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## Lygend Resources & Technology Co., Ltd.

宁波力勤资源科技股份有限公司

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

(Stock Code: 2245)

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

The board (the “**Board**”) of directors (the “**Directors**”) of Lygend Resources & Technology Co., Ltd. (the “**Company**”) hereby announces the results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 December 2025 (the “**Reporting Period**”), together with the comparative figures for the year ended 31 December 2024. Unless otherwise defined, capitalised terms used herein shall have the same meanings as given to them in the prospectus dated 21 November 2022 of the Company (the “**Prospectus**”).

In this announcement, “we”, “us”, and “our” refer to the Company and where the context otherwise requires, the Group.

#### FINANCIAL HIGHLIGHTS

- Revenue increased by 37.7% from RMB29,233.0 million in the year ended 31 December 2024 to RMB40,239.8 million in the year ended 31 December 2025.
- Gross profit increased by 44.1% from RMB5,352.5 million in the year ended 31 December 2024 to RMB7,715.1 million in the year ended 31 December 2025. Gross profit margin for the year ended 31 December 2025 was 19.2%, representing an increase of 0.9 percentage point over the gross profit margin for the year ended 31 December 2024 of 18.3%.
- Profit for the year ended 31 December 2025 was RMB4,745.5 million, representing an increase of 47.9% over the profit for the year ended 31 December 2024 of RMB3,208.8 million.
- Profit attributable to owners of the Company for the year ended 31 December 2025 amounted to RMB2,857.4 million, representing an increase of 61.1% as compared with that for the year ended 31 December 2024 of RMB1,773.2 million.
- The Board has resolved to recommend the distribution of a final dividend for the year ended 31 December 2025 of RMB0.6 (tax inclusive) per share, subject to approval at the AGM (2024: RMB0.35 (tax inclusive) per share).

## FINANCIAL INFORMATION

The consolidated annual results of the Group for the year ended 31 December 2025, together with the comparative figures for the year ended 31 December 2024 are as follows:

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 December 2025

	<i>Notes</i>	<b>2025</b> <i>RMB'000</i>	2024 <i>RMB'000</i>
REVENUE	4	<b>40,239,786</b>	29,232,958
Cost of sales		<b>(32,524,660)</b>	(23,880,500)
Gross profit		<b>7,715,126</b>	5,352,458
Other income and gains	4	<b>340,588</b>	211,556
Selling and distribution expenses		<b>(145,073)</b>	(121,011)
Administrative expenses		<b>(1,255,692)</b>	(1,033,842)
Impairment losses on financial assets, net		<b>(5,664)</b>	(6,343)
Other operating expenses		<b>(597,892)</b>	(342,180)
Finance costs		<b>(637,621)</b>	(647,543)
Share of profits and losses of associates		<b>431,231</b>	403,951
PROFIT BEFORE TAX	5	<b>5,845,003</b>	3,817,046
Income tax expense	6	<b>(1,099,539)</b>	(608,290)
PROFIT FOR THE YEAR		<b>4,745,464</b>	3,208,756

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**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

**31 December 2025**

	<i>Note</i>	<b>2025</b> <b>RMB'000</b>	2024 <i>RMB'000</i>
PROFIT FOR THE YEAR		<u>4,745,464</u>	<u>3,208,756</u>
OTHER COMPREHENSIVE INCOME			
Other comprehensive income that may be reclassified to profit in subsequent periods:			
Share of other comprehensive income of associates		<u>(59,403)</u>	<u>18,584</u>
Exchange differences on translation of foreign operations		<u>(477,129)</u>	<u>142,749</u>
		<u>(536,532)</u>	<u>(161,333)</u>
Other comprehensive income that may not be reclassified to profit in subsequent periods:			
Others		<u>2,105</u>	<u>–</u>
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		<u>(534,427)</u>	<u>161,333</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>4,211,037</u>	<u>3,370,089</u>
Profit attributable to:			
Owners of the parent		<u>2,857,421</u>	<u>1,773,150</u>
Non-controlling interest		<u>1,888,043</u>	<u>1,435,606</u>
		<u>4,745,464</u>	<u>3,208,756</u>
Total comprehensive income for the year attributable to:			
Owners of the parent		<u>2,511,081</u>	<u>1,881,502</u>
Non-controlling interests		<u>1,699,956</u>	<u>1,488,587</u>
		<u>4,211,037</u>	<u>3,370,089</u>
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic and diluted (RMB)	8	<u>1.84</u>	<u>1.14</u>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**31 December 2025**

	<i>Notes</i>	<b>31 December 2025 RMB'000</b>	31 December 2024 RMB'000
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		<b>25,447,842</b>	21,639,059
Intangible assets		<b>175,629</b>	240,936
Investment properties		<b>218,962</b>	335,239
Right-of-use assets		<b>521,866</b>	543,440
Deferred tax assets		<b>204,111</b>	106,372
Interests in associates		<b>2,349,902</b>	1,964,511
Derivative financial instruments		–	6,344
Goodwill	<i>9</i>	<b>218,037</b>	218,037
Prepayments, other receivables and other assets		<b>164,965</b>	303,762
		<hr/>	<hr/>
Total non-current assets		<b>29,301,314</b>	25,357,700
<b>CURRENT ASSETS</b>			
Inventories		<b>5,311,021</b>	3,368,359
Trade and bills receivables	<i>10</i>	<b>2,384,067</b>	1,886,954
Prepayments, other receivables and other assets		<b>1,074,621</b>	1,163,240
Due from related parties		<b>349,486</b>	298,072
Pledged deposits		<b>2,466,784</b>	850,335
Derivative financial instruments		<b>454</b>	–
Cash and cash equivalents		<b>7,371,903</b>	5,032,351
		<hr/>	<hr/>
Total current assets		<b>18,958,336</b>	12,599,311
<b>CURRENT LIABILITIES</b>			
Interest-bearing bank and other borrowings		<b>8,632,523</b>	7,882,268
Trade and bills payables	<i>11</i>	<b>2,353,852</b>	1,522,183
Lease liabilities		<b>7,029</b>	9,911
Derivative financial instruments		<b>10,082</b>	–
Other payables and accruals		<b>3,440,183</b>	2,779,488
Contract liabilities		<b>136,277</b>	139,129
Income tax payable		<b>697,628</b>	100,059
Due to related parties		<b>1,348,327</b>	1,365,321
		<hr/>	<hr/>
Total current liabilities		<b>16,625,901</b>	13,798,359

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**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**31 December 2025**

	<b>31 December 2025 RMB'000</b>	31 December 2024 RMB'000
NET CURRENT ASSETS/(LIABILITIES)	<u>2,332,435</u>	<u>(1,199,048)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	<u>31,633,749</u>	<u>24,158,652</u>
NON-CURRENT LIABILITIES		
Interest-bearing bank borrowings	9,972,200	5,950,472
Due to a related party	–	57,056
Lease liabilities	3,240	9,666
Other payables and accruals	9,043	3,444
Employee benefits liability	59,556	46,461
Deferred tax liabilities	<u>670,489</u>	<u>408,977</u>
Total non-current liabilities	<u>10,714,528</u>	<u>6,476,076</u>
NET ASSETS	<u><u>20,919,221</u></u>	<u><u>17,682,576</u></u>
EQUITY		
<b>Equity attributable to owners of the parent</b>		
Share capital	1,555,931	1,555,931
Reserves	<u>11,173,054</u>	<u>9,202,973</u>
Equity attributable to equity holders of the parent	<u>12,728,985</u>	<u>10,758,904</u>
Non-controlling interests	<u>8,190,236</u>	<u>6,923,672</u>
Total equity	<u><u>20,919,221</u></u>	<u><u>17,682,576</u></u>

## NOTES TO FINANCIAL STATEMENTS

### 1. CORPORATE AND GROUP INFORMATION

The Company is a joint stock company with limited liability established in the People's Republic of China ("PRC"). The registered office of the Company is located at No. 707 Tiantong South Street, Yinzhou District, Ningbo, Zhejiang, China.

The Company and its subsidiaries were principally engaged in the nickel industry, with business covering the entire nickel industry value chain including upstream nickel resource integration, trading of laterite nickel ore and nickel products, smelting and production of nickel compounds and ferronickel.

The shares of the Company were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 1 December 2022.

In the opinion of the directors, the holding company of the Company is Zhejiang Lygend Investment Co., Ltd. ("Lygend Investment"), which is controlled by Mr. CAI Jianyong and incorporated in PRC.

### 2. ACCOUNTING POLICIES

These financial statements have been prepared in accordance with IFRS Accounting Standards (which include all International Financial Reporting Standards, International Accounting Standards and Interpretations) as issued by the International Accounting Standards Board ("IASB") and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for certain trade and bills receivables and derivative financial instruments which have been measured at fair value. These financial statements are presented in Renminbi ("RMB") and all values are rounded to the nearest thousand except when otherwise indicated.

#### Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2025. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and the exchange fluctuation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or accumulated losses, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

### 3. OPERATING SEGMENT INFORMATION

For management purposes, the Group is not organised into business units based on their products and only has one reportable operating segment. Management monitors the operating results of the Group's operating segment as a whole for the purpose of making decisions about resource allocation and performance assessment.

#### Geographical information

##### (a) Revenue from external customers

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Chinese mainland	34,217,642	25,585,753
Others	<u>6,022,144</u>	<u>3,647,205</u>
Total revenue	<u><u>40,239,786</u></u>	<u><u>29,232,958</u></u>

Most of the revenue information above is based on the shipment destinations except that revenue from shipping services is based on the locations of the customers.

##### (b) Non-current assets

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Chinese mainland	4,224,515	3,628,658
Indonesia	<u>24,870,103</u>	<u>21,611,088</u>
Total non-current assets	<u><u>29,094,618</u></u>	<u><u>25,239,746</u></u>

The non-current asset information of continuing operations above is based on the locations of the assets and excludes financial instruments and deferred tax assets.

