,545
Investment properties		**215,811**	219,959
Fixed assets		**3,616,083**	3,514,039
Construction in progress		**1,508,942**	730,737
Rights of use assets		**13,330**	12,995
Intangible assets		**2,362,572**	2,457,492
Development cost		**19,392**	22,016
Goodwill		**108,081**	108,081
Long-term deferred expenses		**1,060**	1,702
Deferred tax assets		**62,420**	61,923
Other non-current assets		**19,861**	28,441
Total non-current assets		**8,123,889**	7,347,930
TOTAL ASSETS		**10,423,233**	9,644,157

	Notes	2025 *RMB'000*	2024 *RMB'000* (restated)
LIABILITIES AND OWNERS' EQUITY			
Current liabilities			
Short-term borrowings		**437,196**	200,160
Financial liabilities held for trading		**–**	–
Notes payable	11	**336,003**	143,488
Accounts payable	12	**488,091**	401,917
Advances from customers		**308**	202
Contract liabilities		**14,585**	9,194
Employee benefits payable		**140,408**	120,188
Taxes payable		**67,187**	12,184
Other payables		**570,420**	182,350
Current portion of non-current liabilities		**129,771**	503,632
Other current liabilities		**29,240**	1,194
Total current liabilities		**2,213,209**	1,574,509
Non-current liabilities			
Long-term borrowings		**1,296,113**	96,000
Lease liabilities		**1,774**	–
Long-term payable	13	**250,086**	298,899
Long-term employee compensation payable		**2,216**	1,481
Provisions	14	**154,849**	148,136
Deferred income		**47,596**	24,533
Deferred income tax liabilities		**277,930**	279,772
Total non-current liabilities		**2,030,564**	848,821
TOTAL LIABILITIES		**4,243,773**	2,423,330

	Notes	**2025**	2024
		RMB'000	*RMB'000*
			(restated)
Owners' equity			
Share capital		**552,500**	552,500
Capital surplus		**4,042,513**	5,144,152
Special reserve		**176**	1,300
Surplus reserve		**276,250**	276,250
Undistributed profits		**570,977**	488,915
Total equity attributable to shareholders of the Company		**5,442,416**	6,463,117
Non-controlling interests		**737,044**	757,710
Total owners' equity		**6,179,460**	7,220,827
TOTAL LIABILITIES AND OWNERS' EQUITY		**10,423,233**	9,644,157

Note: The Group completed the equity acquisition of Xinjiang Huaou Mining Co., Ltd. (hereafter referred to as "**Huaou Mining**") in June 2025. This transaction constitutes a business combination under the same control, and the Group has restated its consolidated financial statements for 2024 in accordance with Chinese Accounting Standards.

NOTES TO CONSOLIDATED FINANCIAL INFORMATION

For the year ended 31 December 2025

1 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements have been prepared according to the Accounting Standards for Business Enterprises, the specific standards and other relevant regulations issued by the Ministry of Finance on and after 15 February 2006 (hereafter collectively referred to as the "**Accounting Standard for Business Enterprises**") and the Compilation Rules for Information Disclosure by Companies Offering Securities to the Public No. 15 – the General Provisions of Financial Reports issued by the China Securities and Regulatory Commission.

The financial statements are prepared on a going concern basis.

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

Significant changes in accounting policies

The Group had no significant changes in accounting policies during the Reporting Year.

2 SEGMENT INFORMATION

The Group is mainly engaged in the mining, ore processing, smelting, refining of copper and nickel, and the processing and sales of copper, nickel and other non-ferrous metal products. Based on the Group's internal organisational structure, management requirements, internal reporting policies, and the requirements for segment information in enterprise reporting stipulated by No. 3 Interpretation of Accounting Standard for Business Enterprises, management of the Group deems the Group itself as one operating segment.

For the respective years ended 31 December 2025 and 2024, the Group's sales were conducted in China, and the Group's assets and liabilities were in China.

For the Reporting Year, revenue of the top three customers of the Group accounted for 27%, 22% and 17% of the total revenue of the Group, respectively (2024: 26%, 21% and 12%).

3 REVENUE AND COST OF SALES

Revenue and cost of sales recognised during the respective years ended 31 December 2025 and 2024 are analysed as follows:

	Year ended 31 December	
	2025	2024
	RMB'000	*RMB'000*
		(Note 17)
Revenue from principal operations		
Nickel cathode	**1,336,394**	1,161,909
Copper cathode	**687,316**	601,838
Electrolytic cobalt	**72,205**	–
Others	**437,536**	496,034
	2,533,451	2,259,781
Revenue from other operations	**27,853**	32,620
	2,561,304	2,292,401
Cost of sales from principal operations		
Nickel cathode	**1,021,623**	815,194
Copper cathode	**626,437**	552,951
Electrolytic cobalt	**36,949**	–
Others	**209,086**	344,403
	1,894,095	1,712,548
Cost of sales from other operations	**20,471**	23,811
	1,914,566	1,736,359
Gross profit margin	**25.3%**	24.3%

(a) Taxes and surcharges

	Year ended 31 December	
	2025	2024
	RMB'000	*RMB'000*
Resource tax	**19,170**	16,215
Property tax	**13,064**	14,486
Education surcharge	**6,556**	5,432
Urban maintenance and construction tax	**5,345**	4,193
Land use tax	**4,024**	5,075
Stamp tax	**3,615**	2,327
Vehicle and vessel tax	**96**	158
Water resources tax	**7,942**	299
Environmental protection tax	**365**	461
	60,177	48,646

4 TOTAL PROFIT

The following items have been deducted from/(included in) the total profit:

	Year ended 31 December	
	2025	2024
	RMB'000	*RMB'000*
Depreciation	**290,836**	268,680
Amortisation of assets	**50,065**	40,444
Directors' remuneration	**1,970**	1,168
Government grants	**(5,054)**	(35,129)
Gains on disposal of assets	**(1,417)**	312
Donations *(Note (a))*	**60**	167
Losses on scrap of fixed assets *(Note (a))*	**2,295**	1,669
Assets impairment losses *(Note (b))*	**70,779**	58,544
Credit impairment (reversal) *(Note (c))*	**(675)**	(3,259)
(Gains) on the changes in fair value *(Note (d))*	**(82,841)**	(17,535)
Investment (gains) *(Note (e))*	**(5,792)**	(4,577)

	Year ended 31 December	
	2025	2024
	RMB'000	*RMB'000*
Auditors' remuneration	**1,320**	1,689
Including: non-audit service fees	**–**	–

