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中國大冶有色金屬礦業有限公司

China Daye Non-Ferrous Metals Mining Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 00661)

**ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 DECEMBER 2025**

The board (the “**Board**”) of directors (the “**Directors**”) of China Daye Non-Ferrous Metals Mining Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) announces the audited consolidated annual results of the Group for the year ended 31 December 2025 (the “**year**”) prepared in accordance with HKFRS Accounting Standards as follows (together with the comparative figures for the corresponding period of the previous year):

HIGHLIGHTS

	2025	2024
	RMB'000	RMB'000
Revenue	66,050,939	57,852,731
Gross profit	1,281,123	1,620,132
Profit for the year	5,370	9,596
Profit for the year attributable to owners of the Company	53,548	40,197
Basic earnings per share	<u>RMB0.30 fen</u>	<u>RMB0.22 fen</u>

During the year, revenue increased by approximately 14.17% to approximately RMB66,050,939,000 compared with approximately RMB57,852,731,000 in the same period of 2024. Gross profit decreased by approximately 20.92% to approximately RMB1,281,123,000, compared with approximately RMB1,620,132,000 in the same period of 2024. Profit for the year decreased by approximately 44.04% to approximately RMB5,370,000 compared with the profit of approximately RMB9,596,000 in the same period of 2024.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

	NOTES	2025 RMB'000	2024 RMB'000
Revenue	3	66,050,939	57,852,731
Cost of sales		<u>(64,769,816)</u>	<u>(56,232,599)</u>
Gross profit		1,281,123	1,620,132
Other income	5	61,046	62,796
Selling expenses		(44,803)	(26,784)
Administrative expenses		(740,421)	(861,878)
Other operating expenses		(98,435)	(132,332)
Impairment losses recognised			
under expected credit loss model, net	6	(3,681)	(1,725)
Other gains and losses	7	43,969	(98,594)
Finance costs	8	(463,280)	(509,780)
Share of loss of an associate		(848)	(1,570)
Profit before tax		34,670	50,265
Income tax expenses	9	(29,300)	(40,669)
Profit and total comprehensive income for the year	10	<u>5,370</u>	<u>9,596</u>
Profit/(loss) and total comprehensive income/(expense) attributable to:			
Owners of the Company		53,548	40,197
Non-controlling interests		(48,178)	(30,601)
		<u>5,370</u>	<u>9,596</u>
Earnings per share			
Basic and diluted	12	<u>RMB0.30 fen</u>	<u>RMB0.22 fen</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	<i>NOTES</i>	2025 RMB'000	2024 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment		8,241,643	8,790,387
Right-of-use assets		846,338	855,593
Exploration and evaluation assets		9,669	5,280
Intangible assets		533,817	533,803
Interest in an associate		7,233	8,081
Deferred tax asset		134,758	157,765
Other deposits		76,651	75,196
		9,850,109	10,426,105
CURRENT ASSETS			
Inventories		15,646,995	12,215,866
Trade and bills receivables	<i>13</i>	35,830	85,587
Other deposits		1,162,155	531,260
Prepayments and other receivables		476,058	1,013,953
Derivative financial instruments		110,160	63,551
Restricted bank deposits		4,189	3,219
Cash, deposits and bank balances		1,917,761	1,532,031
		19,353,148	15,445,467
CURRENT LIABILITIES			
Trade payables	<i>14</i>	5,684,461	2,456,859
Other payables and accrued expenses		1,293,410	1,481,762
Contract liabilities		120,451	218,834
Bank and other borrowings		6,822,104	8,130,983
Lease liabilities		15,425	5,779
Derivative financial instruments		316,534	20,211
Early retirement obligations		7,900	10,650
Current income tax liabilities		1,761	2,864
		14,262,046	12,327,942
NET CURRENT ASSETS		5,091,102	3,117,525
TOTAL ASSETS LESS CURRENT LIABILITIES		14,941,211	13,543,630

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
NON-CURRENT LIABILITIES		
Other payables	364,391	375,039
Bank and other borrowings	8,235,386	6,899,371
Lease liabilities	125,246	117,980
Promissory note	1,265,360	1,223,012
Provision for mine rehabilitation, restoration and dismantling	129,227	99,901
Deferred income	113,084	115,413
Early retirement obligations	17,750	26,400
	<u>10,250,444</u>	<u>8,857,116</u>
NET ASSETS	<u>4,690,767</u>	<u>4,686,514</u>
CAPITAL AND RESERVES		
Share capital	727,893	727,893
Share premium and reserves	2,409,266	2,355,718
	<u>3,137,159</u>	<u>3,083,611</u>
Equity attributable to owners of the Company	3,137,159	3,083,611
Non-controlling interests	1,553,608	1,602,903
	<u>4,690,767</u>	<u>4,686,514</u>
TOTAL EQUITY	<u>4,690,767</u>	<u>4,686,514</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

1 GENERAL INFORMATION

China Daye Non-Ferrous Metals Mining Limited (the “**Company**”) was incorporated in Bermuda as an exempted company with limited liability and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The addresses of the registered office and principal place of business of the Company is Room 910-C, 9/F Tower 1, Cheung Sha Wan Plaza, 833 Cheung Sha Wan Road, Cheung Sha Wan, Kowloon, Hong Kong.

The Company is principally engaged in investment holding. The Company’s subsidiaries are principally engaged in mining and processing of mineral ores and selling/trading of metal products.

Prior to 20 October 2025, the Company’s immediate holding company was China Times Development Limited (“**China Times**”), which is incorporated in the British Virgin Islands. On 20 October 2025, China Times transferred all of its equity interests in the Company to Daye Nonferrous Metals Group Holding Co., Ltd. (“**DNMG**”), a state-owned enterprise established in the People’s Republic of China (the “**PRC**”). Thereafter, DNMG has become the Company’s immediate holding company. China Nonferrous Metal Mining (Group) Co., Ltd., a state-owned enterprise established in the PRC, remains as the ultimate holding company.

The consolidated financial statements of the Company and its subsidiaries (together the “**Group**”) are presented in Renminbi (“**RMB**”), which is also the functional currency of the Company.

As at 31 December 2025, the Company and its subsidiaries (the “**Group**”) had cash, deposits and bank balances, current portion of bank and other borrowings of approximately RMB1,917,761,000 and RMB6,822,104,000 respectively. Taking into account (i) the expected future cash flows of the Group, (ii) the unutilised bank facilities of RMB27,782,935,000 and (iii) bank borrowings of RMB1,560,072,000 raised after 31 December 2025 and due after 31 December 2026, the directors of the Company are of the view that the Group will have sufficient working capital to finance its normal operations for the twelve months from the end of the reporting period. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

2 APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

Amendments to an HKFRS Accounting Standard that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to an HKFRS Accounting Standard as issued by the Hong Kong Institute of Certified Public Accountants for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 January 2025 for the preparation of the consolidated financial statements:

Amendments to HKAS 21	Lack of Exchangeability
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The application of the amendments to an HKFRS Accounting Standard in the current year has had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

New and amendments to HKFRS Accounting Standards in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRS Accounting Standards that have been issued but are not yet effective:

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments ²
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity ²
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards — Volume 11 ²
Amendments to HKAS 21	Translation to a Hyperinflationary Presentation Currency ³
HKFRS 18	Presentation and Disclosure in Financial Statements ³

1 Effective for annual periods beginning on or after a date to be determined.

2 Effective for annual periods beginning on or after 1 January 2026.

3 Effective for annual periods beginning on or after 1 January 2027.

Except for the new and amendments to HKFRS Accounting Standards mentioned below, the directors of the Company anticipate that the application of all other amendments to HKFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

HKFRS 18 “Presentation and Disclosure in Financial Statements”(“HKFRS 18”)

HKFRS 18 sets out requirements on presentation and disclosures in financial statements and will replace HKAS 1 “Presentation of Financial Statements” (“HKAS 1”). This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors” (the title of which will be changed to Basis of Preparation of Financial Statements upon effective of HKFRS 18) and HKFRS 7. Minor amendments to HKAS 7 “Statement of Cash Flows” and HKAS 33 “Earnings per Share” are also made.

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. HKFRS 18 requires retrospective application with specific transition provisions. The application of the new standard is expected to affect the presentation of the consolidated statement of profit or loss and other comprehensive income and disclosures in the future consolidated financial statements. The Group does not plan to early adopt HKFRS 18 and is still in the process of assessing the impact of the adoption.