#### Information about major customers

Revenue from a major customer which accounted for 10% or more of the Group's revenue during the years ended 31 December 2025 and 2024 is set out below:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Customer A	4,106,609	4,154,443
Customer B	4,267,364	N/A
Customer C	<u>4,753,133</u>	<u>N/A</u>

#### 4. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Revenue from contracts with customers	<u>40,239,786</u>	<u>29,232,958</u>

#### Revenue from contracts with customers

##### (a) *Disaggregated revenue information*

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
<b>Types of goods or services</b>		
Sale of nickel products	37,721,505	28,255,139
Others	<u>2,518,281</u>	<u>977,819</u>
Total	<u>40,239,786</u>	<u>29,232,958</u>

#### Geographical markets

Chinese mainland	34,217,642	25,585,753
Others	<u>6,022,144</u>	<u>3,647,205</u>
Total	<u>40,239,786</u>	<u>29,232,958</u>

#### Timing of revenue recognition

Goods transferred at a point in time	38,822,087	27,518,669
Services transferred over time	<u>1,417,699</u>	<u>1,714,289</u>
Total	<u>40,239,786</u>	<u>29,232,958</u>

The following table shows the amounts of revenue recognised in the current year that were included in the contract liabilities at the beginning of the reporting period and recognised from performance obligations satisfied in previous periods:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:		
Sale of nickel products	84,465	285,838
Others	<u>45,377</u>	<u>18,477</u>
Total	<u>129,842</u>	<u>304,315</u>

**(b) Performance obligations**

Information about the Group's performance obligations is summarised below:

*Sale of nickel products*

For the sale of nickel products, when the performance obligation is satisfied upon shipment on board of nickel products, the contract payment is generally made using letters of credit or by upfront payments. For the sale of nickel products, when the performance obligation is satisfied upon delivery of goods to the destination specified by the customer or issuance of the release notice of goods to the port cargo controller or delivery of goods from the factory by the customer, a large percentage of payment is usually required upon or before delivery and final payment is made according to the final settlement.

The performance obligation of shipping and insurance services in relation to the sale of nickel products is satisfied over time as the service is rendered. The revenue is included in the sale of nickel products.

*Sale of others*

For the sale of equipment, the performance obligation is satisfied upon shipment on board or acceptance by customer. Advances are normally required before delivery and a certain percentage of payment is retained by customer until the end of the retention period. For the overseas sale of auxiliary materials, the performance obligation is usually satisfied upon shipment on board and advances are normally required before delivery. For the sale of waste, the performance obligation is satisfied upon delivery of wastes to customers and advances are normally required before delivery. The performance obligation of shipping service is satisfied over time as the service is rendered and advances are normally required before shipping service provided.

The amounts of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December are as follows:

	<b>2025</b>	2024
	<b>RMB'000</b>	RMB'000
Amounts expected to be recognised as revenue:		
Within one year	<b><u>3,929,503</u></b>	<u>8,759,759</u>

The amounts of transaction prices allocated to the remaining performance obligations which are expected to be recognised as revenue within one year relate to the sales of nickel products, of which the performance obligations are to be satisfied. The amounts disclosed above do not include variable consideration which is constrained.

In addition, for the nickel-cobalt compounds produced by HPL, the Group has entered into eight-year long-term offtake agreements with two customers in 2021, one of which is performing normally for the year ended 31 December 2025. The offtake agreements specify the customers' commitment to purchase specified quantities (in terms of metal tons of nickel and cobalt) of nickel-cobalt compounds produced by HPL during the agreement period. The agreements also set forth the nickel-cobalt compounds will be priced based on market price.

As for the nickel sulfate produced by HPL, the Group has entered into five-year long-term offtake agreements with a customer in 2023. The offtake agreements specify the customer's commitment to purchase specified quantities (in terms of metal tons of nickel) of nickel sulfate. The agreements also set forth the nickel sulfate will be priced based on market price.

An analysis of other income and gains is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
<b>Other income</b>		
Government grants*	78,059	48,204
Bank interest income	184,927	101,840
Other interest income	10,163	19,802
Investment income from financial assets at fair value through profit or loss	43,991	8,076
Others	23,441	13,169
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Total other income	340,581	191,091
<b>Gains</b>		
Foreign exchange gain, net	–	20,465
Others	7	–
	<hr/>	<hr/>
Total gains	7	20,465
	<hr/>	<hr/>
Total other income and gains	<u>340,588</u>	<u>211,556</u>

\* The amount represents grants received from local PRC government authorities by the Group in connection with certain financial support to local business enterprises for the purpose of encouraging business development.

## 5. PROFIT BEFORE TAX

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

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Cost of inventories sold*	30,882,867	22,194,161
Depreciation of property, plant and equipment**	1,358,164	909,869
Depreciation of right-of-use assets***	22,257	15,710
Amortisation of intangible assets****	54,811	72,536
Government grants	(78,059)	(48,204)
Bank interest income	(184,927)	(101,840)
Loss on disposal of items of property, plant and equipment	19,871	24,236
Loss on disposal of land use right together with properties	–	738
Loss on disposal of intangible assets	6,301	–
Loss on early termination of lease	–	1,712
Loss on disposal of a subsidiary	–	698
Impairment of intangible assets	–	142,256
Impairment of investment properties	100,585	–
Write-down of inventories to net realisable value	–	117
	<hr/>	<hr/>
Impairment of financial assets, net	5,664	6,343

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Lease payments not included in the measurement of lease liabilities	312,153	43,355
Foreign exchange differences, net	450,724	(20,465)
Auditor's remuneration	5,205	4,766
Fair value loss, net:		
Derivative financial instruments	16,071	45,566
Trade receivables containing provisional pricing features	1,235	(190)
Investment income from financial assets at fair value through profit or loss, net:		
Derivative financial instruments	–	(8,076)
Trade receivables containing provisional pricing features	(43,991)	–
Total	<u>(43,991)</u>	<u>(8,076)</u>
Employee benefit expense (excluding directors' and supervisors' remuneration):		
Wages and salaries	1,685,226	958,533
Pension scheme contributions	70,851	18,115
Staff welfare expenses	9,865	41,320
Total	<u>1,765,942</u>	<u>1,017,968</u>

\* The cost of inventories sold includes RMB2,262,216,000 (2024: RMB1,122,149,000) relating to staff costs, depreciation of property, plant and equipment, depreciation of right-of-use assets and amortisation of intangible assets during the year, which are also included in the respective total amounts disclosed above for each type of expenses.

\*\* The depreciation of property, plant and equipment is included in "Cost of sales", "Selling and distribution expenses" and "Administrative expenses" on the face of the consolidated statement of profit or loss and other comprehensive income.

\*\*\* The depreciation of right-of-use assets is included in "Cost of sales" and "Administrative expenses" on the face of the consolidated statement of profit or loss and other comprehensive income.

\*\*\*\* The amortisation of intangible assets is included in "Cost of sales" and "Administrative expenses" on the face of the consolidated statement of profit or loss and other comprehensive income.

## 6. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

### PRC

Pursuant to the Corporate Income Tax Law of the PRC and the respective regulations (the “**CIT Law**”), the companies which operate in Chinese mainland are subject to CIT at a rate of 25% (2024: 25%) on the taxable income of the year. A preferential tax treatment is available to a subsidiary of the Company, since it was recognised as a High and New Technology Enterprise on 4 November 2022, and was entitled to a preferential tax rate of 15% (2024: 15%) during the year.

### Indonesia

Pursuant to the Corporate Income Tax Law of Indonesia and the respective regulations (the “**CIT Law**”), the companies which operate in Indonesia are subject to CIT at a rate of 25% on the taxable income. On 31 March 2020, the Government issued a Government Regulation in lieu of the Law of the Republic of Indonesia Number 1 Year 2020 which stipulates, among others, a reduction of the tax rates for corporate income tax payers and entities with permanent establishment from previously 25% to 22% for the fiscal years 2020 and 2021 and 20% starting the fiscal year 2022 and onwards, and a further reduction of 3% for corporate income tax payers that fulfil certain criteria. Subsequently, on 7 November 2021, the Government ratified the Tax Regulation Harmonization Law/Undang-Undang Harmonisasi Peraturan Perpajakan (“**UU HPP**”). The UU HPP reinstated the corporate income tax rate of 22%.

Based on the Decree of the Minister of Finance of the Republic of Indonesia number 721/KMK.03/2018 concerning Corporate Income Tax Reduction Facility to HPL dated 1 November 2018, HPL was granted a 100% corporate income tax reduction for 10 fiscal years starting from 2021 and an additional 50% corporate income tax reduction for the following 2 fiscal years.

Based on the Decree of the Minister of Finance of the Republic of Indonesia number NOMOR 33/THIPMA/2021 and number NOMOR 30/KM.3/2025 concerning Corporate Income Tax Reduction Facility to ONC dated 3 December 2021 and dated 10 February 2025, ONC was granted a 100% corporate income tax reduction for 15 fiscal years starting from 2024 and an additional 50% corporate income tax reduction for the following 2 fiscal years.

Based on the Decree of the Minister of Finance of the Republic of Indonesia number NOMOR 4/TH/PMA/2022 concerning Corporate Income Tax Reduction Facility to KPS dated 17 January 2022, KPS was granted a 100% corporate income tax reduction for 15 fiscal years and an additional 50% corporate income tax reduction for the following 2 fiscal years. Based on the latest NOMOR 168/MK/PJ/2025 concerning Corporate Income Tax Reduction Facility to KPS dated 23 July 2025, KPS was granted a 100% corporate income tax reduction for 10 fiscal years starting from 2025 and an additional 50% corporate income tax reduction for the following 2 fiscal years.

According to the 31E Facility as stipulated in Taxation Law No. 36 of 2008 issued by the Minister of Finance of the Republic of Indonesia, the entities with total annual gross income below IDR50 billion are eligible for a 50% reduction in the corporate income tax rate on the taxable income corresponding to IDR4.8 billion. For the fiscal year ended 31 December 2025, CKM and BBS were granted such reduction.

The Group is within the scope of the Pillar Two model rules. The Group has applied the temporary mandatory exception to recognising and disclosing information about deferred tax assets and liabilities arising from Pillar Two income taxes. From 1 January 2025, the Group is liable to Pillar Two income taxes under Hong Kong, Singapore and Indonesia. The Group will account for the Pillar Two income taxes as current tax when incurred.