(a) Non-operating expenses

Donations	**60**	167
Losses on scrap of fixed assets	**2,295**	1,669
Penalties, liquidated damages and fines	**2,488**	3,719
Others	**1,514**	1,273
	6,357	6,828

(b) Assets impairment losses

Impairment losses of fixed assets	**8,952**	–
Impairment losses of intangible assets	**75,723**	31,754
Provision for declines in value of inventories	**(13,896)**	26,790
	70,779	58,544

(c) Credit impairment (reversal)

(Reversal) of bad debts for accounts receivable	**(64)**	(2,769)
(Reversal) bad debts for other receivables	**(611)**	(526)
	(675)	(3,295)

(d) (Gains) on changes in fair value

Metal trading contract	**(88,956)**	(17,406)
Cash-settled share-based payments	**6,114**	(129)
	(82,842)	(17,535)

	Year ended 31 December	
	2025	2024
	RMB'000	*RMB'000*
(e) Investment (gains)		
Net (profit) from joint-ventures under equity method	**(3,901)**	(5,660)
Unrealised net loss between the joint-venture and the Group	**(1,891)**	1,200
Investment gain from disposal of financial assets	**–**	(117)
	(5,792)	(4,577)

Investment (gains) were all from non-listed investments.

5 FINANCIAL EXPENSES – NET

	Year ended 31 December	
	2025	2024
	RMB'000	*RMB'000*
Interest expense	**35,039**	23,705
Interest income	**(4,854)**	(10,541)
Exchange losses	**134**	849
Other expenditures	**20,815**	20,498
	51,134	34,511

6 INCOME TAX EXPENSES

	Year ended 31 December	
	2025	2024
	RMB'000	*RMB'000*
Current income tax	**70,053**	23,338
Deferred income tax	**(2,340)**	17,970
	67,713	41,308

The Group applies the PRC Corporate Income Tax Law passed by the National People's Congress on 16 March 2007. The corporate income tax rate is 25%.

The applicable corporate income tax rates and relevant approvals for the Group and certain of its subsidiaries are as follows:

(a) The Company is a high-tech enterprise in Xinjiang Uygur Autonomous Region. On 1 December 2020, it obtained the certificate of high-tech enterprise jointly issued by the Department of Science and Technology of Xinjiang Uygur Autonomous Region, the Department of Finance of Xinjiang Uygur Autonomous Region, and Xinjiang Uygur Autonomous Region Tax Service, State Taxation Administration. The certificate number is GR202065000296, and the validity period is three years. On 16 October 2023, it obtained the certificate of high-tech enterprise jointly issued by the above-mentioned units. The certificate number is GR202365000012, and the validity period is three years. The Company continued to calculate and pay corporate income tax using the preferential rate of 15% for the year 2025 (2024: 15%). The Company obtained the recognition that its business is within the catalogue of encouraged industries from the Committee of Economics and Information of Xinjiang Uygur Autonomous Region in previous years.

(b) The subsidiary of the Company, Xinjiang Yakesi Resources Co., Ltd. (hereafter referred to as "**Xinjiang Yakesi**"), obtained the recognition that its business is within the catalogue of encouraged industries from the Committee of Economics and Information of Xinjiang Uygur Autonomous Region in previous years. Xinjiang Yakesi continued to calculate and pay corporate income tax using the preferential rate of 15% for the year 2025 (2024: 15%).

(c) The subsidiary of the Company, Hami Jubao Resources Development Co., Ltd. (hereafter referred to as "**Hami Jubao**"), obtained the recognition that its business is within the catalogue of encouraged industries from the Committee of Economics and Information of Xinjiang Uygur Autonomous Region in previous years. Hami Jubao continued to calculate and pay corporate income tax using the preferential rate of 15% for the year 2025 (2024: 15%).

(d) The subsidiary of the Company, Xinjiang Kalatongke Mining Co., Ltd. (hereafter referred to as "**Kalatongke Mining**"), obtained the recognition that its business is within the catalogue of encouraged industries from the Committee of Economics and information of Xinjiang Uygur Autonomous Region in previous years. Kalatongke Mining continued to calculate and pay corporate income tax using the preferential 15% for the year 2025 (2024: 15%).

(e) Huaou Mining, the subsidiary of the Company, calculated and paid corporate income tax at 25% for the year 2025 (2024: 25%).

The reconciliation from income tax calculated using the applicable tax rates based on the total profit presented in the consolidated income statement to the income tax expenses is listed below:

	Year ended 31 December	
	2025	2024
	RMB'000	*RMB'000*
Consolidated total profit	**237,576**	211,102
Income tax expenses calculated at the statutory income tax rate	**35,636**	31,665
Effect of tax deductions	**(8,560)**	(4,923)
Income not subject to tax	**(585)**	2,936
Costs, expenses and losses not deductible for tax purposes	**1,421**	1,216
Deductible losses for which no deferred tax assets were recognised in the current period	**26,029**	3,307
Utilisation of deductible losses not recognised as deferred tax assets in prior years	**–**	–
Effect of additional deductions for research and development expenses	**(1,222)**	–
Effect of prior income tax reconciliation	**14,994**	7,107
Income tax expenses	**67,713**	41,308

7 EARNINGS PER SHARE

	Year ended 31 December	
	2025	2024
Consolidated net profit attributable to holders of ordinary shares of the Company *(RMB'000)*	**194,083**	183,799
Weighted average number of ordinary shares in issue of the Company *(in thousands)*	**2,210,000**	2,210,000
Basic and diluted earnings per share *(RMB)*	**0.09**	0.08

Diluted earnings per share is equal to basic earnings per share as there was no dilutive potential share in issue for all years presented.

8 PROPOSED FINAL DIVIDENDS

The Board proposed payment of a final dividend of RMB0.05 (2024: RMB0.05 per share) per share by the Company for the Reporting Year and such proposal will be subject to the approval by the shareholders of the Company at the 2025 annual general meeting of the Company ("**AGM**").

	Year ended 31 December	
	2025	2024
	RMB'000	*RMB'000*
Proposed final dividend	**110,500**	110,500

9 ACCOUNTS RECEIVABLE

	As at 31 December	
	2025	2024
	RMB'000	*RMB'000*
Accounts receivable *(Note (a), (b))*	**300,244**	430,417
Less: provision for bad debts *(Note (c))*	**(4,045)**	(4,109)
	296,199	426,308

Notes:

(a) The ageing of accounts receivable is analysed as follows:

	As at 31 December	
	2025	2024
	RMB'000	*RMB'000*
Within one year	**296,064**	426,544
One to two years	**457**	13
Two to three years	**13**	150
Three to four years	**–**	–
Four to five years	**–**	249
Over five years	**3,710**	3,461
	300,244	430,417

Note: The above is an aging analysis based on the recognition date of accounts receivable.