3 REVENUE

An analysis of the Group’s revenue for the year is as follows:

	2025 <i>RMB’000</i>	2024 <i>RMB’000</i>
Disaggregation of revenue from contracts with customers		
Sales of goods	66,025,093	57,817,161
Rendering of services	25,846	35,570
	<u>66,050,939</u>	<u>57,852,731</u>
Timing of revenue recognition		
At a point in time	66,025,093	57,817,161
Over time	25,846	35,570
	<u>66,050,939</u>	<u>57,852,731</u>

4 SEGMENT INFORMATION

Information reported to the chief executive officer of the Company, being the chief operating decision maker (“CODM”), for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services provided. The CODM of the Company reviews revenue by respective products and services and the consolidated financial statements of the Group prepared in accordance with HKFRS Accounting Standards as a whole. No further discrete financial information is available. Accordingly, no operating segments information is presented other than entity-wide disclosures.

The following is an analysis of the Group’s revenue by major product and service categories:

	2025 <i>RMB’000</i>	2024 <i>RMB’000</i>
Sales of goods:		
Copper cathodes	44,951,200	40,143,775
Other copper products	6,464,861	6,792,738
Gold and other gold products	7,451,038	5,791,719
Silver and other silver products	5,330,183	4,198,732
Sulphuric acid and sulphuric concentrate	1,262,897	358,782
Iron ores	196,841	155,565
Copper sulphate	135,899	122,881
Others	232,174	252,969
	<u>66,025,093</u>	<u>57,817,161</u>
Rendering of services:		
Copper processing	3	8,342
Inspection service	16,698	15,343
Others	9,145	11,885
	<u>25,846</u>	<u>35,570</u>
Total revenue	<u><u>66,050,939</u></u>	<u><u>57,852,731</u></u>

Geographical information

All the Group’s non-current assets (excluding other deposits and deferred tax assets) as at 31 December 2025 and 2024 are located in Mainland China, based on geographical location of the assets or the location of operation.

The Group’s revenue from external customers by location of customers are detailed below:

	2025 <i>RMB’000</i>	2024 <i>RMB’000</i>
Mainland China	58,340,056	57,047,896
Hong Kong	6,801,459	437,622
Others	909,424	367,213
	<u><u>66,050,939</u></u>	<u><u>57,852,731</u></u>

Information about major customers

Revenue from customers of the corresponding year contributing over 10% of the total revenue of the Group are as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Company A	<u>12,392,855</u>	<u>14,112,903</u>

5 OTHER INCOME

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Interest income from banks	6,128	6,951
Interest income from Nonferrous Mining Group Finance Co., Ltd ("Finance Company")	10,965	9,126
Government grants (<i>note</i>)	23,028	24,553
Deferred income recognised	16,078	15,613
Others	4,847	6,553
	<u>61,046</u>	<u>62,796</u>

Note: The government grants for 2025 mainly represented incentive fund for foreign trade and unemployment insurance benefits, and those for 2024 mainly represented subsidies for environmental restoration and incentive fund for foreign trade of which the relevant expenses had been previously charged to profit or loss. There were no conditions and other contingencies attached to the receipts of these subsidies.

6 IMPAIRMENT LOSSES RECOGNISED UNDER EXPECTED CREDIT LOSS MODEL, NET

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Net impairment losses recognised/(reversed) on:		
Trade receivables	3,684	987
Other receivables	(3)	738
	<u>3,681</u>	<u>1,725</u>

7 OTHER GAINS AND LOSSES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Gain/(loss) on disposal of property, plant and equipment	19,403	(473)
Gain on disposal of right-of-use assets	1,914	–
Write-off of property, plant and equipment (<i>note</i>)	(116,202)	(132,615)
Exchange gains, net	134,758	30,263
Reversal of write-off of trade receivables	–	1,299
Write-off of trade payables	4,096	2,932
	<u>43,969</u>	<u>(98,594)</u>

Note: The write-off of property, plant and equipment in 2025 and 2024 mainly represents the loss arising from rectification and upgrade of certain mining sites and smelters.

8 FINANCE COSTS

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Interest on bank and other borrowings	370,663	418,347
Interest on loans from Daye Nonferrous Metals Group Holdings Company and its subsidiaries	31,773	35,583
Interest on loans from Finance Company	8,836	4,198
Interest on lease liabilities	6,653	6,236
Interest on promissory note	42,348	42,464
Unwind interest of provision for mine rehabilitation, restoration and dismantling	2,687	2,212
Unwind interest of early retirement obligations	320	740
	<u>463,280</u>	<u>509,780</u>

9 INCOME TAX EXPENSES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
PRC Enterprise Income Tax		
– Current year	2,100	9,322
– Underprovision in prior years	1,905	355
	<u>4,005</u>	9,677
PRC withholding tax	2,288	–
Deferred tax	23,007	30,992
	<u>29,300</u>	<u>40,669</u>

Under the Law of the PRC on Enterprise Income Tax (the “**EIT Law**”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both years.

During the year ended 31 December 2025, one (2024: two) of the PRC subsidiaries of the Group is recognised as high new technology enterprises and entitled to a preferential tax rate of 15% and one (2024: nil) of the PRC subsidiaries of the Group is engaged in business in the “Encouraged Industries in the Western Region” and entitled to a preferential tax rate of 15%.

According to the relevant laws regulations in the PRC, entities that qualified as small and low profit enterprise are entitled to a preferential income tax rate of 5% (for taxable income less than RMB3,000,000). During the year ended 31 December 2025, one (2024: one) of the PRC subsidiaries is qualified as small and low profit enterprise and entitled to the preferential income tax rate.

No provision for Hong Kong Profits Tax has been made as the Group’s income neither arises in, nor is derived from, Hong Kong for both years.

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

Withholding tax is calculated at 10% of the dividend income received from a subsidiary in the PRC during the year ended 31 December 2025.

Under the PRC Income Tax Law and its relevant regulations 100% additional tax deduction is allowed for qualified research and development costs.

10 PROFIT FOR THE YEAR

Profit for the year has been arrived at after charging:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Depreciation of property, plant and equipment (<i>note (i)</i>)	690,781	798,682
Depreciation of right-of-use assets (<i>note (i)</i>)	41,467	34,184
Amortisation of intangible assets (<i>note (i)</i>)	75,828	70,983
	<hr/>	<hr/>
Total depreciation and amortisation	808,076	903,849
Capitalised in inventories	(734,706)	(820,597)
	<hr/>	<hr/>
	73,370	83,252
	<hr/>	<hr/>
Employee benefit expense (including directors' remuneration) (<i>note (ii)</i>):		
Salaries, wages and welfare	892,987	856,949
Retirement benefits scheme contributions	103,500	128,959
	<hr/>	<hr/>
Total staff costs	996,487	985,908
Capitalised in inventories	(755,652)	(742,447)
	<hr/>	<hr/>
	240,835	243,461
	<hr/>	<hr/>
Cost of sales comprise:		
Cost of inventories recognised as an expense (<i>notes (iii) and (iv)</i>)	64,758,715	56,213,856
Direct operating expense arising from services provided	11,101	18,743
	<hr/>	<hr/>
	64,769,816	56,232,599
	<hr/>	<hr/>
Auditors' remuneration	2,382	2,188
Research and development costs (<i>note (iv)</i>)	215,543	187,224
	<hr/> <hr/>	<hr/> <hr/>

Notes:

- (i) During the year ended 31 December 2025, due to temporary shutdown of a mining site and smelter, depreciation of property, plant and equipment of approximately RMB3,655,000 (2024: RMB43,504,000) and depreciation of right-of-use assets and amortisation of intangible assets of totalling approximately RMB2,116,000 (2024: RMB4,231,000) were classified as other operating expenses in the consolidated statement of profit or loss and other comprehensive income.
- (ii) During the year ended 31 December 2025, due to a temporary shutdown of a mining site and smelter, employee benefits expense in relation to production of approximately RMB4,749,000 (2024: RMB19,967,000) was classified as other operating expenses in the consolidated statement of profit or loss and other comprehensive income.
- (iii) During the year ended 31 December 2025, write-down of RMB57,670,000 and reversal of write-down of RMB23,630,000 of inventories (2024: write-down of RMB4,485,000) and reversal of write-down of RMB6,492,000) of inventories have been recognised and included in cost of sales. The reversal of write-down of inventories was the result of subsequent use of written-down raw materials in the production process and subsequent sales of written-down finished goods.
- (iv) Research and development costs and cost of inventories recognised as an expense included approximately RMB804,465,000 (2024: RMB783,830,000) in total relating to staff costs which are included in employee benefits expense disclosed separately above.