The income tax expense of the Group during the year is analysed as follows:

	<b>2025</b> <i>RMB'000</i>	2024 <i>RMB'000</i>
Current tax:		
Charge for the year	<b>936,966</b>	213,977
Deferred tax	<b>162,573</b>	394,313
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Total tax charge for the year	<b>1,099,539</b>	608,290
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A reconciliation of the tax expense applicable to profit before tax at the statutory rate to the tax expense at the effective tax rate is as follows:

	<b>2025</b> <i>RMB'000</i>	2024 <i>RMB'000</i>
Profit before tax	<b>5,845,003</b>	3,817,046
Tax at the statutory tax rate of 25%	<b>1,461,251</b>	954,262
Preferential tax rates enacted by local authority	<b>(971,524)</b>	(691,552)
Expenses not deductible for tax	<b>12,048</b>	10,761
Additional deductible allowance for research and development costs	<b>(2,441)</b>	(2,193)
Adjustments in respect of current tax of previous periods	<b>(5,950)</b>	16,090
Tax losses utilised from previous periods	<b>(8,549)</b>	(10,708)
Profits and losses attributable to associates	<b>(5,830)</b>	(27,664)
Income not subject to tax	<b>(645)</b>	(3)
Effect of withholding tax on the distributable profit of foreign subsidiaries of the Company	<b>176,603</b>	349,452
Temporary differences not recognised	<b>27,358</b>	2,570
Tax losses not recognised	<b>9,998</b>	8,306
Pillar Two income taxes	<b>405,494</b>	–
Effect on opening deferred tax of increase in rates	<b>1,726</b>	(1,031)
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Tax charge at the Group's effective tax rate	<b>1,099,539</b>	608,290
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## 7. DIVIDENDS

The board of directors has resolved to recommend the distribution of a final dividend for the year ended 31 December 2025 of RMB0.60 (tax inclusive) per share, subject to approval of the Company's shareholders at the forthcoming annual general meeting.

In July 2025, ONC distributed dividends of US\$300,000,000 to all shareholders, among which US\$120,000,000 was distributed to a non-controlling shareholder PT Trimegah Bangun Persada ("TBP").

On 21 May 2025, the board of directors declared a final dividend for the year ended 31 December 2024 of RMB0.35 (tax inclusive) per share, amounting to a total of approximately RMB544,576,000, which was fully paid subsequently in 2025.

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

The calculation of the basic earnings per share amount is based on the profit attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 1,555,931,350 (2024: 1,555,931,350) outstanding during the year.

No adjustment has been made to the basic earnings per share amount presented for the years ended 31 December 2025 and 2024 in respect of a dilution as the Group had no potentially dilutive ordinary shares in issue during the years ended 31 December 2025 and 2024.

## 9. GOODWILL

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Cost and net carrying amount at beginning and end of year	<u>218,037</u>	<u>218,037</u>

### Impairment testing of goodwill

Goodwill acquired through business combination is allocated to the HPL cash-generating unit mainly engaged in smelting and production for impairment testing.

The recoverable amount of the HPL cash-generating unit has been determined based on a value in use calculation using cash flow projections based on financial budgets covering a five-year period approved by senior management. The budgeted gross margin applied to the cash flow projections, the terminal growth rate and pre-tax discount rate used to extrapolate the cash flows of the HPL cash-generating unit beyond the five-year period are as follows:

	As at 31 December 2025 %	As at 31 December 2024 %
Budgeted gross margin	32-33	34-35
Terminal growth rate	–	–
Pre-tax discount rate	<u>17.28</u>	<u>16.10</u>

The calculation of value in use is based on the following assumptions:

**Budgeted gross margin** – The basis used to determine the value assigned to the budgeted gross margins is the gross margins achieved in the year immediately before the budget year, changed for expected market development.

**Pre-tax discount rate** – the rate reflects management's estimate of the risks specific to the unit.

**Terminal growth rate** – the rate is based on the historical data in the same industry and management's expectation of the future market.

The values assigned to the key assumptions on budgeted gross margin, pre-tax discount rate and terminal growth rate are consistent with management's past experience and external information sources.

## 10. TRADE AND BILLS RECEIVABLES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
<b>Financial assets at amortised cost:</b>		
Trade receivables	1,823,123	1,400,704
Bills receivable	<u>123,188</u>	<u>30,000</u>
	1,946,311	1,430,704
Impairment	<u>(7,262)</u>	<u>(20,012)</u>
	1,939,049	1,410,692
<b>Financial assets at fair value through profit or loss:</b>		
Trade receivables containing provisional pricing features	<u>123,375</u>	<u>432,963</u>
<b>Financial assets at fair value through other comprehensive income:</b>		
Bills receivable	<u>321,643</u>	<u>43,299</u>
Net carrying amount	<u><u>2,384,067</u></u>	<u><u>1,886,954</u></u>

Trade receivables containing provisional pricing features are exposed to future movements in market prices, which have contractual cash flow characteristics that are not solely payments of principal and interest and are therefore measured at fair value through profit or loss. This requires an assessment of the exposure of the underlying trade receivable to future movements in market prices at the date of initial recognition of such receivable. For those receivables that are not exposed to future movements in market prices, a further assessment of the business model for managing the receivables is required to determine the appropriate classification and measurement. The business model pertaining to those receivables that do not contain provisional pricing features is to hold the assets to collect the contractual cash flows and as such, these financial assets are classified as at “amortised cost”.

The Group usually considers upfront payments or use of letters of credit. The final payment is usually paid within one month to three months and sometimes extended to one year, when the final commercial invoices are issued. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

An ageing analysis of the trade receivables of the Group as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Within 3 months	1,593,458	1,370,100
3 to 6 months	175,985	1,250
6 to 12 months	36,699	9,342
over 1 year	<u>9,719</u>	<u>–</u>
Total	<u><u>1,815,861</u></u>	<u><u>1,380,692</u></u>

The movements in the loss allowance for impairment of trade receivables are as follows:

	<b>2025</b> <b>RMB'000</b>	2024 <i>RMB'000</i>
At beginning of year	20,012	18,514
Impairment losses, net	2,098	1,488
Amount written off as uncollectible	(3,019)	–
Amount written off as transferred to long-term receivables	(11,856)	–
Exchange realignment	27	10
	<u>7,262</u>	<u>20,012</u>
At end of year	<u><b>7,262</b></u>	<u>20,012</u>

The Group applies the simplified approach to measure the loss allowance for trade receivables classified at amortised cost, using the lifetime expected loss provision. An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

The Group raised a special allowance for bad debt of RMB16,223,000 for a customer in the previous year. During the year, the customer underwent a restructuring plan together with its related parties and transferred all its debts to a new entity. In October 2025, the Group agreed to waive RMB3,367,000 (including VAT tax of RMB386,000 which was deductible) of the debt and transferred the remaining RMB12,856,000 to the new entity, which will be paid in 12 annual installments with interest accrued annually at interest rate of 0.2%. The new entity repaid the principal amount of RMB1,000,000 and interest of RMB24,000 in the year 2025, which reversed the impairment losses. As at 31 December 2025, the Group transferred the remaining undiscounted balance of RMB11,856,000 to long-term receivables and raised full allowance for bad debt for the remaining balance in long-term receivables due to the uncertainty for collection. Impairment written off as uncollectible includes the above tax-exclusive amount of RMB2,981,000 waived under the restructuring plan less the interest of RMB24,000 received.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

**As at 31 December 2025**

	<b>Gross</b> <b>carrying amount</b> <b>RMB'000</b>	<b>Expected</b> <b>credit loss rate</b>	<b>Expected</b> <b>credit losses</b> <b>RMB'000</b>
Current:	1,762,811	0.29%	5,041
Past due:			
Less than 3 months	57,346	1.39%	795
3 to 6 months	1,590	3.14%	50
6 to 12 months	–	–	–
Over 1 year	714	100.00%	714
	<u>1,822,461</u>		<u>6,600</u>
Individually identified as high expected credit loss rate	662	100.00%	662
	<u><b>1,823,123</b></u>	<b>1.00%</b>	<u><b>7,262</b></u>

As at 31 December 2024

	Gross carrying amount <i>RMB'000</i>	Expected credit loss rate	Expected credit losses <i>RMB'000</i>
Current:	1,314,406	0.15%	1,954
Past due:			
Less than 3 months	68,572	0.48%	332
3 to 6 months	–	–	–
6 to 12 months	–	–	–
Over 1 year	1,503	100.00%	1,503
	<u>1,384,481</u>		<u>3,789</u>
Individually identified as high expected credit loss rate	<u>16,223</u>	100.00%	<u>16,223</u>
	<u>1,400,704</u>	1.43%	<u>20,012</u>

At 31 December 2025, bills receivable of RMB321,643,000 (2024: RMB43,299,000), whose fair values approximate to their carrying values, were classified as financial assets at fair value through other comprehensive income, and the remaining bills receivable of RMB123,188,000 (2024: RMB30,000,000) were measured at amortised cost.

As at 31 December 2025, the Group endorsed certain bills receivable accepted by certain banks in the PRC (the “**Endorsed Bills**”) to certain of its suppliers in order to settle the trade payables due to such suppliers with a carrying amount in aggregate of RMB92,443,000 (2024: RMB46,196,000) (the “**Endorsement**”). In addition, the Group discounted certain bills receivable accepted by certain banks in the PRC (the “**Discounted Bills**”) with a carrying amount in aggregate of RMB2,147,381,000 (2024: RMB2,693,693,000) (the “**Discount**”). In accordance with the Law of Negotiable Instruments in the PRC, the holders of the Endorsed Bills and the Discounted Bills have a right of recourse against the Group if the PRC banks default (the “**Continuing Involvement**”).

In the opinion of the directors, as at 31 December 2025, the Group has transferred substantially all the risks and rewards relating to certain of the Endorsed Bills with amounts of RMB87,786,000 (2024: RMB46,196,000) and Discounted Bills with amounts of RMB2,030,850,000 (2024: RMB2,663,693,000) accepted by large and reputable banks (the “**Derecognised Bills**”). Accordingly, the Group has derecognised the full carrying amounts of these Derecognised Bills and the associated trade payables settled by the Endorsed Bills.