(b) The Group conducted sales transactions mainly through cash on credit sales, and credit terms not exceeding 180 days were granted.

(c) The movements of provision for bad debts of accounts receivable are as follows:

	2025	2024
	RMB'000	*RMB'000*
As at 1 January	**4,109**	6,878
Provision for bad debts	**73**	(2,245)
Reversal of provision for bad debts	**(137)**	(524)
As at 31 December	**4,045**	4,109

The provision and reversal thereof for bad debts of accounts receivable have been included in "credit impairment (reversal)/loss" in the consolidated income statement.

(d) As at 31 December 2025 and 31 December 2024, there were no accounts receivable pledged as collaterals to bank for borrowings.

10 FINANCING RECEIVABLES

	As at 31 December	
	2025	2024
	RMB'000	*RMB'000*
Bank acceptance notes	**78,593**	59,408

The Group endorses most of its bank acceptance notes according to their daily cash management needs. Therefore, the bank acceptance notes are classified as financial assets measured at fair value and their changes in value are recognised in other comprehensive income and presented as financing receivables.

The Group considers that the bank acceptance notes held have similar credit risk characteristics, therefore there are no bank acceptance notes for which provision for impairment is made on an individual basis. In addition, there is no significant credit risk associated with the bank acceptance notes and no significant loss is expected to be incurred due to bank defaults.

As at 31 December 2025, the Group had no pledged bank acceptance notes receivable listed in financing receivables (31 December 2024: Nil).

As at 31 December 2025, the bank acceptance notes of the Group that had been endorsed or discounted but had not yet matured are as follows:

	Derecognised	Not derecognised
	RMB'000	*RMB'000*
Bank acceptance notes	**577,518**	–

11 NOTES PAYABLE

	As at 31 December	
	2025	2024
	RMB'000	*RMB'000*
Bank acceptance notes	**336,003**	143,488

12 ACCOUNTS PAYABLE

	As at 31 December	
	2025	2024
	RMB'000	*RMB'000*
Payable for purchase of materials	**274,054**	291,923
Payable for purchase of services	**188,649**	100,693
Payable for transportation fees	**11,015**	7,764
Others	**14,373**	1,537
	488,091	401,917

(a) As at 31 December 2025, accounts payable over one year with a carrying amount of RMB60,216 thousand (31 December 2024: RMB67,477 thousand) were mainly payables for the purchase of materials. The payment has not been finally settled yet.

(b) The ageing of accounts payable is analysed as follows:

	As at 31 December	
	2025	2024
	RMB'000	*RMB'000*
Within 1 year	**427,875**	334,440
1 to 2 years	**35,417**	37,726
2 to 3 years	**12,194**	16,531
Over 3 years	**12,605**	13,220
	488,091	401,917

Note: The above is an aging analysis based on the recognition date of accounts receivable.

13 LONG-TERM PAYABLES

	As at 31 December	
	2025	2024
	RMB'000	*RMB'000*
Mineral resources royalties *(a)*	**295,682**	331,077
Cash stock appreciate right payable	**–**	–
Grant projects for water/electricity/heat (gas) supply and property management maintenance and renovation	**3,615**	3,615
One company, one policy emission reduction subsidy fund project	**21**	–
Less: Long-term payables due within one year	**(49,232)**	(35,793)
	250,086	298,899

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

As at 31 December 2025, the Group's unpaid mineral resources royalties in the two copper-nickel mines in Hami Huangshan East and Huangshan with a present value of RMB295,682 thousand will be paid to the Department of Natural Resources of Xinjiang Uygur Autonomous Region in installments over a period of 10 years. The Group has included the present value of the mineral resource royalties in the original value of the intangible asset, mining rights.

14 PROVISIONS

	As at 31 December 2024 *RMB'000*	Current year increase *(i)* *RMB'000*	Current year decrease *RMB'000*	**As at 31 December 2025** ***RMB'000***
Provision for mine closure and environmental restoration	148,136	6,713	–	**154,849**

(i) A provision for mine closure and environmental restoration is recognised for the costs to be incurred for the closedown of mine shafts and tailings dam of Kalatongke Mining, Xinjiang Yakesi, Hami Jubao, and Huaou Mining, which has been determined by the management based on their past experience and best estimate of future environmental restoration costs by discounting the expected future expenditures to their net present value. As the effect of the current mining activities on land and the environment becomes more apparent in the following years, this provision may be subject to revision accordingly in the future. The relevant amounts of mine closure and environmental restoration costs will be reviewed and updated annually as appropriate.

The Group has formulated a mine geo-environmental protection and land reclamation plan for the relevant mines in accordance with the "Measures for the Administration of the Xinjiang Uygur Autonomous Region Mine Geological Environment Governance and Restoration Fund" issued in January 2022 by the Department of Natural Resources of Xinjiang Uygur Autonomous Region. According to the mine geo-environmental protection and land reclamation plan and the relevant provisions of the Accounting Standard for Business Enterprises, the mine geo-environmental restoration and treatment costs were recognised as the abandonment cost, included in the accounting cost of relevant assets, amortised in accordance with the output ratio and other methods within the expected mining life, and included in the production cost.

15 NET CURRENT ASSETS

	As at 31 December	
	2025	2024
	RMB'000	*RMB'000*
Current assets	**2,299,344**	2,296,227
Less: Current liabilities	**(2,213,209)**	(1,574,509)
Net current assets	**86,135**	721,718

16 TOTAL ASSETS LESS CURRENT LIABILITIES

	As at 31 December	
	2025	2024
	RMB'000	*RMB'000*
Total assets	**10,423,233**	9,644,157
Less: Current liabilities	**(2,213,209)**	(1,574,509)
Total assets less current liabilities	**8,210,024**	8,069,648

17 EXPLANATION OF OTHER MATTERS

The Group completed the equity acquisition of Huaou Mining in June 2025. This transaction constituted a business combination under common control. The Group restated its 2024 consolidated financial statements in accordance with the CAS.

MARKET OVERVIEW

In 2025, the average three-month future price of nickel cathode quoted on the London Metal Exchange was US$15,362 per tonne, representing a decrease of approximately 9.9% as compared to that in 2024, and the average three-month future price of copper cathode was US$9,967 per tonne, representing an increase of approximately 7.6% as compared to that in 2024.