11 DIVIDEND

No dividend was paid or proposed for shareholders of the Company during the year ended 31 December 2025, nor has any dividend been proposed since the end of the reporting period (2024: nil).

12 EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the owners of the Company is based on the following data:

Earnings

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Profit for the year attributable to owners of the Company for the purpose of basic and diluted earnings per share	<u>53,548</u>	<u>40,197</u>

Number of shares

	2025 <i>'000</i>	2024 <i>'000</i>
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share	<u>17,895,580</u>	<u>17,895,580</u>

The computation of diluted earnings per share for both years does not include the impact of any potential ordinary shares to be allotted for settlement of the promissory note issued as the number of shares to be issued is not fixed and to be determined by reference to the market price of the Company's shares quoted on the Stock Exchange.

13 TRADE AND BILLS RECEIVABLES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Trade receivables	79,493	126,637
Less: Allowance for credit losses	<u>(44,365)</u>	<u>(42,382)</u>
	<u>35,128</u>	<u>84,255</u>
Bills receivables	<u>702</u>	<u>1,332</u>
Total trade and bills receivables	<u>35,830</u>	<u>85,587</u>

The majority of sales are made under contractual arrangements whereby a significant portion of transaction price is received before delivery or promptly after delivery. Bills receivables were matured within 1 year.

The following is an ageing analysis of trade and bills receivables, net of allowance for credit losses, presented based on the date of delivery of goods which approximated the respective dates on which revenue was recognised, net of allowance for credit losses.

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Within 1 year	22,579	66,286
More than 1 year, but less than 2 years	13,250	1,245
More than 2 years	1	18,056
	<u>35,830</u>	<u>85,587</u>

14 TRADE PAYABLES

The following is an ageing analysis of trade payables, presented based on the invoice date at the end of the reporting period:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Within 1 year	5,633,225	2,440,717
More than 1 year, but less than 2 years	49,024	12,958
More than 2 years, but less than 3 years	782	1,215
Over 3 years	1,430	1,969
	<u>5,684,461</u>	<u>2,456,859</u>

The average credit period on purchases of goods is ranging from 60 days to 180 days. The Group has financial risk management policies in place to ensure that all payables are settled within the credit timeframe.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

During the year, revenue increased by approximately 14.17% to approximately RMB66,050,939,000 compared with approximately RMB57,852,731,000 in the same period of 2024. Gross profit decreased by approximately 20.92% to approximately RMB1,281,123,000, compared with approximately RMB1,620,132,000 in the same period of 2024. Profit for the year decreased by approximately 44.04% to approximately RMB5,370,000 compared with the profit of approximately RMB9,596,000 in the same period of 2024.

In 2025, the Group produced a total of approximately 18,800 tonnes of mined copper, an increase of approximately 3.54% over the same period last year; approximately 719,000 tonnes of copper cathode, an increase of approximately 2.18% over the same period last year; approximately 655.95 tonnes of precious metals (including approximately 9.28 tonnes of gold, approximately 612.28 tonnes of silver, approximately 8 kg of platinum, approximately 110 kg of palladium and approximately 34.27 tonnes of tellurium), a decrease of approximately 5.26% over the same period last year; approximately 2,721,500 tonnes of chemical products such as sulphuric acid (including approximately 2,711,400 tonnes of sulphuric acid, approximately 120.53 tonnes of nickel sulphate, approximately 9,718.39 tonnes of copper sulfate and approximately 210.62 tonnes of crude selenium), an increase of approximately 31.83% over the same period last year; approximately 245,800 tonnes of iron concentrate, an increase of approximately 31.24% over the same period last year; and approximately 39.6 tonnes of molybdenum concentrate, a decrease of approximately 9.34% over the same period last year.

In 2025, in the face of the severe condition of persistently low treatment charges for imported copper concentrate, the Company steadfastly pursued its core objectives of “loss management and getting out of the red, reserve expansion and production growth, and creating value”. By uniting efforts, striving diligently, tackling problems through reform, forging new paths through innovation, and strengthening momentum with a resolute determination to overcome challenges, it ultimately delivered a remarkably commendable annual performance. The Company’s efforts in loss management and getting out of the red have been fully recognized.

- **Initial results were achieved in reserve expansion and production growth.** With unwavering focus on output targets, the mine delivered 18,800 tonnes of copper, 718,400 tonnes of mined blister copper, 719,000 tonnes of copper concentrate, 2.71 million tonnes of sulfuric acid, 9,284 kilograms of gold, 612.28 tonnes of silver, with production of blister copper, copper concentrate, sulfuric acid, gold and silver exceeding planned targets. The production exploration at self-own mines was advanced, achieving 29,500 metres of exploration drilling footage and adding 730,000 tonnes of copper ores, which was 183% of the annual plan. Implementation of the deep exploration at the northern edge of Fengshan Copper Mine and the exploration of the periphery of Sareke Copper Mine resulted in 7.13 million tonnes of new copper ores and 41,000 tonnes of copper metal. The mining license for the merger and expansion of the northern section of Sareke Copper Mine was obtained.

- **Technology empowered the accelerated advancement of new materials.** Focusing on the research and development of new copper materials and high-purity metal materials, a 100,000-level clean laboratory was established, the electrolytic production process for high-purity gold and silver was successfully implemented, and the 5N-grade gold and silver products were successfully prepared. The development strategy for the “three rare metals” industries, i.e. rare earth metals, rare metals and scattered metals, was implemented, with breakthroughs in the key technologies for the preparation of 3N-grade selenium products. The 3N-grade selenium production line was successfully launched, filling the Company’s gap in high-end selenium products. A pilot test for rhodium metal recovery was completed, laying the technical foundation for industrialization.
- **The deepening reform and enhancement action was successfully completed.** Focusing on three key areas, i.e. optimizing industrial layout, improving asset structure and refining market-oriented operational mechanisms, we implemented upgrades and reforms to the smelting system, promoted intelligent construction of mines and the three-year action of science & technology and safety & environmental protection. These efforts continuously enhanced our capabilities in intelligent, green and integrated development. Furthermore, we refined our corporate governance system, deepened the implementation of a new operational accountability system, and consistently improved business quality, thereby strengthening core functions and enhancing core competitiveness.
- **The digital and intelligent integration was advanced significantly.** Focusing on establishing a flagship smart factory, we propelled the development of the “lights-out factory” of Yangxin Hongsheng, deepening the application of unmanned scenarios and the digital integration of process equipment. This enhanced intelligent perception, decision-making and control across multiple scenarios, processes and stages, resulting in successful inclusion in the national lists for green data centers and green computing facilities. Solid progress was made in intelligent mine construction and the three-year action of science & technology and safety & environmental protection. 24 projects were completed, including the establishment of the integrated management platform of Tongshankou Mine and the functional iteration of Fengshan Copper Mine integrated mining and processing management platform.

Over the past year, the Company has steadfastly pursued progress while maintaining stability and achieved success amidst adversity. We have moved forward steadily through trials and hardships, and achieved breakthroughs through overcoming challenges. Our primary efforts were made in the following areas:

A. FOCUSING ON VALUE CREATION TO REDUCE COSTS, TAP POTENTIAL AND ENHANCE OPERATIONAL EFFICIENCY

We firmly upheld the principle of “all costs are controllable”. Through multiple measures such as market benchmarking, technological upgrades and special diagnostics, we drove continuous cost reductions across all production units, steadily enhancing our core competitiveness. The mining sector focused on boosting production efficiency by optimizing mining processes, resulting in a 2% reduction in variable costs per tonne. Tonglvshan Mine and Fengshan Copper Mine became the key pillars supporting the Company’s operational profitability. The smelting sector intensified process control, with key technical and economic indicators undergoing continuous optimization. The copper smelting recovery rates of smelter and Yangxin Hongsheng increased by 0.31% and 0.18% respectively compared to the previous year, driving concurrent reductions in variable costs for copper cathode, sulfuric acid and anode mud. The marketing division closely monitored market demand dynamics, seizing the timing and pricing initiative of sulfuric acid. Its dynamic pricing strategy substantially boosted profits from sulfuric acid sales. The procurement division fully leveraged the advantages of its centralized procurement platform, intensifying market sourcing efforts for engineering, equipment and bulk materials. By deepening centralized procurement bidding and negotiation mechanisms, it effectively transformed short-term efficiency gains into long-term operational resilience for the Company.