The maximum exposure to loss from the Group’s Continuing Involvement in the Derecognised Bills and the undiscounted cash flows to repurchase these Derecognised Bills is equal to their carrying amounts. In the opinion of the directors, the fair values of the Group’s Continuing Involvement in the Derecognised Bills are not significant.

The Group continued to recognise the full carrying amounts of the remaining Endorsed Bills and the associated trade payables settled with amounts of RMB4,657,000 as at 31 December 2025 (2024: nil). The Group recognised the proceeds received from the discount of the remaining Discounted Bills with an amount of RMB116,531,000 as short-term loans as at 31 December 2025 (2024: RMB30,000,000) because the directors believe that the Group has retained the substantial risks and rewards, which include default risks relating to such remaining Endorsed Bills and Discounted Bills.

The Group’s bills receivable were all aged within six months and were neither past due nor impaired.

## 11. TRADE AND BILLS PAYABLES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Trade payables	2,343,826	1,495,321
Bills payable	<u>10,026</u>	<u>26,862</u>
Total	<u><u>2,353,852</u></u>	<u><u>1,522,183</u></u>

The trade payables are non-interest-bearing and are normally settled within 90 days.

An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Within 3 months	1,270,381	840,356
3 to 6 months	303,968	84,713
6 to 12 months	437,658	246,384
1 to 2 years	154,350	156,386
Over 2 years	<u>177,469</u>	<u>167,482</u>
Total	<u><u>2,343,826</u></u>	<u><u>1,495,321</u></u>

## MANAGEMENT DISCUSSION AND ANALYSIS

### OVERVIEW

In 2025, despite a complex and ever-changing external environment, the Company rose to the challenges and pressed forward, with all business segments operating in coordination, achieving significant breakthroughs in key operational indicators. The Company timely adjusted its business strategies according to market trends, hedged risks through flexible procurement and sales strategies combined with refined operational management, achieved phased breakthroughs in key projects, and further increased the production of nickel and cobalt products, injecting strong momentum into profit growth. In 2025, the Company achieved an operating revenue of RMB40,239.8 million, representing a year-on-year increase of 37.7%, and a net profit attributable to owners of the parent of RMB2,857.4 million, representing a year-on-year increase of 61.1%. During the Reporting Period, the laterite nickel ore hydrometallurgy project (HPAL project), jointly invested and constructed by the Company and its Indonesian partner on Obi Island, Indonesia, continued to operate steadily and reached full-capacity operation across the entire production line all year round. The equity-participated HJF project (phase I of the RKEF project) under the laterite nickel ore pyrometallurgy project (RKEF project) operated stably, and the KPS project under the RKEF project (phase II of the RKEF project) has been put into operation as planned, with six production lines having reached full capacity. The Company has officially launched the hydrometallurgical slag resource utilization demonstration project and the MHP refinement project, completing the feasibility studies and regulatory filings for these projects to ensure their timely constructions. In addition, the Company consistently integrated the concept of sustainable development throughout the entire business chain of trade, production and sales, focusing on improving energy efficiency of production projects and creating industrial parks that are resource-saving, environmentally friendly, intelligent and clustered. Leveraging its advantages in trade and industry synergy, the Company continued to promote the construction and optimization of the Obi Island Industrial Park, ensuring a stable supply of auxiliary materials and enhancing efficient collaboration within the park to provide solid support for the long-term and stable operation of the projects. During the Reporting Period, the Company fully leveraged its supply chain capabilities to ensure a stable supply of key raw and auxiliary materials such as laterite nickel ore, sulfur and semi-coke for the park's production and construction, laying a solid foundation for its sustainable development.

In 2025, signals of marginal tightening in the nickel market emerged. In terms of changes in industrial policy, the Directorate General of Mineral and Coal (ESDM) of Indonesia shortened the validity of nickel ore quota permits from three years to one year. At the same time, the Democratic Republic of Congo (Kinshasa) implemented cobalt export restrictions and quota management policies, driving a significant increase in cobalt prices. In terms of downstream industries, according to data from the China Automotive Power Battery Industry Innovation Alliance, in 2025, the cumulative installed capacity of power batteries in China reached 769.7 GWh, of which the cumulative installed capacity of ternary batteries reached 144.1 GWh, representing a year-on-year increase of 3.7%. In the future, with the continuous advancement of solid-state battery industrialization, as well as the ongoing expansion of emerging application scenarios such as eVTOL (electric vertical take-off and landing vehicles) and robots, new growth opportunities will be created for the downstream demand of ternary lithium batteries. Along with the promotion of the trade-in policy, stainless steel consumption demand will also continue to maintain positive growth.

In 2025, nickel prices showed a trend of rising first before falling, with reduced volatility. In the first quarter, nickel ore supply was temporarily tight due to slow approval of nickel ore quotas in Indonesia and the rainy season in the Philippines. Coupled with rising expectations of a Federal Reserve interest rate cut, nickel prices fluctuated on the stronger side, with SHFE nickel futures being traded between RMB125,000/ton and RMB136,000/ton. In the second quarter, although Indonesia adjusted nickel ore royalty rates and increased Non-Tax State Revenue (PNBP), which drove up the fixed costs associated with mining taxes, global refined nickel inventories continued to accumulate. Additionally, the United States imposed tariffs on steel derivatives, causing nickel prices to face pressure and decline, with SHFE nickel futures temporarily dropping to RMB115,000/ton. In the third quarter, driven by macro policies and news flow, SHFE nickel futures fluctuated between RMB119,000/ton and RMB125,000/ton. The market was sensitive to policies and news such as suspending new intermediate smelting capacity approvals in Indonesia, one-year nickel ore quota approval, and taking over some nickel mining areas by the Indonesian government. However, the high inventory levels constrained the rebound potential, and macro events only intensified short-term volatility. In the fourth quarter, seasonal demand weakened, pushing nickel prices down to multi-year lows. Subsequently, the ESDM signaled that nickel ore quotas for 2026 will be significantly tightened, triggering expectations of supply contraction, and providing a basis for price increases.

In 2025, the nickel market as a whole faced structural challenges of high inventories and price pressure. However, in the medium to long term, the industry is at a crucial stage of structural adjustment and demand transformation, providing differentiated development opportunities for companies with technological and cost advantages. The global energy transition is driving a continuous increase in the penetration of new energy vehicles, while the advancement of high-nickel battery technology and the acceleration of solid-state battery industrialization will create sustained and significant market demand for nickel products. Domestic policies aimed at stabilizing growth, such as trade-in programs, are being gradually implemented and are expected to support demand for stainless steel and related products. Leveraging its technological expertise and cost control capabilities in hydrometallurgical processes, the Company can tap into the high value-added new energy materials market; its pyrometallurgical capacity, on the other hand, relies on scale and integration advantages to maintain competitiveness in traditional sectors. Facing a complex environment, the Company will continue to advance technological upgrades and resource integration, strengthen cost control, expand high-value products and overseas layout, so as to consolidate long-term competitiveness in the evolving industry landscape.

### ***New Energy***

As one of the important raw materials for power batteries, the demand for nickel has continued to grow with the rapid promotion of new energy vehicles. In 2025, China's new energy vehicle market continued to thrive under the support of national policies. Benefiting from the continuation of the trade-in policy and the introduction of local governments' purchase subsidies, the new energy vehicle market maintained steady growth. According to data from the China Association of Automobile Manufacturers, in 2025, the production and sales of new energy vehicles reached 16.63 million and 16.49 million units, respectively, representing a year-on-year increase of approximately 29.0% and 28.2%, accounting for 47.9% of total new vehicle sales, up 7 percentage points compared to 2024. In addition, domestic new energy vehicle enterprises, leveraging their advantages in high-end and intelligent technology as well as a stable local supply chain layout, have actively responded to the continuously evolving global market competition landscape, achieving annual exports of 2.615 million units, representing a year-on-year increase of 103.7%, becoming a core growth engine for China's automobile exports. In the future, with the large-scale equipment upgrades in 2026 and the implementation of the trade-in policy for consumer goods, it is expected to further stimulate the consumption potential of new energy vehicles, thereby driving the industry toward high-quality development. Moreover, from a medium to long-term perspective, high-end application scenarios such as embodied intelligent robots, eVTOL, and drones also provide enormous incremental space for ternary lithium batteries.

## ***Stainless Steel***

The stainless-steel industry is a major application area for nickel. With the development of the stainless-steel industry, the raw material for stainless steel has shifted from pure nickel to ferronickel, and the increase in stainless steel production has correspondingly increased the demand for ferronickel. As an important industrial basic material, stainless steel is widely used in transportation, industrial equipment, construction and decoration, household appliances, and high-end equipment manufacturing and other fields. In 2025, China's stainless-steel industry maintained growth in both production and apparent consumption. According to statistics from the Stainless-Steel Branch of the China Iron and Steel Association, in 2025, China's apparent consumption of stainless steel reached 33.4616 million tons, an increase of 0.9696 million tons year-on-year, representing a growth of 2.98%. China's crude stainless steel production reached 40.8681 million tons, an increase of 1.4270 million tons year-on-year, representing a growth of 3.62%. As demand grows, its demand structure is also shifting from low-nickel 200 series stainless steel to high-nickel 300 and 400 series stainless steel. According to statistics from the Stainless-Steel Branch of the China Iron and Steel Association, by 2025, 300 series and 400 series stainless steel accounted for 51.73% and 18.54% respectively, while 200 series stainless steel only made up 28.48%. This structural change further drives the increase in demand for nickel. In the future, under the impetus of policies, large-scale equipment upgrading and trade-in programs for consumer goods, as well as subsidies for replacement of aging elevators in domestic buildings, will be launched, stimulating an increase in demand for stainless steel.