In 2025, the average settlement price (tax inclusive) of nickel cathode quoted on the Shanghai Futures Exchange was RMB122,443 per tonne, representing a decrease of approximately 7.3% as compared to that in 2024; the average spot price (tax inclusive) of nickel cathode and copper cathode quoted on Shanghai Yangtze River Non-ferrous Metals Spot Market were RMB124,004 per tonne and RMB81,047 per tonne, representing a decrease of approximately 7.0% and an increase of approximately 7.9% as compared to those in 2024, respectively.

The domestic price trends of nickel cathode and copper cathode were basically in line with the international market in 2025.

INDUSTRY POSITION

The Group is a mining company principally engaged in the mining, ore processing, smelting and refining of nickel cathode products and other non-ferrous metals (namely, copper, cobalt, gold, silver, platinum and palladium). According to the statistics of the website of Metal China (https://www.metalchina.com/), the domestic nickel output in 2025 was approximately 380,000 tonnes, basically remaining at the same level with that in 2024. The Group produced 13,007 tonnes of nickel cathode in 2025, making it the second largest domestic manufacturer of nickel cathode produced with nickel sulfide resources in China.

BUSINESS REVIEW

Production and Operation

For the year of 2025, facing the cost pressure brought by the price fluctuations of externally procured raw materials, and in accordance with the requirements of the State and local governments regarding enhancing production safety and improvement on environmental protection indicators, the Group adopted a multi-pronged approach to ensure the steady operation of the enterprise. The Group continued to increase investment in the upgrade of production safety facilities, environmental protection facilities and major production processes, strengthened the guidance of party building and internal fundamental management, optimized the internal operation structure and the technical and economic indicators of production processes, strictly controlled non-production expenditures, and ensured the achievement of production capacity and compliance with production standards. In the meantime, the Group continued the sales model of pricing sales by combining spot and futures prices, in order to realize the sales of the Group's major products at a relatively higher market price and effectively enhance the economic efficiency of the enterprise.

For the year of 2025, the Group recorded a total nickel cathode output of 13,007 tonnes, representing an increase of approximately 26.6% as compared to that in 2024, and a total copper cathode output of 9,007 tonnes, representing an increase of approximately 2.4% as compared to that in 2024.

For the year of 2025, the Group recorded total nickel cathode sales of 12,585 tonnes, representing an increase of approximately 25.9% as compared to 9,998 tonnes in 2024, and total copper cathode sales of 9,612 tonnes, representing an increase of approximately 7.5% as compared to 8,939 tonnes in 2024.

For the year of 2025, the Group recorded an average selling price (tax exclusive, including gains and losses from changes in fair value) of nickel cathode of approximately RMB112,964 per tonne, representing a decrease of approximately 3.9% as compared to RMB117,604 in 2024, and the average selling price (tax exclusive) of copper cathode of approximately RMB71,505 per tonne, representing an increase of approximately 6.2% as compared to RMB67,326 in 2024.

For the year of 2025, the Group recorded an average cost of sales of nickel cathode of approximately RMB81,181 per tonne, representing a decrease of approximately 0.4% as compared to RMB81,539 in 2024, and the average cost of sales of copper cathode of approximately RMB65,171 per tonne, representing an increase of approximately 5.4% as compared to RMB61,857 in 2024.

In 2025, Huaou Mining remained in the infrastructure construction phase, and fluorite concentrate had not yet been formally produced or sold.

For the year of 2025, the Group achieved revenue of approximately RMB2,561.3 million, representing an increase of approximately 11.7% as compared to that in 2024; the Group realized a net profit of approximately RMB169.9 million, which was stable compared with the net profit for the year 2024 of approximately RMB169.8 million; a comprehensive profit attributable to shareholders of the Company amounted to approximately RMB194.1 million, as compared to a comprehensive profit attributable to shareholders of the Company of approximately RMB183.8 million in 2024; earnings per share (basic and diluted) of approximately RMB0.09, as compared to earnings per share (basic and diluted) of approximately RMB0.08 in 2024.

Progress of Technological Renovation and Capacity Expansion Projects and Infrastructure Projects

For the year of 2025, the technological renovation and capacity expansion projects carried out by the Group mainly included (i) the enhancement of the daily mining capacity to 3,400 tonnes, daily ore processing capacity to 3,000 tonnes and annual production capacity of water hardening and nickel matte to 8,000 tonnes, as well as mine infrastructure construction, workshop technological renovation, environmental protection transformation, energy recovery and related automation transformation projects of Kalatongke Mining, (ii) the enhancement of the auxiliary facilities to improve the refining capacities of nickel cathode and copper cathode, as well as the construction of projects such as safety and environmental protection standard upgrade transformation, electrolysis system optimization transformation, energy-saving and automation transformation of Fukang Refinery, (iii) the construction of projects such as mining technological renovation, excavation, backfilling plant and external water supply pipeline of Xinjiang Yakesi, and (iv) the construction of the mining, ore processing and mining area infrastructure projects of Huaou Mining. The major technological renovation and capacity expansion projects of the Group proceeded smoothly as a whole in 2025 and the work progress requirements were completed as scheduled during the year. The investment on each major technological renovation and capacity expansion project is as follows:

For the year of 2025, a total of approximately RMB131.4 million was invested in Kalatongke Mining for the further enhancement of the daily mining capacity to 3,400 tonnes, daily ore processing capacity to 3,000 tonnes, annual production capacity of water hardening and nickel matte to 8,000 tonnes of nickel metal, as well as the construction of mine infrastructure, workshop technological renovation, energy recovery and related automation transformation projects.

For the year of 2025, a total of approximately RMB166.8 million was invested in Fukang Refinery in relation to the further enhancement of the auxiliary facilities to improve the refining capacities of nickel cathode and copper cathode, as well as the construction of projects such as safety and environmental protection standard upgrade transformation, electrolysis system optimization transformation, energy-saving and automation transformation.

For the year of 2025, a total of approximately RMB66.1 million was invested in Xinjiang Yakesi in relation to the construction of projects such as mining technological renovation, excavation, backfilling plant and external water supply pipeline.

For the year of 2025, a total of approximately RMB754.2 million was invested in the construction of the mining, ore processing and mining area infrastructure projects carried out by Huaou Mining.