B. STRENGTHENING THE FOUNDATION OF SAFETY AND ENVIRONMENTAL PROTECTION, AND BUILDING A SOLID OPERATIONAL BASE THROUGH LEAN MANAGEMENT

A robust safety supervision and management mechanism was established, with 308 occupational safety supervisors appointed. Safety and environmental risk management was strengthened, resulting in zero general or higher-level production safety incidents or sudden environmental incidents occurring throughout the year. The intrinsic level of safety and environmental protection continued to improve. Yangxin Hongsheng was rated as a Grade A enterprise in the performance grading system for severe pollution weather. Units including Fengshan Copper Mine passed clean production audits, with key indicators such as major pollutant emissions showing steady declines. No environmental administrative penalties were incurred. An investment of RMB490 million was made to implement large-scale equipment upgrades, effectively enhancing operational efficiency and reducing energy consumption levels. Power factor optimization and capacity demand management were enhanced to deepen energy-efficient operation. The Company’s carbon dioxide emissions and comprehensive energy consumption decreased by 14.11% and 14.04% respectively compared to the previous year. A three-tier quality inspection risk management mechanism was established to steadily enhance product quality, enabling the copper cathode of Yangxin Hongsheng to successfully obtain LME (London Metal Exchange) certification and registration. Efforts to strengthen the integration of compliance risk and internal control systems were sustained, with monthly tracking and quarterly reporting of key risk indicators and monitoring status, ensuring effective prevention and control of all types of risks.

C. STRENGTHENING TECHNOLOGY EMPOWERMENT TO LAY A SOLID FOUNDATION FOR DEVELOPMENT THROUGH TECHNOLOGICAL BREAKTHROUGHS

Breakthroughs in key core technologies were achieved, with Yangxin Hongsheng's copper content of tailings in slag selection reducing by 29.3% in the average grade in tailings. This resulted in an additional recovery of 1,056 tonnes of metallic copper, delivering dual improvements in resource utilization and economic benefits. Efforts were made to vigorously advance the refined and safe exploitation of low-grade and residual ore resources. Tonglvshan Mine recovered 178,400 tonnes of remaining bottom column ore above -485m and 1,362 tonnes of copper. Sareke Copper Mine recovered 19,668 tonnes of ore from peach-shaped columns and 242 tonnes of copper. We led and participated in the formulation of nearly 20 national and industry standards, with two standards led by the Company receiving second and third prizes respectively at the National Non-ferrous Metals Technical Standards Excellence Awards (全國有色金屬技術標準優秀獎). Two core achievements, i.e. "Innovation and Application of Intelligent Blowing Green Copper Metallurgy Key Technologies for High-Oxygen, High-Grade Top-Blown Smelting" (高富氧高品位頂吹熔煉－智能吹煉綠色銅冶金關鍵技術創新及應用) and "Innovation and Demonstration of Green and Intelligent Mining Technology for Paste Filling in Large Panel Area of Complex Ore Bodies" (複雜礦體大盤區膏體充填綠智化開採技術創新與示範), were both appraised by China Non-Ferrous Metals Industry Association (中國有色金屬工業協會) as reaching internationally leading levels, receiving the first and second prizes respectively of the "2025 China Non-ferrous Metals Industry Science and Technology Progress Awards" (二零二五年度中國有色金屬工業科技進步獎).

D. FOCUSING EFFORTS ON REFORM TO ENHANCE EFFICIENCY, AND UNLEASHING ENDOGENOUS DRIVING FORCE THROUGH OPTIMIZED MECHANISMS

We comprehensively advanced human resources optimization, introducing five mid-to-high-level talents through market-based recruitment, hiring 92 undergraduates in core majors, and adding 43 skilled personnel. Contractual management was implemented for deputy section-level and above management, alongside differentiated performance assessments, with floating wages for managers at all levels accounting for 63.35% and income differences reaching 1.93 times.

Over the past year, we faced unprecedented challenges, yet achieved results exceeding expectations. From production lines to intelligent control centers, from market frontlines to support operation, all senior executives demonstrated their commitments through diligent action and honored their pledges through relentless effort, collectively harnessing the formidable momentum that propelled the Company forward under pressure.

While acknowledging our achievements, we remain acutely aware that the Company's production, operation and reform efforts still face numerous pressing difficulties and issues requiring urgent resolution. Firstly, the foundations of safety and environmental protection remain unstable. Historical unresolved issues have yet to be fully addressed, and 6S on-site management requires further reinforcement. Secondly, core profit-generating capabilities exhibit significant shortcomings. Corporate profitability remains weak, with the smelting segment enduring sustained pressure and significant losses; recovery rates for certain rare and precious metals lag behind industry-leading levels, leaving room for efficiency gains. Thirdly, resilience against industry cyclical fluctuations and market risks requires enhancement. Self-owned mineral resources provide severely inadequate security, making it difficult to offset external price volatility through capacity expansion; procurement channels for copper concentrate must be further diversified. Fourthly, momentum for industrial upgrading remains inadequate. Breakthroughs in key core technologies are insufficient, while efforts to extend into high-end downstream applications are relatively weak, failing to demonstrate a leading and supportive role in enhancing industrial quality and upgrading. We must acknowledge these issues and confront these contradictions head-on, implementing pragmatic measures to resolve them in our future work.

OPERATING OBJECTIVES AND STRATEGIES IN 2026

The production volume targets of the Group for 2026 include producing 19,000 tonnes of mined coppers, 713,000 tonnes of copper cathode, 7.3 tonnes of gold, 617.7 tonnes of silver, 2,067,000 tonnes of sulphuric acid, 245,000 tonnes of iron concentrate, 7.1 kg of platinum, 84.4 kg of palladium, 154 tonnes of nickel sulfate (containing metal), 190.2 tonnes of crude selenium, 36.2 tonnes of tellurium, 13,030 tonnes of copper sulfate and 51 tonnes of molybdenum concentrate.

WORK PLAN AND MAIN TASKS FOR 2026

The **general guideline** for the Company's operational reform and development in 2026 is as follows: fully implement the requirements of the work plan, prioritize "stabilizing operations, safeguarding funds, reducing costs and controlling risks", balance development with security, concentrate efforts on fundamentally reversing losses, and focus precisely on "consolidating, deepening, tackling challenges and achieving breakthroughs" through coordinated advancement, striving to realize the Company's high-quality development.

- Consolidating all achievements in the 2025 loss-control campaign, continuously strengthening the cost control of the whole process, safeguarding the fundamental gains in cost reduction and efficiency enhancement, and ensuring that previously attained results are neither diminished nor compromised, but further enhanced.
- Deepening the development of the lean management system, deepening three institutional reforms, strengthening coordination across the industrial chain, and promoting management standards and operational efficiency to new heights.
- Focusing on the recovery of rare and precious metals and the value enhancement of by-products, prioritizing the efficient utilization of mineral resources such as copper, sulfur and molybdenum, concentrating on the research and development of high-end products and market expansion, and ensuring supply chain security and value chain profitability.
- Breaking through the path dependence and shaking off the shackles of inertia. Focusing on open-source profit enhancement and quality-efficiency improvements as core objectives, we shall strive for breakthroughs at the profit inflection point to ensure overall profitability; pursue breakthroughs in core technologies to overcome key bottlenecks in high-end copper product R&D; and seek breakthroughs in mechanism innovation by fully implementing a market-oriented assessment system driven by targets to stimulate the enterprise's intrinsic motivation.

Specifically, the following five key tasks must be prioritized in 2026:

A. FOCUSING ON SAFETY AND ENVIRONMENTAL PROTECTION TO LAY SOLID FOUNDATIONS, AND FULLY SAFEGUARDING THE BOTTOM LINE AND RED LINES OF DEVELOPMENT

Strengthening targeted risk prevention and control. We will resolutely uphold the baseline of safety and environmental compliance, completing on schedule the renewal of various safety production permits and related prerequisite procedures for Tonglvshan Mine, Fengshan Copper Mine, Tongshankou Mine, Sareke Copper Mine and the smelter. We will rigorously enforce safety and environmental protection regulations for construction projects, thoroughly conduct surveys of hidden hazard factors, and complete drilling verification and filling management of gobs. We will strictly implement permit systems for hot work, confined space operation and similar activities, promoting measures of “full video surveillance, comprehensive protective measures and complete physical isolation” alongside safety confirmation procedures. This approach prevents and mitigates various safety and environmental risks at source, **achieving a shift from “post-incident response” to “pre-incident prevention”**.