## **BUSINESS REVIEW**

We are a company covering the entire nickel industry chain, deeply rooted in the nickel sector, with business including nickel resource procurement, nickel product trading, and the production and sales of nickel products. In terms of nickel product trading, we are the largest nickel ore trader in China. In the field of smelting and production, we actively support the "Belt and Road" initiative and implement national strategies for the development of strategic industries such as new energy. Focusing on key nickel resources, we strategically layout production in major global resource areas. We have established the Obi Island Industrial Park in Indonesia and completed the production layout for both hydrometallurgy and pyrometallurgy projects. The total designed capacity of these smelting projects reaches 400,000 metal tons of nickel, with hydrometallurgical capacity at 120,000 metal tons of nickel-cobalt compounds and pyrometallurgical capacity at 280,000 metal tons of ferronickel (of which our associated company HJF's pyrometallurgical capacity is 95,000 metal tons of nickel). We have adopted third-generation High Pressure Acid Leach process technology to effectively harness Indonesia's local low-grade laterite nickel ore, and adopted mature Rotary Kiln-Electric Furnace process technology to achieve intensive, integrated production locally in Indonesia, providing high-quality nickel products to well-known domestic and international downstream customers in the new energy vehicle and iron and steel industries. The Company consistently adheres to the development philosophy of "green and low-carbon, innovation-driven", aiming to promote the deep integration of global resources with advanced Chinese technologies and to lead the sustainable development of the nickel industry. Building on the nickel product trading business and focusing on the production and smelting of nickel products, the Company continuously deepens its strategic layout, optimizes its business structure, and constantly improves operational quality and market responsiveness. Guided by the strategy of "integrating global resources with Chinese technology", the Company actively participates in the construction of global nickel industry ecosystem through continuous technological research and development and cross-border industrial collaboration, and is committed to providing stable and high-quality products and services to customers both at home and abroad, and promoting sustainable and coordinated development throughout the industry chain.

In 2025, the Company realized a total operating revenue of RMB40,239.8 million, representing an increase of 37.7% as compared with the same period last year. The net profit attributable to shareholders of the Company was RMB2,857.4 million, representing an increase of 61.1% as compared with the same period last year. The Company achieved growth both in its operating revenue and profit, which was mainly due to the stable full load production of the HPAL project and the positive impact brought by the further improvement of capacity release of KPS (phase II of the RKEF project).

### ***Procurement and trading of nickel resources***

As a leading enterprise in China's nickel ore trading sector, the Company, leveraging its outstanding resource integration capabilities and extensive industry experience, has not only consolidated long-term stable supply sources, but also expanded several new supply channels, continuously deepening its domestic and international market presence. The Company has always adhered to a customer-oriented approach, constantly optimizing trade processes and service systems, and strengthening and expanding strategic partnerships. During the Reporting Period, in terms of nickel ore trading, the Company focused on the incremental demand of domestic general carbon steel mills. On the basis of optimizing the customer structure, we have further promoted in-depth cooperation and value creation. At the same time, we proactively seized the structural opportunities in the Indonesian market, accelerated the layout of overseas business, and expanded new spaces for resource integration with the support of cutting-edge information analysis. In terms of ferronickel trading, the Company closely monitored market trends, fully leveraged the market sensitivity and informational advantages of traders, strengthened compliance management, and precisely adjusted sales strategies. By adopting a model that combines framework agreements with flexible orders, the Company actively built a diversified sales network. Through accurate market assessment and flexible trading strategies, the Company has steadily increased the trade volume of nickel products while effectively managing risks, significantly enhancing overall profitability.

### ***Smelting and production of nickel products***

Indonesia's influence and voice in the global nickel industry are continuously increasing. In terms of nickel ore reserves, according to the "2026 Mineral Commodity Summary" issued by the United States Geological Survey (USGS), by the end of 2025, the global nickel ore reserves amounted to over 350 million metal tons, of which 54% were laterite nickel ore. Among the proven nickel resources, Indonesia is the country with the richest nickel reserves in the world, accounting for approximately 44% of the world's total nickel reserves. In terms of nickel ore supply, the global proportion of Indonesia's nickel ore supply has increased from 62% in 2024 to 67% in 2025. The Company focuses on the smelting and production of nickel products, adhering to an open and cooperative philosophy, working with the Indonesian partner to optimize resource allocation and comprehensively support the Obi project in Indonesia.

### *Hydrometallurgy project/HPAL project*

The Company has adopted the third-generation HPAL smelting process, which is one of the most advanced smelting technologies in the industry for processing low-grade laterite nickel ore. The Company's hydrometallurgy project in Indonesia has been planned with a total of six production lines, with a total designed capacity of 120,000 metal tons of nickel and 14,250 metal tons of cobalt. The project produces nickel-cobalt hydroxide, nickel sulfate, cobalt sulfate, and electrodeposited cobalt products based on market demand.

During the Reporting Period, the hydrometallurgy project was operated at full capacity across all lines, with the HPAL project continuing to run at full load stably and the electrodeposited cobalt project achieving efficient production. The Company closely followed the development trends of the new energy vehicle industry and actively adjusted its product structure to meet the growing market demand for high-performance battery materials. At the same time, the Company continued to deepen resource efficiency and technological optimization and has effectively enhanced resource utilization efficiency and overall economic value through systematic improvements to production lines. Among them: the optimization of the iron-aluminum slag washing process has significantly increased the metal recovery rate in smelting; after the transformation and upgrading of the electrodeposited cobalt production line, all economic and technical indicators and product quality have steadily improved, allowing for flexible and efficient adjustments to the cobalt product structure according to market conditions while meeting customer demand; by investing in and constructing the first hydrometallurgical tailings storage facility in Indonesia and innovatively adopting a slurry tailings hydraulic sedimentation process, the seismic performance of the facility has been significantly enhanced, the ecological reclamation cycle of the storage area has been effectively shortened, and production costs have been reduced.

### *Pyrometallurgy project/RKEF project*

The Company has adopted mature RKEF smelting technology and has established business presence both domestically and abroad. The Company has planned pyrometallurgy projects in Indonesia with a total of 20 production lines and a total annual capacity of 280,000 metal tons of ferronickel, of which phase I of the pyrometallurgical project is the Company's equity-participated HJF project, with a designed annual capacity of 95,000 metal tons of ferronickel, and phase II of the pyrometallurgical project is the Company's majority-held KPS project, with a designed annual capacity of 185,000 metal tons of ferronickel. In addition, the Company has established a ferronickel smelting plant in Jiangsu, also adopting the RKEF process, with a designed annual capacity of 18,000 metal tons of ferronickel.

During the Reporting Period, the Company fully leveraged its experience with the RKEF process and the expertise of skilled workers, continuously strengthening the optimization and maintenance management of pyrometallurgical processes to improve production efficiency and product quality. The equity-participated HJF project maintained stable operation, and the majority-held KPS project was put into production as planned, with six production lines reaching full capacity and successfully obtaining ISO9001 Quality Management System certification. The Company deepened cost control, successfully implemented phase I lean pilot project, and fully initiated systematic lean operational reforms, significantly improving on-site operational metrics. In addition, the ferronickel smelting plant in Jiangsu, through measures such as reasonably scheduling production to avoid peak times and adding new energy storage stations, has further reduced costs and increased efficiency while practicing green production.

## **RISK ANALYSIS**

### ***Fluctuation in Nickel Metal Price***

The changes in the market price of nickel products are mainly influenced by factors such as market supply and demand, macroeconomic conditions, etc. During the Reporting Period, due to factors such as the increase in supply of refined nickel products, the slowdown in growth of major economies worldwide, and the slowdown in demand growth in downstream industries such as stainless steel, nickel prices generally showed a fluctuating downward trend. In the purchase and sale agreements signed between the Company and customers and suppliers, the delivery price of nickel products is usually determined based on factors such as the average market price over a period of time and expected future prices. If the selling price of nickel products declines due to market supply and demand conditions, the price difference between the purchase and sale of nickel products in the Company's nickel product trading business may narrow, and the gross profit margin of nickel production and sales business may also decrease, which may have an adverse impact on the Company's operating results. On the other hand, if the price of nickel products continues to rise, downstream customers may seek more economical alternative solutions. For example, they may seek other more economically feasible energy solutions to replace ternary batteries, or increase the recycling and reuse of nickel metal, thereby reducing the demand for nickel products. In addition, even in the context of rising nickel prices, if the Company cannot fully transmit price changes to downstream customers, it will result in adverse effects on the Company's operating results.

To effectively mitigate the risks of nickel price fluctuations, the Company has established a systematic risk management framework. By continuously optimizing production processes and exploring cost-reduction potential, the Company steadily consolidated and expanded its cost advantages. At the same time, the Company strengthened market trend analysis, flexibly adjusted its procurement and sales strategies, and enhanced its dynamic responsiveness to price fluctuations. On this basis, the Company deepened strategic collaboration with downstream customers, optimized product structure, and improved the stability of supply-demand matching. The Company has also prudently controlled the pace of capacity expansion, maintained financial stability and capital allocation efficiency, laying a solid foundation for long-term sustainable development. Leveraging its leading hydrometallurgical technology, full industry chain layout, and excellent operational capabilities, the Company has demonstrated strong resilience during the industry adjustment period, and will continue to seize the long-term opportunities brought by the transition to new energy.

### ***Fluctuations in Raw and Auxiliary Materials and Energy Prices***

In addition to laterite nickel ore as the main raw materials, the Company also purchases auxiliary materials such as sulfur, liquid alkali, semi-coke, quicklime, as well as energy sources such as electricity, diesel, and coal to maintain the production and operation of smelting projects. The prices of these materials may be affected by factors such as inflation, global supply chain disruptions, supplier capacity limitations, demand for the same materials from other industries, availability of supplementary and alternative materials, and regulatory policies. If there are significant fluctuations in the prices of the aforementioned raw and auxiliary materials and energy sources in the future, and the Company cannot pass through increased costs to downstream enterprises, our operating results will be adversely affected.

To cope with the risks of fluctuations in raw and auxiliary materials and energy prices, the Company actively leveraged the advantages of traders by analyzing market price trends, proactively planning ahead, optimizing inventory, and combining process optimization and energy management on the production side to achieve reduction of operational cost. On the other hand, the Company extended its supply chain to upstream resource end, improved self-sufficiency in auxiliary materials, and enhanced cost transmission capabilities through product high-end and technological upgrades.