Safety and Environmental Protection

The Group adheres to the safety and environmental protection work policies of "Safety First, Precaution Foremost, and Comprehensive Treatment" and "Equal Emphasis on both Resource Exploitation and Environmental Protection", follows to the concept of "putting people first and life first", uphold the thinking of safety as the "red line" and environmental protection as the "bottom line", and earnestly carries out the Group's production safety and environmental protection work. In 2025, the Group achieved its target of production safety. The environmental protection work was conducted in strict compliance with the relevant national laws and regulations.

SIGNIFICANT INVESTMENTS, ACQUISITION AND DISPOSAL

On 14 February 2025, Xinjiang Non-ferrous Metal Industry (Group) Ltd. ("**Xinjiang Non-ferrous**"), the Company, and Huaou Mining entered into the Equity Transfer Agreement pursuant to which Xinjiang Non-ferrous conditionally agreed to transfer, and the Company conditionally agreed to acquire, the 51% equity interest in the Huaou Mining, at the Consideration of approximately RMB1,098.08 million in accordance with the terms and conditions of the Equity Transfer Agreement. The above transaction was completed on 12 June 2025, and Huaou Mining has become a non-wholly owned subsidiary of the Company. Its financial statements have been consolidated and included in the Company's financial statements.

For further details of the aforesaid transaction, please refer to the announcements (the "**Announcements**") published by the Company on 14 February 2025, 19 March 2025 and 12 June 2025, and the circular (the "**Circular**") published by the Company on 24 March 2025. Unless the context otherwise requires, the terms used in this announcement shall have the same meanings as those defined in such Announcements and the Circular.

Except as disclosed above, the Company had no other significant investments, acquisitions, or disposals during the Reporting Year, and there is no other plans for material investments or capital assets acquisition as at 31 December 2025 and the date of this announcement.

FINANCIAL REVIEW

Operating Results

In 2025, the revenue of the Group amounted to approximately RMB2,561.3 million, representing an increase of approximately 11.7% as compared to approximately RMB2,292.4 million in 2024; the comprehensive net profit of the Group amounted to approximately RMB169.9 million, basically flat with the comprehensive net profit of RMB169.8 million in 2024; the comprehensive net profit attributable to the shareholders of the Company amounted to approximately RMB194.1 million, representing an increase of approximately 5.6% as compared to the comprehensive net profit attributable to the shareholders of the Company amounting to approximately RMB183.8 million in 2024. The increase in the annual operation results in 2025 as compared to that in 2024 was primarily due to: (i) the sales volume of nickel cathode increased from 9,998 tonnes in 2024 to 12,585 tonnes in 2025, representing an increase of approximately 25.9%; (ii) the sales volume of copper cathode increased from 8,939 tonnes in 2024 to approximately 9,612 tonnes in 2025, representing an increase of approximately 7.5%; the average selling price of copper cathode increased from RMB67,326 per tonne in 2024 to approximately RMB71,505 per tonne in 2025, representing an increase of approximately 6.2%; (iii) the increase in sales volume and selling prices of other products in 2025, of which, (a) the sales volume of precious metal materials in 2025 was approximately 1,770 tonnes, representing an increase of approximately 218.9% from 555 tonnes in 2024. The average selling price of precious metal materials in 2025 was approximately RMB103,161 per tonne, up approximately 33.7% from approximately RMB77,181 per ton in 2024; (b) the sales volume of electrolytic cobalt in 2025 was approximately 241 tonnes, with an average selling price of approximately RMB299,792 per tonne, whereas no electrolytic cobalt was sold in 2024; and (c) the sales volume of sulfuric acid in 2025 was approximately 224,939 tonnes, representing an increase of approximately 9.4% from 205,647 tonnes in 2024. The average selling price of sulfuric acid in 2025 was approximately RMB338 per tonne, increased approximately 72.4% from approximately RMB196 per tonne in 2024; and (iv) the Group made an asset impairment provision of approximately RMB70.8 million in 2025, which partially offset the gains.

REVENUE AND GROSS PROFIT OF THE PRINCIPAL BUSINESSES

The following table illustrates the details of sales by products of the Group for the years ended 31 December 2025 and 31 December 2024, respectively:

Product Name	For the year ended 31 December 2025 Sales volume *Tonnes*	Amount *RMB'000*	% to Revenue from principal operation	For the year ended 31 December 2024 Sales volume *Tonnes*	Amount *RMB'000*	% to Revenue from principal operation	Growth Rate in Amount +/(–)
Nickel cathode	**12,585**	**1,336,394**	**52.7%**	9,998	1,161,909	51.4%	15.0%
Copper cathode	**9,612**	**687,316**	**27.1%**	8,939	601,838	26.7%	14.2%
Copper concentrate	**7,336**	**136,884**	**5.4%**	10,001	136,578	6.0%	0.2%
Other products		**372,857**	**14.7%**		359,456	15.9%	3.7%
Of which:							
Electrolytic cobalt	**241**	**72,205**	**2.9%**	–	–	–	–
Precious metal materials	**1,770**	**182,594**	**7.2%**	555	42,866	1.9%	326%
Copper leaching tailings	**–**	**–**	**–**	6,578	222,359	9.8%	(100%)
Total revenue from principal operation		**2,533,451**	**100.0%**		2,259,781	100.0%	12.1%
Gains or losses on changes in fair value		**88,956**	**–**		17,407	–	–
Cost of sales from principal operation		**(1,894,095)**	**74.8%**		(1,712,548)	75.8%	10.6%
Gross profit/ Gross profit margin*		**728,312**	**27.8%**		564,640	24.8%	29.0%

* *Gross profit = (total revenue of principal operation ± gains or losses on changes in fair value - cost of sales from principal operation)/(total revenue of principal operation ± gains or losses on changes in fair value)*

In 2025, the revenue of nickel cathode of the Group (including gains or losses on changes in fair value of approximately RMB85.2 million) amounted to approximately RMB1,421.6 million, representing an increase of approximately 20.9% as compared to RMB1,175.8 million in 2024, which was mainly attributable to the increase in the production and sales volume of nickel cathode. The Group's average selling price of nickel cathode in 2025 amounted to approximately RMB112,964 per tonne (tax exclusive, including gains and losses from changes in fair value), representing a decrease of approximately 3.9% as compared to approximately RMB117,604 per tonne (tax exclusive, including gains and losses from changes in fair value) in 2024. In 2025, the Group's sales volume of nickel cathode was 12,585 tonnes, representing an increase of approximately 25.9% as compared to 9,998 tonnes in 2024.