Deepening systematic rectification efforts. We will intensify the three-year action to address the root causes of safety production, focusing on key sectors such as mines, tailings ponds and hazardous chemical processing in smelting operation. We will implement special rectification across the entire chain, with all preventive measures fully enforced to eliminate existing hazards and dynamically curb emerging risks. We will accelerate the resolution of historical major risk hazards. We will conduct comprehensive and meticulous inspections of fire safety, civil explosives and special equipment management. We will deepen efforts to tackle soil, groundwater and air/water pollution, fortifying a comprehensive safety and environmental protection barrier. **This marks a shift from “partial control” to “systemic prevention and control”**. Sareke Copper Mine must thoroughly prepare for this year’s central ecological and environmental protection inspection in Xinjiang.

Enhancing intrinsic safety levels. Aligned with the requirements of the national Guidelines for Intelligent Mine Construction (2025 Edition) (《**礦山智能化建設指南(二零二五年版)**》), we will accelerate the development of intelligent mines, fully completing 111 key construction tasks. We will optimize and upgrade the Company’s safety and environmental information platform, enhancing functional modules such as hazard searching and recording, online closed-loop rectification and online approval for hazardous operation, thereby establishing a comprehensive prevention and control system. We will persistently advance large-scale equipment renewal and green low-carbon transformation, enhancing pollutant compliance management and resource recycling capabilities. Driven by digital intelligence and green initiatives, **we will transition safety and environmental management from “manual supervision” to “digital intelligence empowerment”**.

B. FOCUSING ON LOSS MANAGEMENT, OVERCOMING DIFFICULTIES AND STABILIZING OPERATION, AND MAKING EVERY EFFORT TO WIN THE PROACTIVE BATTLE TO TURN LOSSES INTO PROFITS

Deepening the exploration of production potential. The mining sector shall focus on stable and high-yield production alongside value-added by-products as core drivers, ensuring stepwise growth in copper output. Key efforts will center on breakthroughs in copper-sulfur mixed beneficiation and comprehensive sulfur resource recovery technologies at Fengshan Copper Mine and Tongshankou Mine. We will continue to promote projects such as “safe and efficient recovery of residual resources from difficult-to-mine deposits” (礦山難採殘礦資源安全高效回採) and “comprehensive recovery of copper processing and associated valuable resources from mines” (礦山選銅及共伴生有價資源綜合回收), aiming to enhance resource recovery rates and deliver tangible results. **Tonglvshan Mine:** it is needed to enhance the efficiency and proportion of medium-to-deep hole mining areas below the middle portion of -545m; prioritize optimizing production organization and layout of the middle portion between -545m and -605m; refine ore transportation routes; transfer infrastructure waste rock to the mixed shaft for hoisting and gob filling; and increase daily ore hoisting capacity via the main shaft. **Fengshan Copper Mine:** it is needed to implement the mining technology plan, maintain a balanced reserve of three grades of ore, enhance coordinated operation between underground mining, tunnelling and filling, optimize mining methods and production organization in large panel area, strengthen recovery of low-grade ore, improve beneficiation processes, precisely adjust reagents, stabilize gold, silver and molybdenum recovery rates, and pursue comprehensive recovery and utilization of multiple valuable metals, aiming for production commencement in March. **Tongshankou Mine:** it is needed to accelerate production tunnelling, prioritizing breakthroughs in -220m at the northern edge, southeast ore body and -280m panel area mining approval projects, ensure seamless pit connections, striving to establish 4-5 ready-to-mine pits per month, with medium-deep hole drilling footage reaching 109,000 meters, optimize integrated ore blending between “open-pit + underground” operation to stabilize feed grades, consolidate mineral recovery rates, and maximize recovery potential for molybdenum and sulfur by-products. **Sareke Copper Mine:** it is needed to optimize production organization to accelerate drilling of panel areas No. 1-5 in ore body No.1 at the 2,715-2,685m level, establishing reserve mining capacity while ensuring balanced underground extraction, supply and filling. Strictly adhere to mining designs and operational procedures, strengthening comprehensive management of drilling, blasting and ore extraction processes alongside dilution of loss control to enhance ore supply grade, intensify exploration at peripheral and deep sections to redefine ore body boundaries, identify blind minor deposits, and bolster reserve reserves.

Enhancing operational quality and efficiency. The smelting sector will focus on marginal profits, implementing “profit-driven flexible production” to capitalize on high sulfuric acid prices and rising premiums in copper exports. This strengthens market responsiveness and profit generation capabilities, with both smelters striving for inclusion in the list of Standardized Conditions for the Copper Smelting Industry (《銅冶煉行業規範條件》). Yangxin Hongsheng: it is needed to flexibly adjust production strategies to leverage the low-cost, high-recovery advantages of high-load operation in the fire system, strengthen equipment operation and maintenance to ensure efficient dual-furnace operation, achieving full sulfuric acid production and autonomous treatment of anode scrap, optimize raw material composition and inventory management, increasing processing of complex copper concentrates and sulfuric concentrates to realize profit substitution through raw material structure optimization, actively pursue processing trade qualifications to mitigate profit losses from domestic and foreign market price inversions; continuously advance copper reduction technology for tailings to maintain copper content consistently below regulatory thresholds. **Smelting:** it is needed to organize flexible production within the fire system to mitigate the negative marginal impact of imported ore treatment charges, ensure stable feedstock supply and equipment operation of the fire system through coordinated production, supply and sales efforts, leverage the converter’s advantages in low-cost cold material processing and adaptability to complex raw materials by increasing procurement of anode plates, copper granules and imported cold copper feedstock to maximize the value of profitable raw materials. Building upon 300,000 tons of full-load electrolysis production, we shall procure additional anode plates in response to market conditions, restore the legacy electrolytic system in due time, and expand processing trade exports. This approach will maximize both the utilization rate and profitability of our electrolytic production capacity. **Rare and Precious Branch:** Adhering to the guiding principle of “pursuing excellence without compromise”, we shall intensify technological upgrades to enhance gold and silver recovery rates. We will actively develop downstream markets for high-purity gold and silver, striving to secure trial orders from clients. Our objective is to achieve large-scale sales of 3N selenium products.

Rigid cost reduction. Mining units shall deepen the approach of “benchmarking against industry-leading or internal best practices, identifying gaps in management, technology and operational metrics through comparative analysis, then pursuing emulation, innovation and continuous improvement to ultimately achieve performance enhancement and surpass benchmarks”. This involves decomposing cost targets to the smallest operational units and individual roles, strengthening control over “gross profit margin, operating profit margin and net profit margin after tax”, and reducing production costs per tonne of copper. Smelting units must continuously optimize process technical indicators, enhance the effectiveness of penetrative cost control, and reduce consumption of key energy resources. Yangxin Hongsheng shall strengthen standardized control over energy consumption, equipment and materials throughout the production process, ensuring cathode copper and sulfuric acid costs remain at the industry’s most competitive levels. The smelter shall intensify negotiations with suppliers to substantially reduce oxygen and slag selection costs, controlling variable processing costs for cathode copper and sulfuric acid below established benchmarks. It is needed to accelerate the construction of the low-temperature waste heat recovery project to achieve results at the earliest opportunity. Rare and Precious Branch shall enhance process equipment efficiency, reducing variable costs for anode mud treatment by 3% to below the standard. All production units must strictly adhere to maintenance budgets, eliminating any implementation of unplanned projects, and rigorously controlling expenditure through refurbishment and reuse. It is needed to leverage the advantages of centralized procurement to enhance bargaining power, reduce inventory reserves, accelerate the domestic substitution of critical materials, and establish a quality traceability system for procured goods. This ensures “high quality at competitive prices” while achieving cost savings and efficiency gains in procurement. Simultaneously, it is needed to rigorously manage outsourced operation, prioritizing in-house execution and internal collaboration to promote efficient resource utilization and maximize overall benefits.

C. FOCUSING ON TECHNOLOGICAL INNOVATION TO BUILD MOMENTUM AND ENHANCE GROWTH, AND FULLY ADVANCING SPECIAL INITIATIVES TO EMPOWER INDUSTRIAL UPGRADING

Advancing the special action of “resource reserve expansion and production growth” in depth. Accelerating resource production. We will expedite the advancement of mining rights for the exploration of the deep part of Tonglvshan Mine below -800m and the boundary expansion below -550m at Fengshan Copper Mine. We will accelerate the development and construction of the boundary expansion project for the North Sareke Belt, ensuring key projects deliver tangible results according to milestones to provide robust support for capacity release. **Strengthening resource reserve growth.** We will advance deep exploration at the southern margin of Fengshan Copper Mine and peripheral surveys at Sareke Copper Mine, aiming to add 20,000 tonnes of copper resources. We will persistently conduct production-oriented exploration and prospecting within existing deposits to fully exploit the potential of current mining areas, striving to increase copper ore reserves by 400,000 tonnes this year. **Expanding resource development.** We will optimize resource development layouts, maintaining close communication with local governments at all levels to stay abreast of policy developments, and deepening exploration cooperation with entities such as the Xinjiang Geological Bureau (新疆地質局), striving to secure mining rights in core areas of Xinjiang and Tibet. We will broaden channels for acquiring projects in South America and Central Asia, aiming to achieve substantive breakthroughs.