For example, affected by the ongoing geopolitical conflicts in the Middle East, shipping through the Strait of Hormuz, a key global sulfur transport channel, has been obstructed, and vessel passage has been restricted, resulting in tight sulfur supply from the Middle East. In this context, to ensure the stability and security of the supply chain for sulfur, a key auxiliary material for the Company's hydrometallurgical processes, we have planned ahead and taken proactive measures to actively promote a diversified procurement layout. Currently, we have established direct or indirect cooperative relationships with high-quality suppliers from countries and regions in North America, South Asia, and the Middle East, effectively mitigating potential risks brought by fluctuations in a single regional market and possible supply chain disruptions. At the same time, the Company is simultaneously expanding alternative raw material pathways and has successfully obtained an import quota for sulfuric acid approved by the Indonesian government. This allows part of the sulfur demand to be substituted through flexible procurement of sulfuric acid, further enhancing the flexibility of raw material acquisition and the resilience of the supply chain. Through the above combination strategy of "multi-channel procurement and alternative auxiliary material reserves", the Company has built a more robust and controllable sulfur supply guarantee system, maintained the dynamic stability of sulfur inventory, significantly enhancing its ability to respond to emergencies and providing solid and strong support for the continuous and stable operation of the hydrometallurgical system and the smooth and orderly advancement of production and operation.

### ***Risk of Fluctuations in Exchange Rates***

The Company's main production bases are located overseas, and its procurement mainly involves overseas nickel ore and various raw and auxiliary materials. The import trade at the sales end also includes payment and settlement model by letter of credit, involving a large amount of foreign currency settlements such as US dollars. Therefore, the Company's profit level has been affected by exchange rate fluctuations. With the continuous expansion of the Company's overseas business, changes in import trade at the sales end, and the political and economic situation in various countries overseas, there is a risk that the Company's operating results may change due to significant fluctuations in exchange rates.

To effectively manage the financial risks that may arise from exchange rate fluctuations, the Company has established a systematic risk identification and assessment mechanism, and regularly monitors and calculates foreign exchange risk exposure. By sorting out the allocation of foreign currency assets and liabilities, the Company can timely assess the potential impact of exchange rate fluctuations on operating results and financial conditions, and take targeted measures to respond. In daily operations, the Company focuses on reducing net foreign exchange risk exposure through currency matching for assets and liabilities, and uses financial instruments to hedge significant exchange rate risks when necessary. Adhering to the management philosophy of "risk neutrality", the Company is committed to reducing the interference of exchange rate fluctuations on its main business operations, and enhancing financial stability and performance predictability.

## CORE COMPETITIVENESS OF THE COMPANY

### ***We maintain a long-term, stable supply of core upstream resources***

As a critical energy metal, nickel ore remains a highly scarce resource worldwide. Since Indonesia implemented a ban on the export of laterite nickel ore in 2020, the global supply pattern of nickel ore has further tightened. Therefore, ensuring a stable and sufficient supply of nickel ore is crucial for the sustained operation and competitive position of enterprises in the industry.

Indonesia and the Philippines, as the main suppliers of global nickel resources, are the core regions for the Company to obtain nickel ore. Among the proven nickel resources, Indonesia ranks first in the world with its abundant nickel reserves, accounting for 44% of the world's total reserves. The Philippines is the second largest supplier of nickel ore after Indonesia. We have established long-term stable supply relationships with upstream mines in these countries to ensure continuous and unimpeded access to high-quality nickel products, further consolidating our competitive advantage in the industry. In Indonesia, we have jointly invested in hydrometallurgy and pyrometallurgy projects with the Indonesian partner on Obi Island and signed a 20-year long-term supply agreement for laterite nickel ore, effective from 1 January 2021. The nickel ore resources owned by the Indonesian partner on Obi Island provide stable raw material support for the Company's related smelting projects. In the Philippines, the Company has established partnerships with leading nickel mining companies such as Nickel Asia Corporation and CTP Construction and Mining Corp. for over a decade, together with a deep understanding of the quality of mine output, the Company ensures that its nickel ore trading business continues to obtain high-quality and stable supply of nickel ore and ferronickel products.

These deep and long-term supply collaborations not only consolidate the Company's competitive position in the industry, but also provide supply chain resilience to cope with global market changes and potential geopolitical risks. In the future, the Company will further strengthen the cooperation with resource-rich countries such as Indonesia and the Philippines, actively explore diversified supply channels, and to lay a solid foundation for expanding business scale and sustainable development.

### ***Our breakthroughs in key processes and techniques have enabled us to achieve first-mover advantages, leverage our technological strengths, and lower our production costs***

The production of nickel products requires extensive industry knowledge and experience, strong process optimization capabilities, technological research and development capabilities, and corresponding talent reserves. With technological innovation and practical experience in nickel product production accumulated through on-site operation and management, the Company has built a diversified product portfolio covering different production paths. At the same time, the Company has also gained a leading competitive advantage in operational efficiency and profitability.

## *Hydrometallurgy*

The third-generation HPAL process used in the HPAL project is currently one of the most competitive technologies in the field of primary nickel ore production. This process has the advantages of low energy consumption and high comprehensive recovery rate when processing low-grade laterite nickel ores with high cobalt/iron content. However, at the same time, due to the high technical difficulty, complex production process, and the need to operate in high temperature, high pressure, and concentrated sulfuric acid environment, it puts forward extremely high requirements for technical capabilities and management level, with low fault tolerance. The Company has systematically optimized and upgraded the nickel hydrometallurgical production process, process details, and production equipment of the third-generation HPAL technology in the hydrometallurgy project, which has enabled the project to be at the forefront of the industry in terms of construction time, cash costs, unit nickel metal investment cost, and time to reach full capacity, while achieving significant reductions in energy consumption and production costs.

On the basis of the third-generation HPAL process, the Company has further increased production capacity, reduced comprehensive energy consumption and production costs through a series of technological improvements such as mineral processing optimization, residual acid recovery and utilization, and steam cycle application. With the continuous development and improvement of processes, the requirements for technical control and operational capabilities in high temperature, high pressure, and strong acid environments continue to increase. The Company relies on industry-leading technological strength and an experienced professional team to continuously introduce advanced equipment and process control systems. Through innovative production management and real-time monitoring methods, the Company has achieved precise control from raw material input to product output, ensuring stable and continuous production while also ensuring the safety of personnel and equipment. These systematic optimization and upgrading measures have significantly enhanced the operational efficiency and cost-effectiveness of the project.

## *Pyrometallurgy*

In the field of pyrometallurgy, the Company has mastered mature RKEF process technology and accumulated experience in project design, construction, operation, and management that is compatible with it. As of the end of the Reporting Period, the Company has established production capacity for pyrometallurgy of laterite nickel ore in China and overseas.

The Company has successfully applied the experience of Jiangsu Facilities in technology upgrading and project management to the practice of the RKEF project. In the practice of the Obi projects, we continuously promoted technological innovation based on the original process, and optimized and upgraded the RKEF process and related production equipment in a targeted manner combining with the characteristics of local laterite nickel ore and other raw materials in Indonesia. By improving the efficiency of heat recovery and other measures, the energy utilization efficiency has been further enhanced, the frequency and cost of equipment maintenance have been reduced, and the Company has achieved breakthroughs in multiple production indicators.

### *Continuous process improvements and R&D*

To achieve cost reduction and efficiency improvement, enhance comprehensive strength and sustainable development capabilities, the Company is promoting system optimization and technological innovation from multiple dimensions. The Company continues to optimize the logistics and energy allocation in the park, improve the comprehensive utilization efficiency of resources, strengthen the economic recovery of by-products, and enhance the circular system. At the same time, through continuous upgrading of technology and equipment, coordinated disposal of “waste gas, wastewater, and solid waste”, and promotion of substitution of high-value consumables, we have comprehensively improved operational efficiency and environmental performance, consolidating the Company’s competitive advantage in the market.

The Company has formulated a clear technology development plan, with technology integration as the main focus, to carry out systematic technological innovation and research and development around comprehensive resource utilization, new technology development, existing process optimization, potential project reserves, and other aspects. We consistently adhere to process improvement and research innovation, leveraging our own R&D team and closely collaborating with third-party organizations to continuously advance technological progress. During the Reporting Period, the Company’s technology center promoted the development and reservation of multiple technologies and deepened cooperation with several well-known domestic universities and research institutions to jointly promote process optimization and cost control and enhance the overall technological level. The hydrometallurgy project in Indonesia is an important engine for the Company’s future profit growth. The Company has already established strong technical reserves in several key areas such as electrodeposited nickel, hydrometallurgical slag ironmaking, chromium extraction from laterite nickel ore and low-cost precipitation replacement of liquid alkali. Through measures such as establishing new R&D centers, deepening industry-academia-research cooperation, and forming a high-level team, the Company will further enhance its independent research and development and process innovation capabilities.

In 2025, the Company continued to promote technological process improvements and sustainable upgrades. In the Obi Island Industrial Park in Indonesia, the first hydrometallurgical heap tailings demonstration warehouse has been officially put into use; the oil containing calcium sulfate crystal washing device in the HPL refining workshop has successfully operated and produced low oil calcium sulfate crystals; and the optimized ONC iron-aluminum slag washing process has significantly improved the recovery rate of smelted metals, and the construction of the ONC residual ore project is being carried out to enhance the recovery and utilization rate of nickel in gravel, consolidating the Company’s technological leadership and cost competitiveness in the field of hydrometallurgy.

Looking ahead, the Company will continue to increase its investment in R&D, actively introduce new production processes, expand product lines, and promote sustainable development in various business segments. These measures will not only strengthen the Company’s competitiveness in technological iteration and market changes, but also provide solid support for meeting future demands and technological innovations. With extensive industry experience and continuous technological accumulation, the Company provides strong technical support for the smooth implementation of projects and its long-term development.

### ***We have formed long-term cooperation with a high-quality customer base***

Through years of deep cultivation in the nickel industry chain, the Company has accumulated a good reputation and credibility among downstream customers and established long-term stable cooperative relationships with leading large production enterprises at home and abroad.