In 2025, the revenue of copper cathode of the Group amounted to approximately RMB687.3 million, representing an increase of approximately 14.2% as compared to RMB601.8 million in 2024, which was mainly due to the increase in the sales volume and price of copper cathode. The Group's average selling price of copper cathode in 2025 was approximately RMB71,505 per tonne (tax exclusive), representing an increase of approximately 6.2% as compared to approximately RMB67,326 per tonne (tax exclusive) in 2024. The Group's sales volume of copper cathode in 2025 was 9,612 tonnes, representing an increase of approximately 7.5% as compared to 8,939 tonnes in 2024.

In 2025, the revenue of copper concentrate of the Group (tax exclusive and including gains and losses from changes in fair value of approximately RMB3.7 million) was approximately RMB140.6 million, basically flat with RMB140.1 million in 2024. The Group's average selling price of copper concentrate in 2024 was approximately RMB19,170 per tonne (tax exclusive, including gains and losses from changes in fair value), representing an increase of approximately 36.8% as compared to approximately RMB14,011 per tonne (tax exclusive, including gains and losses from changes in fair value) in 2024. The Group's sales volume of copper concentrate in 2025 was approximately 7,336 tonnes, representing a decrease of approximately 26.6% as compared to 10,001 tonnes in 2024.

In 2025, the revenue of other products of the Group amounted to approximately RMB372.9 million, representing an increase of approximately 3.7% from RMB359.5 million in 2024, which was mainly attributable to (i) the revenue from the sales of precious metal materials amounting to approximately RMB182.6 million in 2025, representing an increase of approximately RMB139.7 million from RMB42.9 million in 2024; (ii) in 2025, revenue from the sale of electrolytic cobalt amounted to approximately RMB72.2 million, whereas no electrolytic cobalt was sold in 2024; (iii) the revenue from the sales of sulfuric acid amounted to approximately RMB76.1 million in 2025, representing an increase of approximately RMB35.8 million from RMB40.3 million in 2024; and (iv) no copper leach residue was sold in 2025, resulting in a decrease of approximately RMB222.4 million in revenue from this source compared to 2024.

In 2025, the gross profit from the Group's principal business amounted to approximately RMB728.3 million, representing an increase of approximately RMB163.7 million as compared to approximately RMB564.6 million in 2024. The gross profit margin of the principal business was approximately 27.8% in 2025, representing an increase of approximately 3 percentage points as compared to approximately 24.8% in 2024, which was mainly due to the increase in sales volume and selling prices of precious metal materials, electrolytic cobalt, and sulfuric acid within other products.

SELLING EXPENSES

In 2025, selling expenses incurred by the Group increased by approximately 9.8% to approximately RMB19.3 million, as compared to approximately RMB17.6 million in 2024, which was mainly due to the increase in the sales of the Group's major products, leading to the increase in the transportation fees that were incurred for the sales of products to the regions outside of Xinjiang were increased in the Reporting Year.

GENERAL AND ADMINISTRATIVE EXPENSES

In 2025, the general and administrative expenses incurred by the Group increased by approximately 14.6% to approximately RMB234.7 million, as compared to approximately RMB204.9 million in 2024, which was mainly due to the increase in employee compensation and depreciation and amortization expenses.

FINANCE EXPENSES – NET

In 2025, net finance expenses incurred by the Group amounted to approximately RMB51.1 million, representing an increase in finance expenses of RMB16.6 million as compared to net finance expenses of RMB34.5 million in 2024, which was mainly due to the Group's completion of the equity acquisition of Huaou Mining in June 2025, which led to additional interest expenses arising from bank borrowings, as well as the inclusion of additional finance expenses of Huaou Mining upon the consolidation of its financial statements into the Group's financial statements. The Group's finance expenses increased by approximately RMB16.6 million as a result of the above factors.

FINANCIAL ASSETS HELD FOR TRADING

In 2025, the Group's financial assets held for trading amounted to approximately RMB38.2 million, representing an increase of approximately RMB37.8 million from approximately RMB0.4 million in 2024, which was mainly due to the increase in fair value changes arising from the pricing process for sales of electrolytic nickel and copper concentrate mine, driven by fluctuations in international commodity prices such as nickel and copper.

NET LOSS FROM ASSET IMPAIRMENT

Net loss from asset impairment for the Reporting Year was approximately RMB70.8 million (2024: RMB58.5 million), which included impairment losses of intangible assets amounting to approximately RMB75.7 million.

FINANCIAL POSITION

At the end of 2025, shareholders' equity decreased from approximately RMB7,220.8 million at the beginning of the Reporting Year (restated, comprising the initial investment cost of approximately RMB885.6 million in respect of the 51% equity interests in Huaou Mining held by Xinjiang Non-ferrous and minority shareholders' equity of approximately RMB759.6 million in Huaou Mining as at the end of 2024) to approximately RMB6,179.5 million, primarily due to (i) the equity acquisition of Huaou Mining being a business combination under common control, and the Group having paid the consideration for the equity acquisition of Huaou Mining in 2025, resulting in a corresponding deduction of RMB1,098.1 million from capital reserve; (ii) a cash distribution of the final dividend for the year of 2024 of approximately RMB110.5 million and a profit of approximately RMB194.1 million for the year of 2025, leading to an increase of approximately RMB83.6 million in retained profits for the year of 2025. Total assets increased by approximately 8.0% from approximately RMB9,644.2 million in 2024 to approximately RMB10,423.2 million in 2025.

In 2025, the net cash inflow generated from the Group's operating activities amounted to approximately RMB557.9 million, representing an increase of approximately RMB379.5 million, as compared to the net cash inflow of approximately RMB178.4 million in 2024. The net cash outflow used in investing activities was approximately RMB824.3 million, which was mainly attributable to the acquisition of fixed assets and equity acquisition of Huaou Mining. The net cash inflow used in financing activities amounted to approximately RMB103.6 million, of which the cash inflow from financing activities was mainly attributable to loans from banks and connected parties received by the Group of approximately RMB2,432.1 million, and the cash outflow from financing activities was mainly attributable to the Group's repayment of loans from banks and connected parties and interest of approximately RMB1,058.4 million and cash distribution of the final dividend for the year of 2024 amounting to RMB110.5 million.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2025, the Group had total cash and cash equivalents amounting to approximately RMB419.6 million (2024: RMB582.4 million), and the total borrowings of the Group amounted to approximately RMB2,110.6 million (2024: RMB763.7 million). As such, the net debts of the Group (total borrowings less cash and cash equivalents) amounted to approximately RMB1,691.0 million (2024: RMB181.3 million) and the gearing ratio (net debts divided by total capital*) was approximately 23.71% (2024: 2.73%). The increase in the gearing ratio compared to the year of 2024 was primarily due to the acquisition of equity interests in Huaou Mining and the construction of mining, mineral processing and infrastructure projects of Huaou Mining, which led to an increase in borrowings from banks and related parties.