Advancing the special action of “technology-empowered new materials” in depth. Deepening our focus on rare and precious metals. Addressing the comprehensive recovery of valuable metals from copper-separated liquid, silver separating residues and copper-bismuth slags, we will pursue technological breakthroughs such as “research on comprehensive recovery and high-value utilization of valuable elements from non-ferrous metallurgical by-products”. Pilot-scale trials for each recovery process will be completed within the year, providing technical support for the industrialization of deep recovery of elements including selenium, tellurium and bismuth. We shall prioritize breakthroughs in high-purity tellurium product preparation, driving the premiumization of rare and precious metal products.

Advancing the special action for developing the three rare metals industry. Coordinating industrial deployment. We shall rigorously implement and make unified arrangements. Focusing on key metals such as selenium, tellurium, rhenium, bismuth and platinum family elements, we shall systematically plan and accelerate the construction of integrated recovery systems for smelting by-products, comprehensively enhancing the efficient recovery and comprehensive utilization of associated metals. **Concentrating on breakthroughs in key areas.** Fully utilizing the waste acid resources of Yangxin Hongsheng, we will establish an ammonium rhenate production line to swiftly achieve stable production capacity for ammonium rhenate, thereby cultivating new profit growth points. **Deepening systematic research.** Building upon our existing smelting businesses, we shall conduct in-depth systematic research into establishing integrated recovery systems for selenium, tellurium and bismuth. We will advance studies on extending the downstream bismuth industrial chain, formulating industrial development plans to lay a solid foundation for achieving our objectives: securing a top-five national ranking for selenium and bismuth materials, and placing tellurium and rhenium products among the nation’s top three producers.

Advancing the special action of “digital intelligence for new quality productivity” in depth. Accelerating intelligent mining construction. We shall advance key projects including the second phase of the Tongshankou Mine’s mineral processing expert system and intelligent power supply and distribution system, the upgrade and transformation of Fengshan Copper Mine’s grinding system, and the construction and operation of Tonglvshan Mine’s intelligent control platform. This ensures the successful completion of the three-year action of intelligent mine construction by the end of the year, providing digital and intelligent data support for mining operation. **Expediting smart factory construction.** We shall orderly advance the construction of the “lights-out factory” of Yangxin Hongsheng, complete the construction of the electrolytic cell process, and conduct integrated data flow testing across the entire business process in conjunction with the processing and batching process stages. Rare and Precious Branch will focus on key scenarios such as selenium slag conveying and automatic dosing for rough refining gold precipitation, deepening automation upgrades and the application of intelligent equipment to enhance on-site precision and intelligent control. **Accelerating the digital and intelligent transformation of finance.** We shall ensure the smooth parallel operation of new and legacy accounting systems, advance deep integration between business information systems and financial systems, and comprehensively elevate integrated business-finance management capabilities.

Advancing breakthroughs in core technologies in depth. We shall deepen research into safe and efficient mining processes, pursuing technological advances in mechanized, safe, efficient and cost-effective extraction, continuous mining and precision control of blasting for complex, hard-to-mine residual ore deposits. This will sustainably enhance production efficiency and resource recovery rates. For major mining projects such as the northern expansion of Sareke Copper Mine and the development of the southern ore belt, we shall achieve breakthroughs in optimizing mining and beneficiation processes to tangibly enhance resource security capabilities. We shall advance research into efficient recovery of associated metals in polymetallic sulfide ores at Fengshan Copper Mine and the beneficiability of flash smelting furnace slag, further improving technical indicators to achieve efficient resource recovery. We shall pioneer clean and efficient recovery of scattered metals such as ruthenium, rhodium and iridium from copper anode mud, alongside novel silver refining processes. Research into copper-bismuth alloy processing and deep-processing of bismuth products will advance comprehensive resource recovery and elevate overall utilization benefits.

D. FOCUSING ON DEEPENING REFORM TO ACHIEVE BREAKTHROUGHS, WE WILL FULLY UNLEASH NEW MOMENTUM FOR TRANSFORMATION AND UPGRADING

Strengthening investment control. We shall rigorously control investment access points, implement stringent design reviews and optimize scheme comparisons, while ensuring all investment costs are fully accounted for. We will enhance the investment assessment framework, strengthen penetrative supervision of investment activities alongside post-investment management oversight and evaluation. This will emphasize the core importance of investment returns, leveraging projects to support cost reduction, efficiency gains, green and low-carbon development and resource recycling. We shall prioritize accelerating key technical upgrade projects, including volume and weight reduction of arsenic-sulfide residues at smelters, low-grade waste heat recovery in the third sulfuric acid production system, integrated copper-sulfur separation at mining units, and comprehensive sulfur resource recovery.

Advancing key special reforms. Refining the new operational accountability system. We shall scientifically establish differentiated assessment metrics, continuously raise the challenge level of target-setting, guide all units to rigorously implement evaluations, widen income disparities based on performance, and facilitate personnel exit under contractual provisions, thereby establishing robust incentives and stringent constraints. **Persistently deepening market-oriented human resource mechanisms.** We will implement “defining functions, defining organizations and defining staffing” across all tiers, strictly controlling staffing quotas while promoting “broadly defined positions and job categories” management to continuously optimize human resources. We shall maintain a close integration of investment in physical assets and investment in human capital, focusing on enhancing the capabilities and competencies of all personnel. We will refine the management personnel assessment system, rigorously implement systems such as term-based appointments and contractual management for managerial staff, along with annual comprehensive evaluations, and fully advance the rigid implementation of mechanisms for the exit of underperforming managers. We will deepen differentiated remuneration reforms to fully stimulate the entrepreneurial vitality of all employees.

E. FOCUSING ON LEAN MANAGEMENT WITH STRICT CONTROL, AND MAKING EVERY EFFORT TO SOLIDIFY STRONG SUPPORT FOR IMPROVING QUALITY AND EFFICIENCY

Strengthening capital management. We shall dynamically calculate and allocate funds around the Company’s major strategic projects to safeguard capital requirements for key projects. For maturing loans, we shall formulate renewal plans to smooth the debt repayment peak from 2026 to 2028, thereby fortifying our capital security defences. We shall maintain close oversight of inventory structure optimization, strictly controlling cold material and anode mud stocks while balancing raw material and finished goods inventories. This will ensure that increases in accounts receivable and inventory do not exceed revenue growth, enabling comprehensive achievement of core financial metrics such as operating cash flow and enhancing the quality and efficiency of capital operations. We shall expand short-term flexible credit facilities, reduce standby fund positions, and optimize capital processes to achieve intensive cost reduction. We shall actively pursue policy benefits such as fiscal subsidies and tax incentives.

Strengthening precision management. We shall enhance market tracking and price alert mechanisms for key products such as sulfuric acid, establishing a monitoring indicator system centered on treatment charges fluctuations, load execution rates, long-term contract fulfilment progress, mineral and energy consumption, loss per tonne, and cash flow projections to achieve end-to-end refined control. We shall continuously refine the economic benefit calculation model for mining and metallurgy operation. This includes implementing monthly rolling profit forecasts and budget deviation rate assessments, deepening the penetration of operational analysis, enhancing the quality and efficiency of budget scheduling mechanisms, and driving the effective implementation of cost reduction, efficiency improvement, indicator optimization and marketing profit generation initiatives.

Strengthening 6S on-site management. We shall employ the 6S methodology as an important tool for rigorous internal training and enhancing management proficiency, mobilizing all personnel to implement the requirements of sorting, organizing and cleaning to improve workplace environments for specific roles. We shall advance standardized cleanliness, routinely implement visual management systems, and progressively elevate the professional standards of all personnel. Adopting a problem-oriented approach and adhering to the principles of “on-site, tangible, and realistic” practices, we will deepen management from environmental improvements towards lean operation. This will focus on resolving issues such as waste, fluctuations and rigidity, thereby empowering operational quality and efficiency enhancement through enhanced on-site management.