**In the field of new energy**, the nickel-cobalt compounds produced by the Company's hydrometallurgy projects serve as the core raw materials for ternary batteries in new energy vehicles. With the rapid growth of the new energy vehicle industry, the market demand continues to be strong. The Company has entered into long-term supply agreements with leading new energy material producers and bulk commodity traders in the industry, including subsidiaries of CATL (Hunan Bangpu, Ningde Bangpu and Ningbo Bangpu), Rongbay Technology and GEM. In 2025, the hydrometallurgical projects of the Company were operated at full capacity, which significantly enhanced the growth momentum of the Company's new energy business and consolidated its strategic position in the supply side of new energy materials.

**In the field of stainless steel**, as the largest nickel ore trader in China, the Company relies on a stable supply chain and strict quality control system built in major nickel resource supply areas such as Indonesia and the Philippines to continuously supply laterite nickel ore and ferronickel products to large iron and steel enterprises such as Tsingshan Holdings, Baosteel Desheng Stainless Steel Co., Ltd. and POSCO. Our products are widely used in the stainless-steel terminal market, forming a complete chain from resource acquisition and trade circulation to terminal application.

### ***Thriving domestic downstream industries is driving increased demand for the Company's nickel products***

The Company's nickel products are mainly used in downstream industries such as new energy vehicles and stainless steel. New energy is growing rapidly due to multiple favorable driving factors, and the Company's nickel products will fully benefit from the explosive growth in demand in the end markets.

In terms of the new energy vehicle market, many countries around the world have set goals for vehicle electrification. According to CIC, the penetration rate of new energy vehicle sales in China was only 5.0% in 2019, increasing to 44.4% in 2024, and is expected to further increase to 82.0% in 2029. With the introduction of favorable national policies such as the Announcement on Adjusting and Reducing Vehicle Purchase Tax and Technical Requirements for New Energy Vehicle Products (《關於調整減免車輛購置稅新能源汽車產品技術要求的公告》) and the Action Plan for Energy Conservation and Carbon Reduction 2024 to 2025 (《2024 – 2025 年節能降碳行動方案》), as well as continuously developing automotive technology and rapidly decreasing battery costs, the sales and penetration rate of new energy vehicles in China will further increase. The rapid growth of the new energy vehicle market has driven the rapid development of the ternary battery market. Compared with other types of new energy power batteries, ternary batteries have higher energy density and longer actual driving range, and have been widely used in recent years. The high nickel conversion of ternary batteries will further release the market demand for raw materials such as nickel sulfate and cobalt sulfate for high nickel ternary batteries. The Company has accurately seized the growing market opportunities in the new energy vehicle industry and actively laid out the production capacity for nickel-cobalt compound products such as nickel sulfate and cobalt sulfate. The hydrometallurgy project in Indonesia has been fully put into operation, which has a total designed capacity of 120,000 metal tons of nickel-cobalt compounds (including 14,250 metal tons of cobalt), making the Company one of the leading raw material suppliers in the domestic new energy vehicle industry.

### ***We adhere to the concept of ESG sustainable development***

In the context of sustainable global development, the Company focuses on green development and is committed to improving resource utilization efficiency. The Company has fully integrated ESG management into its operations and governance. The Company actively practices green, low-carbon, and circular economy by recycling by-products from production, improving resource efficiency, and continuously optimizing energy structure and supply chain layout. The Company is promoting a demonstration project for hydrometallurgical slag resource utilization, using the hydrometallurgical slag generated during the hydrometallurgical process as a resource for recycling and extracting iron resources, effectively reducing waste emissions and decreasing dependence on primary ores. By improving energy efficiency and building intelligent industrial parks that are resource efficient and environmentally friendly, the Company actively practices the goals of circular economy and carbon neutrality. In terms of corporate governance, the Board has established four specialized committees, namely the audit committee, the remuneration committee, the nomination committee and the ESG committee, to ensure a scientific and standardized governance structure. The ESG committee is responsible for identifying relevant risks and opportunities, reporting to the Board, ensuring continuous optimization of ESG management, and integrating sustainable development concepts into the entire process of corporate governance. Currently, the Company's various production projects are steadily advancing, and significant progress has been made in the greening and environmental construction of parks. In the future, the Company will also continue to invest in R&D and technology upgrades, promote the green transformation of the entire industry chain, and strive to create intelligent, intensive, and eco-friendly industrial parks.

### ***The Company has formed a complete industry ecosystem centered around nickel resources***

As a globally leading nickel industry chain enterprise, the Company's main business covered the entire process of nickel resource procurement, trade, production, and sales during the Reporting Period. We deeply cultivated the industry chain and extended downstream from trade business, forming a complete industrial layout covering multiple links. In the upstream field, in response to the "the Belt and Road" initiative, the Company has focused on the layout of major resource areas in the world, established stable supply chain networks in Indonesia and the Philippines, set up professional nickel ore testing departments to precisely purchase mineral products, improve production efficiency and economic benefit, deepen industry understanding by virtue of value-added services, and become the largest nickel ore trader in China. In the field of production and sales, the Company focuses on expanding demand in the European and American markets around Indonesia, efficiently developing and utilizing local laterite nickel ore resources, and establishing production bases in Indonesia and China to integrate the upstream and downstream of the supply chain. By establishing an independent nickel industrial park in Indonesia to produce high-quality nickel-cobalt compounds and ferronickel products, we provide key resources for downstream customers, we also uphold the concept of green production to ensure environmental protection and resource recycling, aiming to create an integrated industrial system.

With over a decade of accumulated experience, the Company has achieved efficient resource utilization and industrial upgrading through innovation and cooperation, guaranteed domestic resource supply, and obtained a good reputation for products and services, achieving a win-win situation in cross-border industrial layout and continuously enhancing international competitiveness. During the Reporting Period, the Company built a world-class nickel industrial park on Obi Island in Indonesia, adopting a dual technology route that runs through the green and low-carbon concept, and adhering to the principle of “integrating global resources with Chinese technologies” to promote sustainable development of the industrial chain. In the future, the Company will deepen cooperation with enterprises from countries such as Indonesia and the Philippines, so as to promote the development of the global nickel industry, and seize opportunities for new energy transformation.

## **OUTLOOK**

### ***Completing the Construction of Existing Projects and Enriching Our Product Range***

The Obi project in Indonesia is the core driver for the Company’s profitable growth in the future, and the timely and smooth commissioning and efficient operation of its production lines is critical to the expansion of our business. During the Reporting Period, the Company continued to steadily implement the established plan and concentrated its advantageous resources to implement the construction of the pyrometallurgical KPS project in an orderly manner. The Company plans to achieve full capacity for all 12 production lines of the project by 2026.

### ***Empowering the Circular Economy to Promote Hydrometallurgical Slag Resource Utilization Demonstration Project***

Always adhering to the development concept of green and environmental protection, the Company, based on multiple rounds of technical verification and in-depth market research, has launched the hydrometallurgical slag resource utilization demonstration project, aiming to transform the waste hydrometallurgical slag generated by the HPAL project into high-value resources. The hydrometallurgical slag contains a relatively high iron content which, after systematic pretreatment, can reach the grade level of ordinary iron ore, and can be used as high-quality raw material for subsequent pig iron production. These pig irons can be further refined and processed to produce rebar products that meet market standards. Rebar, as an important construction steel, is widely used in bridges, roads, high-rise buildings, tunnels and other infrastructure projects. With the rapid rise of emerging economies in Southeast Asia, the region is vigorously promoting infrastructure development and urbanization, and the market demand for rebar is expected to see significant growth. The implementation of this project not only effectively solves the environmental and land occupation problems caused by the storage of hydrometallurgical slag, but also creates considerable economic benefits for the Company through efficient resource recovery, truly achieving a dual improvement of environmental and economic benefits. During the Reporting Period, the Company was accelerating the layout of hydrometallurgical slag resource utilization demonstration project to build a moat for circular economy. The project aims to form a new value chain of “waste slag resource utilization – valuable metal recycling”, and has currently completed feasibility studies and regulatory filing, and is about to enter the construction stage comprehensively.

### ***Enriching Product Categories to Promote MHP Refinement Production Project***

The Company continued to deepen R&D ability tailored to a wide range of downstream products, actively promoted MHP refinement production project and further processed the nickel-cobalt hydroxide products produced by ONC into nickel/cobalt sulfate, or electrodeposited nickel/cobalt. Battery-grade nickel/cobalt sulfate can be used in NEV, energy storage batteries, 3C electronics and other fields to improve the energy density of batteries and further improve product performance. Electrodeposited nickel/cobalt are featured by high strength and corrosion resistance, and can be widely used in stainless steel, alloy materials, aerospace and other fields. This project will further increase the proportion of the Company's high value-added products, and enrich the Company's product matrix to flexibly respond to diversified market demands, thereby enhancing the Company's overall competitiveness.

### ***Enhancing Research and Development Capabilities and Promoting Technological Innovation***

Adhering to the strategy of industrial coordinated development, the Company takes research and development as the core driver, achieving dual improvement of production efficiency and product quality through the large-scale application of advanced equipment and in-depth innovation in production processes. The Company focuses on sustainable development goals to build a full process green manufacturing system. While improving resource utilization efficiency, we integrate environmental protection concepts throughout the entire production cycle. In the process of promoting the comprehensive hydrometallurgical slag resource utilization project, the Company has formed a complete technical chain from technology research and development, pilot scale transformation to industrial application. With the support of supporting measures such as optimizing production processes, introducing advanced equipment, and building a green manufacturing system, the Company has established professional research centers, strengthened cooperation with research institutions, and enhanced the development of R&D teams, providing strong guarantees for project implementation and technological upgrades.

### ***Expanding Global High-Quality Nickel Resources, and Building a Solid Foundation for Supply Chain Security and Competitive Advantage***

Nickel resource is an important cornerstone for the sustained growth of the Company's business and meeting core market demands. Obtaining stable and high-quality nickel resource supply is strategically significant to ensuring the Company's long-term development. To strengthen its resource foundation, the Company will actively expand its global presence by investing in and partnering with high-quality nickel ore resources both domestically and internationally, continuously broadening its supply channels and reserve scale. This measure not only helps the Company to deeply participate in global nickel resource competition, but also systematically enhance its control and bargaining power over upstream resources, thereby enhancing the Company's comprehensive competitiveness in the international market. The Company will provide stable and reliable resource guarantees for domestic downstream customers and support the overall development of the industrial chain by building a safe and sustainable nickel resource supply chain.