	As at 31 December	
	2025	2024
Current ratio *(times)*	**1.0**	1.5
Gearing ratio *(net debts/total capital*)*	**23.71%**	2.73%

* *Total Capital: net debts + total equity*

COMMODITY PRICE RISK

The prices of the Group's products are affected by international and domestic market prices and changes in the global supply and demand for such products. Price volatility of non-ferrous metals is also affected by the global and PRC economic cycles as well as the fluctuations of the global currency markets. Both the international and domestic market prices of non-ferrous metals as well as their supply and demand changes are beyond the control of the Company. Therefore, the volatility of commodity prices may materially affect the turnover and the comprehensive income of the Group.

FOREIGN EXCHANGE RATE FLUCTUATIONS RISK

The Company's businesses are solely conducted in RMB. The fluctuations of exchange rates may affect the prices of the international and domestic non-ferrous products, and thus affecting the operating results of the Group. The volatility of the RMB exchange rate has intensified in recent years due to uncertainties in the global economic cycle, the trading environment and the monetary policies of certain major countries. Fluctuations in exchange rates may have an adverse effect on the Group's conversion or exchange of net assets, earnings and any declared dividends into Hong Kong dollars.

ENVIRONMENTAL RISK

The Chinese economy has shifted from a fast-growing period to a high-quality development phase where emphasis is placed on the optimisation of economic structure and transformation of development patterns. The government's environmental supervision will increase the volatility of output of enterprises to some extent. The Group will continue to strengthen the upgrade of its major production processes to cater for the optimisation of domestic economic structure, focus on key areas, innovate governance models, promote the transformation of safety production governance towards pre-prevention, achieve coordinated and healthy development of environmental protection and production and operation, changes in development patterns and the requirements of the State and local government for enhancing production safety and improvement of environmental protection standard.

INTEREST RATE RISK

The Group's interest rate risk mainly arises from bank loans. Bank deposits and loans at floating rate expose the Group to cash flow interest rate risk, while fixed rate interest-bearing financial liabilities of the Group are subject to the risk of the fair value of interest. The Group adjusts the relative proportion of contracts at fixed rate and contracts at floating rate based on the prevailing market situation. As of 31 December 2025, the Group's interest-bearing debts were mainly borrowings denominated in RMB, of which, floating rate borrowings amounted to approximately RMB1,673.6 million (2024: RMB763.7 million) and the Group had no interest rate swap arrangement.

CHARGE ON ASSETS

The Group did not have any charges or pledges over its assets as at 31 December 2025.

MAJOR LITIGATION OR ARBITRATION

The Group does not have any major litigation or arbitration as at the date of this announcement.

CONTINGENT LIABILITIES

The Company and the joint venture partner provided guarantees for the bank loans by Hami Hexin Mining Industry Co., Ltd. ("**Hexin Mining**"), of which the Company provided a corporate guarantee for Hexin Mining in the amount of RMB25.0 million (2024: RMB25.0 million). Such corporate guarantees remained in force as at 31 December 2025. Save as disclosed above, the Group did not have any other material contingent liabilities as at 31 December 2025.

CAPITAL COMMITMENTS

Capital expenditures contracted for but not yet necessary to be recognised

	As at 31 December	
	2025	2024
	RMB'000	*RMB'000*
Buildings, machinery, mining structure and equipment	**51,260**	225,268

EVENTS AFTER THE BALANCE SHEET DATE

To implement the local government's deployment arrangements for the mineral right consolidation of Huangshandong, realize the centralized development and efficient operation of mineral resources as well as the optimization of equity structure and business management, pursuant to the resolution of the Board dated 4 March 2026, the Group conducted an internal consolidation of its subsidiaries, namely Xinjiang Yakesi, Hami Jubao and Xinjiang Zhongxin Mining Industry Co., Ltd. ("**Zhongxin Mining**"). The Company acquired the 0.486% equity interest in Xinjiang Yakesi held by Hami Jubao. Upon completion of the equity acquisition, Xinjiang Yakesi absorbed and merged with Hami Jubao and Zhongxin Mining. As of the date of this announcement, the absorption merger has not yet been completed.

In accordance with the resolution of the Board on 27 March 2026, the Board proposed the Company to distribute a dividend of approximately RMB110.5 million to all shareholders, which is pending the consideration and approval at the Company's AGM and has not been recognised as a liability in the financial statements.

Except as disclosed above, the Group had no other subsequent events requiring disclosure or adjustment.

OTHER SIGNIFICANT EVENTS

On 25 September 2025, the proposal to carry out the relevant work of issuing A shares and listing on a stock exchange in the PRC was considered and approved by the Board. The Company has appointed and entered into a tutoring agreement with Shenwan Hongyuan Financing Services Co., Ltd. (申萬宏源承銷保薦有限責任公司) as the Company's pre-listing tutoring institution for the purpose of the Company's Proposed Issuance of A Shares in October 2025, and obtained approval from the Xinjiang Regulatory Bureau of the CSRC for the registration of pre-listing tutoring regarding the Proposed Issuance of A Shares. As at the date of this announcement, the Company has not yet applied to any relevant regulatory authority in China for approval of the proposed issuance of A shares.

For further details in relation to the above matters, please refer to the announcements published by the Company on 25 September 2025 and 17 October 2025. Unless the context otherwise requires, the terms used in this announcement shall have the same meanings as those defined in such announcements.

OUTLOOK

Operating Environment

For the year of 2026, uncertainties that have an impact on global economic development still persist, and the global economy is experiencing insufficient growth momentum. Meanwhile, China is undergoing a transitional phase towards high-quality development, placing greater emphasis on deepening reform and opening up, technological innovation, and optimising industrial structure, and yet it is expected to maintain a relatively stable growth (the Chinese government forecasts China's GDP growth rate to be approximately 4.5%-5% in 2026). In this regard, the Group expects the consumption volume of nickel cathode and copper cathode in the domestic non-ferrous metal market will increase in 2026. As fluorite concentrate is a widely used rare non-metallic material, its market demand is expected to remain stable.