Strengthening quality management. We shall deepen the study and implementation of the new version of the quality management system standards, continuously optimize the operational efficiency of the system, and ensure the simultaneous enhancement of its suitability, adequacy and effectiveness. We shall strengthen market engagement and customer focus, rigorously enforce internal control standards, steadily improve product and service quality, and solidify foundational capabilities at the grassroots level to fortify the foundation of quality management on production sites. We will refine a clear accountability framework for inspection oversight, advance the development of a data-driven, information-enabled and intelligent quality risk prevention system, systematically enhance quality inspection and measurement management capabilities, and reinforce our quality risk defences.

Strengthening compliance management. We shall uphold the principle of “governing the enterprise according to law and operating in compliance with regulations”, continuously deepening the synergistic operation and implementation of responsibilities within the core framework of enterprise risk management and internal controls. We shall systematically refine our compliance management framework, clarifying standards and requirements for business compliance reviews while embedding compliance requirements throughout operational workflows and decision-making mechanisms. We will establish robust mechanisms for routine compliance risk identification, assessment and response, conducting targeted inspections and rectifications in critical areas and stages such as raw material intake, product dispatch and weighing procedures. Furthermore, we shall enhance the quality and effectiveness of legal reviews for major operational decisions, contract management and international business operations.

FINANCIAL REVIEW

Revenue

For the year ended 31 December 2025, the Group recorded revenue of approximately RMB66,050,939,000 (2024:RMB57,852,731,000), representing an increase of approximately 14.17% from the previous year, attributable to impact of the rising prices of major products such as cathode copper, gold, silver, and sulfuric acid.

Cost of sales

For the year ended 31 December 2025, the cost of sales and services rendered of the Group amounted to approximately RMB64,769,816,000 (2024: RMB56,232,599,000), representing an increase of approximately 15.18% from the previous year, which was attributable to impact of the rising procurement prices of raw materials.

Gross profit

For the year ended 31 December 2025, gross profit decreased by approximately 20.92% to approximately RMB1,281,123,000, compared with approximately RMB1,620,132,000 in the same period of 2024. The decrease in gross profit was mainly attributable to the two-way effect of the concentrated and accelerated release of domestic and foreign smelting capacity and the tight supply of copper concentrate. The smelting processing charges dropped sharply in 2025 and the benefit space of the subordinating smelting processing enterprises was greatly narrowed.

Other income

Other income for the year ended 31 December 2025 amounted to approximately RMB61,046,000 (2024: RMB62,796,000), representing a decrease of approximately 2.79% from the previous year.

Other operating expenses

For the year ended 31 December 2025, other operating expenses decreased by approximately 25.62% to approximately RMB98,435,000, compared with approximately RMB132,332,000 in the same period of 2024. The decrease was primarily due to the costs incurred during the work stoppage period being included in other operating expenses in 2024.

Other gains and losses

Other gains and losses for the year ended 31 December 2025 amounted to a net gain of approximately RMB43,969,000 (2024: net loss of RMB98,594,000), representing an increase of net gain of approximately RMB142,563,000 from the previous year. The increase of net gain was primarily due to the increase in exchange gains.

Income tax expenses

Income tax expense for the year ended 31 December 2025 amounted to approximately RMB29,300,000 (2024: RMB40,669,000), representing a decrease of approximately 27.95% from the previous year, which was primarily due to the decrease in income tax expense resulted from the decrease in total profit in 2025 compared to the previous year.

Earnings per share

For the year ended 31 December 2025, basic earnings per share amounted to RMB0.30fen (2024: basic earnings per share RMB0.22 fen).

EQUITY

The Company's issued and fully paid share capital as at 31 December 2025 amounted to approximately RMB727,893,000 divided into 17,895,579,706 ordinary shares of HK\$0.05 each.

FINANCIAL MANAGEMENT AND TREASURY POLICY

The Group adopts a conservative approach for cash management and investment on uncommitted funds. We place cash and cash equivalents (which are mostly held in RMB) in short term deposits with authorized institutions in Hong Kong and the PRC.

During the year ended 31 December 2025, the Group's receipts and payments were mainly denominated in RMB.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2025, the Group had restricted bank deposits, and cash and bank balances of approximately RMB1,921,950,000 (2024: RMB1,535,250,000), the majority of which were denominated in Renminbi. The Group's current ratio was approximately 1.36(2024: 1.25), based on current assets of approximately RMB19,353,148,000 (2024: RMB15,445,467,000) divided by current liabilities of approximately RMB14,262,046,000 (2024: RMB12,327,942,000). The Group's gearing ratio as at 31 December 2025 was approximately 463.53% (2024: 481.31%), based on net debts (which included bank and other borrowings, lease liabilities and promissory note less restricted bank deposits, and cash and bank balances) of approximately RMB14,541,571,000 (2024: RMB14,841,875,000) divided by equity attributable to owners of the Company of approximately RMB3,137,159,000 (2024: RMB3,083,611,000). The gearing ratio remained basically the same on year-on-year basis.

As at 31 December 2025, the Group had sufficient funding to pay off all its outstanding liabilities and meet its working capital requirement.

BORROWINGS

As at 31 December 2025, the Group's total debts (which comprised non-current and current bank and other borrowings and promissory note) amounted to approximately RMB16,322,850,000 (2024: RMB16,253,366,000).

As at 31 December 2025, the Group had bank and other borrowings of approximately RMB6,822,104,000 (2024: RMB8,130,983,000) and approximately RMB8,235,386,000 (2024: RMB6,899,371,000) which was due within one year and after one year respectively. The majority of the Group's bank and other borrowings were denominated in Renminbi. The majority of the Group's bank and other borrowings were at fixed interest rate.

FOREIGN EXCHANGE RISK

The Group operates in the PRC with most of its transactions settled in Renminbi except for certain purchases from international market that are conducted in United States dollars ("US\$") and certain borrowings that are denominated in US\$.

Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the entities' functional currency. The Group is exposed to foreign exchange risk primarily with respect to US\$.

The Group manages its foreign exchange risk by performing regular reviews of the Group's net foreign exchange exposures and may enter into currency forward contracts and currency option contracts, when necessary, to manage its foreign exchange exposure. During the year, certain currency forward contracts and currency option contracts had been entered by the Group.

MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Group did not make any material acquisition or disposal of subsidiaries, associates and joint ventures during the year ended 31 December 2025.

PERFORMANCE AND PROSPECTS OF KEY INVESTMENT

The Company, based on its own actual development and responding to the new landscape of enhanced resource security, accelerated technological iteration and deepened green transformation in non-ferrous metals sector, has formulated investment plans centered on four key strategic directions. Firstly, regarding the exploration and increase of reserves of mineral resources and the strategic resources arrangement, we continued to advance deep exploration and prospecting to increase reserves at the in-depth part of our own mines, accelerate the construction and implementation of key mine projects, further consolidate the foundation for long-term mineral resource supply security, and strengthen our control over strategic resources. Secondly, we implemented technological empowerment and reform across the entire process, deepening the intelligent mine construction and advancing the construction of Yangxin Hongsheng's "dark factory". This involved intensifying the promotion and application of intelligent equipment and digital technologies to comprehensively enhance total factor productivity and intrinsic safety level, thereby driving the transformation of production models towards high-efficiency and intelligent operation. Thirdly, traditional industries underwent transformation and upgrading, advancing large-scale equipment renewal and technical reform. The adoption of advanced manufacturing techniques and high-end equipment was promoted, accelerating the progression of traditional industries towards the mid-to-high end of the industrial chain and enhancing their core competitiveness. Fourthly, the three rare metals industrial chain was developed. Focusing on selenium, tellurium, rhenium, bismuth and other rare precious metals, we carried out researching and developing high-value-added new materials, cultivated strategic emerging industries as growth pole, and created new profit growth points. Through the coordinated advancement of these four major investment directions, we effectively drove resource reserve expansion and production growth, achieved breakthroughs in technological empowerment, and expanded emerging industries, comprehensively supporting the Company's green and high-quality development.

Save as disclosed above, the Group did not make any other significant investment during the year ended 31 December 2025.

FUTURE SIGNIFICANT INVESTMENT PLANS FOR THE SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES OF THE GROUP

The annual investment plan focuses on four key areas: reserve expansion and production growth of mineral reserves, technological empowerment across the entire process, transformation and upgrading of traditional industries and the three rare metals industrial chain. Through efficient investment, it aims to foster new quality productivity and comprehensively support the Company's green and high-quality development to new heights. The Company's fixed asset investment plan for 2026 amounts to RMB328.053 million. Key investment projects are as follows:

1. Non-ferrous metal resources development and utilization projects

(1) The development of the -440m~-550m of Fengshan Copper Mine

In 2026, it is planned to complete the following: the total drilling volume 33,161m³ of -440m to -550m of ramp of the south rim, -440m to -550m of ramp of the north rim, and -500m middle portion of the south rim. The planned investment is RMB21 million.

(2) The development of No. IV ore body of the -665m and -725m middle portion of Tonglvshan Mine

In 2026, it is planned to complete the following: the total drilling volume 15,059m³ of -725m middle portion of the ore drift, transverse drift and prospecting chamber, -605m to -725m of chute, -665m to -725m of ramp and sectional drifting excavation, and the ancillary installations of wind, water, electricity equipment and filling pipe. The planned investment is RMB14.58 million.

(3) Expansion in the north mining belt of Xinjiang Sareke Copper Mine

In 2026, it is planned to complete the following: the total drilling volume 18,195m³ of 2,631m to 2,610m main ramp (extension), 2,610m mining area substation chamber, 2,610m pump house, tunnel extension of 2,610m to 2,670m inverted air return shaft, and partial construction of ore drift tunnel. The planned investment is RMB10 million.

2. Intelligent mine construction project

(1) The intelligent construction of Tonglvshan Mine

In 2026, it is planned to complete the following: dispatch center renovation, optimization of six major systems, automation upgrades in ore processing, intelligent equipment operation and maintenance management system, industrial network architecture, mineral processing expert system, etc. The planned investment is RMB23.93 million.

(2) *The intelligent construction of Fengshan Copper Mine*

In 2026, it is planned to complete the following: construction of the all-information visualization system and intelligent equipment operation and maintenance management system. The planned investment is RMB1.7 million.

(3) *The intelligent construction of Tongshankou Mine*

In 2026, it is planned to complete the following: mineral processing expert system, intelligent power supply and distribution system (phase II), warehouse logistics management systems, underground collision avoidance systems, etc. The planned investment is RMB10.4 million.

3. Development project for three rare metals industrial chain

In 2026, it is planned to establish a three rare metals industry-academia-research platform to integrate breakthrough core technology research. By fostering deep collaboration between industry-academia-research resources in technical breakthrough, this will accelerate the transformation and commercialization of achievements, with a planned investment of RMB63 million. Among them, Rare and Precious Branch plans to construct an industrial pilot plant and implement a 7N ultra-high-purity tellurium production project, with an planned investment of RMB8 million. Yangxin Hongsheng plans to undertake a comprehensive rhenium recovery and production project, with an planned investment of RMB55 million.

4. Industrial upgrade and transformation project

(1) *The “dark factory” of Yangxin Hongsheng*

In 2026, it is planned to complete the following: intelligent car wash platform system, automated processing of wasted FIBC packaging, machine vision recognition system for measuring the liquid level height in the bottom tank of the smelting furnace, fully intelligent automated acid loading system, re-collection at plant-wide monitoring points, enhancement of supporting software for private cloud expansion, data-based approach to governance, etc. The planned investment is RMB9.65 million.

(2) *Automation upgrade and transformation of Rare and Precious Branch*

In 2026, it is planned to complete the following: automatic delivery and storage management system for selenium-enriched residue, automatic dosing system for rough refining gold precipitation, automatic inspection system for the power distribution room, DCS system upgrade and transformation, safety and environmental information system. The planned investment is RMB5.3 million.

5. *Large-scale equipment renewal project*

It is planned that 167 sets of equipment will be renewed in 2026, with a planned investment of RMB57.613 million (excluding equipment related to the intelligent mining construction and intelligent smelting transformation projects). Among them, 34 sets of equipment/RMB14.44 million are planned to be renewed at Tonglvshan Mine; 10 sets of equipment/RMB7.75 million are planned to be renewed at Fengshan Copper Mine; 17 sets of equipment/RMB8.84 million are planned to be renewed at Tongshankou Mine; 45 sets of equipment/RMB7.75 million are planned to be renewed at Xinjiang Sareke Copper Mine; 11 sets of equipment/RMB6.1 million are planned to be renewed at smelter; 6 sets of equipment/RMB4.27 million are planned to be renewed at Yangxin Hongsheng; 20 sets of equipment/RMB5.63 million are planned to be renewed at the Rare and Precious Branch; 23 sets of equipment/RMB1.333 million are planned to be renewed in the Quality and Measurement Center; and 1 sets of equipment/RMB1.5 million are planned to be renewed in the Company's headquarters.

PROSPECTS OF THE GROUP

The year 2026 marks a critical year for the Company to consolidate its achievements in controlling and reducing losses, and striving to achieve a turnaround from deficit to profit. Presently, the ongoing deepening of Sino-US strategic competition is reshaping the global economic and trade landscape. The copper smelting industry faces intensifying contradictions of overcapacity, a persistently widening raw material gap and a severe mismatch between costs and pricing, creating a challenging environment that significantly amplifies development pressures. We must maintain strategic clarity, anticipate risks and seek change, break through the impasse and forge ahead. We must further strengthen our cost-conscious operational mindset, enhance our self-sustaining profitability, cultivate a pragmatic and determined work ethic, and prepare ourselves for tough, hard and prolonged campaigns.

CHARGES ON ASSETS

As at 31 December 2025, other deposits which amounted to approximately RMB1,162,155,000 (2024: RMB531,260,000) were held in futures exchanges and certain financial institutions as security for the commodities derivative, and other financing were secured by bank deposits and balances amounting to approximately RMB Nil (2024: RMB nil).

CONTINGENT LIABILITIES

As at 31 December 2025, the Group had no contingent liabilities.

EVENTS AFTER THE REPORTING PERIOD

The Group had no material event after the reporting period.

FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 31 December 2025.

EMPLOYEES AND REMUNERATION POLICY

As at 31 December 2025, the Group had 5,124 employees (2024: 5,283). The Group's total staff costs for the year was approximately RMB996,487,000 (2024: RMB985,908,000). The remuneration package of staff consists of basic salary, mandatory provident fund, insurances and other benefits as considered appropriate. Remuneration of the employees of the Group is determined by reference to the market, individual performance and their respective contribution to the Group. The emoluments of the Directors are subject to the recommendations of the remuneration committee of the Company and the Board's approval. Other emoluments including discretionary bonuses, are determined by the Board with reference to the Directors' duties, abilities, reputation and performance.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the year under review, the Company had not redeemed any of its listed securities and neither the Company nor any of its subsidiaries had purchased or sold any of the Company's listed securities.

AUDIT COMMITTEE

The Company has established an audit committee (the "Audit Committee") with specific written terms of reference for the purpose of reviewing and providing supervision over the Group's financial reporting process and internal controls. The Audit Committee currently comprises three independent non-executive Directors, namely, Ms. Liu Fang, Mr. Wang Qihong, and Mr. Kong Hua. The Audit Committee has reviewed the final results for the year ended 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**”) as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding securities transactions by the directors of the Company. All Directors have confirmed, following specific enquiries made by the Company, that they had complied with the required standard set out in the Model Code during the year ended 31 December 2025.

CORPORATE GOVERNANCE CODE COMPLIANCE

For the year ended 31 December 2025, the Company had complied with the code provisions of the CG Code except for deviation from code provision A.1.1 of the CG Code as summarized below: Pursuant to code provision A.1.1 of the CG Code, the Board should meet regularly and board meeting should be held at least four times a year at approximately quarterly intervals. During the year ended 31 December 2025, only two regular board meetings were held to review and discuss the annual results and interim results. The financial and operational data for the first and the third quarter has been given to the Directors 14 days before the meeting. All the Directors did not have opinion after reviewing and considered the holding of quarterly meetings not necessary.

SCOPE OF WORK OF BAKER TILLY HONG KONG LIMITED

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2025 as set out in the preliminary announcement have been agreed by the Group’s auditor, Baker Tilly Hong Kong Limited, to the amounts set out in the Group’s audited consolidated financial statements for the year. The work performed by Baker Tilly Hong Kong Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Baker Tilly Hong Kong Limited on the preliminary announcement.

PUBLICATION OF THE RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This results announcement is published on the websites of the Company at www.hk661.com and Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk. The 2025 annual report and the notice of the annual general meeting will be despatched to the shareholders of the Company and available on the same websites in due course.

By order of the Board
China Daye Non-Ferrous Metals Mining Limited
Xiao Shuxin
Chairman

Hong Kong, 31 March 2026

As at the date of this announcement, the Board comprises three executive directors, namely Mr. Xiao Shuxin, Mr. Zhang Jinzhong and Ms. Zhang Aijun; and three independent non-executive directors, namely Ms. Liu Fang, Mr. Wang Qihong and Mr. Kong Hua.