For the year of 2026, the Group will strengthen its management, enhance the Group's overall management level and operational efficiency, explore its internal potential, ensure the balanced operation, stabilised production and over-production for the full process of mining, ore processing, smelting and refining of the Group, and maintain stability in the production level of major products.

Operational Objectives

For the year of 2026, the Group plans to produce 13,000 tonnes of nickel cathode, representing an increase of approximately 7.8% as compared with the planned production of nickel cathode in 2025, plans to produce 9,762 tonnes of copper cathode for the year 2026, which was the same as the planned production of copper cathode in 2025. Huaou Mining plans to complete the construction of mining, ore processing, and mining area infrastructure upon the completion of the aforementioned work by July 2026, and commence official production. It plans to produce approximately 122,804 tonnes of fluorite concentrate in 2026.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor its subsidiaries purchased, sold or redeemed any of the Company's listed shares during the Reporting Year (including sale of treasury shares).

There were no treasury shares held by the Company as at 31 December 2025 and the date of this announcement.

CORPORATE GOVERNANCE

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

The Board has adopted the Corporate Governance Code (the "**CG Code**") as set out in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"). The Company has fully complied with all the code provisions under the CG Code during the period from 1 January 2025 to 31 December 2025.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") in Appendix C3 to the Listing Rules as its own code of conduct for securities transactions by the directors of the Company (the "**Directors**"). Having made specific enquiries to all the Directors, the Company confirms that all the Directors have complied with the required standards as set out in the Model Code for the Reporting Year.

AUDIT COMMITTEE

The audit committee of the Company (the "**Audit Committee**") comprises one non-executive Director, Mr. Hu Chengye, and two independent non-executive Directors, Mr. Hu Benyuan and Mr. Lee Tao Wai. Mr. Hu Benyuan serves as the chairman of the Audit Committee. The Board believes that members of the Audit Committee have sufficient knowledge and expertise in accounting and financial management to enable them to perform their duties.

The Audit Committee holds meetings on a regular basis and convened three meetings during the Reporting Year. The average attendance rate was approximately 100%. The 2024 final results announcement and annual report, the 2025 annual audit plan and the 2025 interim results announcement and interim report of the Company were reviewed at the meetings of the Audit Committee. The Audit Committee has also reviewed the final results for the Reporting Year.

PUBLICATION OF THE RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This results announcement is published on the Company's website at kunlun.wsfg.hk and the website of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). The annual report of the Company will also be available at the Company's and the Stock Exchange's websites in mid to late April 2026.

DIVIDEND

At the meeting of the Board held on 27 March 2026, the Board proposed that payment of final dividend of RMB0.05 per share for the Reporting Year be made by the Company, which is subject to the approval of the Company's shareholders at the AGM.

For the distribution of dividends, dividends payable to the holders of domestic shares of the Company will be paid in Renminbi ("**RMB**"), while dividends payable to the holders of H-shares of the Company ("**H Shares**") will be declared in RMB but paid in Hong Kong dollars. The relevant exchange rate between Hong Kong dollars and RMB shall be the average exchange rate between RMB and Hong Kong dollars as announced by the People's Bank of China five business days preceding the date when the AGM of the Company is held.

Pursuant to the PRC Individual Income Tax Law (《中華人民共和國個人所得稅法》), the Implementation Regulations of the PRC Individual Income Tax Law (《中華人民共和國個人所得稅法實施條例》), the Administrative Measures of the State Administration of Taxation on Tax Convention Treatment for Non-resident Taxpayers (No. 35 of the Announcement of the State Administration of Taxation for 2019) (《國家稅務總局非居民納稅人享受協定待遇管理辦法》) (國家稅務總局公告2019年第35號), the Notice of the State Administration of Taxation on the Questions Concerning the Levy and Administration of Individual Income Tax After the Repeal of Guo Shui Fa [1993] No. 045 (Guo Shui Han [2011] No. 348) (《國家稅務總局關於國稅發[1993]045號文件廢止後有關個人所得稅徵管問題的通知》(國稅函[2011]348號)), other relevant laws and regulations and other regulatory documents, the Company shall, as a withholding agent, withhold and pay individual income tax for the individual holders of H Shares in respect of the dividend to be distributed to them. However, the individual holders of H Shares may be entitled to certain tax preferential treatments pursuant to the tax treaties between the PRC and the countries (regions) in which the individual holders of H Shares are domiciled and the tax arrangements between Mainland China and Hong Kong or Macau. For individual holders of H Shares in general, the Company will withhold and pay individual income tax at the rate of 10% on behalf of the individual holders of H Shares in the distribution of the dividend. However, the tax rates applicable to overseas individual holders of H Shares may vary depending on the tax treaties between the PRC and the countries (regions) in which the individual holders of H Shares are domiciled, and the Company will withhold and pay individual income tax on behalf of the individual holders of H Shares in the distribution of the dividend accordingly.

For non-resident enterprise holders of H Shares, i.e., any shareholders of the Company who hold the shares in the name of non-individual shareholders, including but not limited to HKSCC Nominee Limited, other nominees, trustees, or holders of H Shares registered in the name of other groups or organisations, the Company will withhold and pay the enterprise income tax at the tax rate of 10% for such holders of H Shares pursuant to the Notice of the State Administration of Taxation on the Issues Concerning Withholding the Enterprises Income Tax on the Dividends Paid by Chinese Resident Enterprises to H Share Holders Who Are Overseas Non-resident Enterprises (Guo Shui Han [2008] No. 897)《(國家稅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稅有關問題的通知》(國稅函[2008]897號)).

Should the holders of H Shares have any doubt in relation to the aforesaid arrangements, they are recommended to consult their tax advisors for relevant tax impact in the PRC, Hong Kong and other countries (regions) on the possession and disposal of H Shares.

The Company assumes no responsibility and disclaims all liabilities whatsoever in relation to the tax status or tax treatment of the holders of H Shares and for any claims arising from any delay in or inaccurate determination of the tax status or tax treatment of the holders of H Shares or any disputes over the withholding mechanism or arrangements.

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

Xinjiang, the PRC, 27 March 2026

As at the date of this announcement, the executive Director is Mr. Li Jiangping; the non-executive Directors are Mr. Chen Yin, Mr. Zhou Chuanyou, Mr. Wang Lijian and Mr. Hu Chengye; the employee representative director is Ms. Zhang Li; and the independent non-executive Directors are Mr. Hu Benyuan, Mr. Huang Yong and Mr. Lee Tao Wai.

* *For identification purposes only*