### ***Lean Empowerment and Cost Leadership***

The Company will take equipment management, production management and energy efficiency management as the core dimensions, systematically build a lean management system, and use this as guidance to take the lead in implementing demonstration projects in key areas, forming management methods and practical paradigms that are operable and replicable. Through the effective implementation of the demonstration project, the Company continues to promote the professional competence improvement of internal personnel and optimize organizational mechanisms, laying a solid talent foundation and institutional guarantee for the subsequent promotion and implementation across the entire production line and the Company as a whole. Based on the in-depth operation of this system, the Company is expected to achieve comprehensive and refined control from production processes to resource allocation, and continuously optimize through data-driven approaches, ultimately establishing leading cost control capabilities in the industry. This not only enables the Company to effectively resist the operational risks brought by industry cyclical fluctuations, but also helps the Company to continuously build core advantages and achieve high-quality sustainable development in the increasingly fierce market competition.

### ***Strengthening Corporate Governance and Talent Development to Build a Solid Foundation for Sustainable Development***

The Company establishes and implements a dual wheel drive strategy of “governance improvement” and “talent strengthening the enterprise”, systematically promoting organizational capacity building. In terms of governance optimization, the Company has established effective decision-making mechanism, rapid market response mechanism, and risk prevention mechanism, comprehensively improving governance efficiency and compliance operation level, and providing institutional guarantees for achieving strategic goals. In terms of talent development, the Company is committed to building an integrated talent management system. By optimizing the talent structure, improving training mechanism, and implementing effective incentive mechanism, we aim to create a high-quality and specialized talent team, to provide solid support for the Company’s innovation and development.

### ***Creating a More Open and Robust Nickel Resource Ecosystem***

The Company continues to commit to building an advanced nickel resource ecosystem, strengthening its core competitiveness through deepening industrial park construction, and improving infrastructure support. We actively promote technological innovation and industrial synergy with an open attitude, deepening the creation of a sustainable nickel resource ecosystem. During the Reporting Period, the Company continued to promote the construction of infrastructure and supporting material production facilities in the Obi Island Industrial Park, focusing on achieving efficient integration of logistics, technology and resources to comprehensively enhance the park’s operational efficiency and sustainable development capabilities. In terms of water supply system, through refined operation and management, the industrial and domestic water demand in the park is coordinated, and the stable and reliable water supply is continuously guaranteed, providing solid support for the efficient operation of the park. In terms of living area construction, the Company adheres to the principle of ecological priority, creating a high-quality living environment for local residents, and providing high standard living facilities for project employees, effectively ensuring the harmony and stability of the community and the quality of life of employees. In terms of transportation infrastructure, the construction of ports and airports is steadily under construction, significantly improving logistics efficiency and employee’s commuting convenience, effectively enhancing the park’s external connectivity and internal mobility. Through the above comprehensive measures, the Company has not only significantly optimized the overall operational efficiency of the Obi Island Industrial Park, but also made sustained contributions to the development of local communities and employee’s welfare, actively fulfilling its social responsibility.

## FINANCIAL REVIEW

### Revenue

The following table sets out the breakdown of total revenue by business segment in absolute amounts and as a percentage of total revenue for the years ended 31 December 2025 and 31 December 2024:

	For the years ended 31 December			
	2025		2024	
	<i>RMB'000</i>	<i>(%)</i>	<i>RMB'000</i>	<i>(%)</i>
<b>Nickel Products Trading</b>				
Laterite nickel ore	<b>5,960,477</b>	<b>14.8</b>	3,708,890	12.7
Ferronickel	<b>9,940,976</b>	<b>24.7</b>	12,143,422	41.5
Subtotal	<b>15,901,453</b>	<b>39.5</b>	15,852,312	54.2
<b>Nickel Products Production</b>				
Ferronickel	<b>6,589,515</b>	<b>16.4</b>	1,302,192	4.5
Nickel-cobalt compounds	<b>15,230,537</b>	<b>37.8</b>	11,100,635	38.0
Subtotal	<b>21,820,052</b>	<b>54.2</b>	12,402,827	42.5
Others	<b>2,518,281</b>	<b>6.3</b>	977,819	3.3
<b>Total</b>	<b>40,239,786</b>	<b>100</b>	<b>29,232,958</b>	<b>100.0</b>

Revenue increased from RMB29,233.0 million in the year ended 31 December 2024 to RMB40,239.8 million in the year ended 31 December 2025. The increase in revenue was mainly attributable to the increase in revenue generated from our nickel products smelting business.

Revenue generated from the trading business increased by 0.3% from RMB15,852.3 million in the year ended 31 December 2024 to RMB15,901.5 million in the year ended 31 December 2025, mainly due to the increase in procurement and sales of trading nickel ore, as well as the rise in market price of nickel ore, resulting in an increase of RMB2,251.6 million in revenue from trading nickel ore. The increase of revenue from trade business was partially offset by the decrease in procurement and sales of trading ferronickel, resulting in a decrease of RMB2,202.4 million in revenue from trading ferronickel in 2025.

Revenue generated from the production business increased by 75.9% from RMB12,402.8 million in the year ended 31 December 2024 to RMB21,820.1 million in the year ended 31 December 2025, which was mainly due to (i) the increase of sales volume of nickel-cobalt compounds with the stable full load production of the HPAL phase III project, as well as the rise in market price of cobalt, resulting in an increase of RMB4,129.9 million in revenue from nickel-cobalt compounds; and (ii) the increase of sales volume of ferronickel with the KPS production of RKEF phase II project, resulting in an increase of RMB5,287.3 million in revenue from ferronickel.

Other revenue increased from RMB977.8 million in the year ended 31 December 2024 to RMB2,518.3 million in the year ended 31 December 2025, mainly due to the increase in coal sales business.

## **Gross Profit and Gross Profit Margin**

Gross profit increased by 44.1% from RMB5,352.5 million in the year ended 31 December 2024 to RMB7,715.1 million in the year ended 31 December 2025, with an increase in gross profit margin from 18.3% to 19.2%.

Gross profit from our trading business increased by 31.1% from RMB460.7 million in the year ended 31 December 2024 to RMB604.1 million in the year ended 31 December 2025. Gross profit margin of the trading business increased from 2.9% to 3.8%, mainly due to (i) the rise in market prices; and (ii) an increase in the proportion of sales of high-gross-profit-margin trading of nickel ore.

Gross profit from our production business increased by 43.7% from RMB4,838.9 million in the year ended 31 December 2024 to RMB6,952.1 million in the year ended 31 December 2025. Gross profit margin of the nickel product production business decreased from 39.0% to 31.9%, mainly due to (i) the increase in sales of nickel-cobalt compounds, resulting in the gross profit of nickel-cobalt compounds increasing from RMB4,750.5 million for the year ended 31 December 2024 to RMB5,991.0 million for the year ended 31 December 2025; however, due to the increase in raw and auxiliary material costs, the gross profit margin decreased from 42.8% to 39.3%; and (ii) the commencement of domestic ferronickel production in Indonesia, leading to an increase in ferronickel sales and the increase in the gross profit of ferronickel from RMB88.3 million for the year ended 31 December 2024 to RMB961.1 million for the year ended 31 December 2025, with a gross profit margin of 14.6%.

Gross profit of other businesses increased from RMB52.9 million in the year ended 31 December 2024 to RMB159.0 million in the year ended 31 December 2025. Gross profit margin of other businesses increased from 5.4% to 6.3% in the same period.

Other income and gains increased by 61.0% from RMB211.6 million in the year ended 31 December 2024 to RMB340.6 million in the year ended 31 December 2025, mainly due to (i) an increase in interest income of RMB73.4 million and (ii) investment gains of RMB44.0 million from the portion of futures-linked products in our revenue pricing affected by nickel price fluctuations.

## **Selling and Distribution Expenses**

Selling and distribution expenses increased by 19.9% from RMB121.0 million in the year ended 31 December 2024 to RMB145.1 million in the year ended 31 December 2025, mainly due to the increase in staff cost and testing fees corresponding to the increase in sales volume.

## **Administrative Expenses**

Administrative expenses increased by 21.5% from RMB1,033.8 million in the year ended 31 December 2024 to RMB1,255.7 million in the year ended 31 December 2025, mainly due to (i) an increase in staff costs of RMB105.7 million as a result of business expansion; and (ii) an increase in consulting fees, insurance premium, business entertainment expenses, and office expenses.

## **Other Operating Expenses**

Other operating expenses increased by 74.7% from RMB342.2 million in the year ended 31 December 2024 to RMB597.9 million in the year ended 31 December 2025, mainly due to the impact of exchange rate fluctuations in USD against RMB during the year ended 31 December 2025, resulting in a foreign exchange loss of RMB450.7 million. The increase in other operating expenses was offset by the following factor: during the same period in 2024, we conducted assessment on the recoverable value of the customer relationships under intangible assets, and recognized impairments of RMB142.3 million.

## **Financing Costs**

The financing costs for the year ended 31 December 2025 were RMB637.6 million, remaining largely stable compared with the financing costs of RMB647.5 million for the year ended 31 December 2024.

## **Share of Profits and Losses of Associates**

Share of profits from associates increased by 6.8% from RMB404.0 million for the year ended 31 December 2024 to RMB431.2 million for the year ended 31 December 2025, mainly due to the enhanced profitability, which was driven by refined cost control, technical improvements and process optimization implemented in phase I of the RKEF project.

## **Profit before Tax**

As a result of the foregoing, our profit before tax increased by 53.1% from RMB3,817.0 million in the year ended 31 December 2024 to RMB5,845.0 million in the year ended 31 December 2025.

## **Income Tax Expenses**

Income tax expenses increased significantly from RMB608.3 million in the year ended 31 December 2024 to RMB1,099.5 million in the year ended 31 December 2025, mainly due to the accrual of income tax provisions based on the profitability of the project companies, as well as the provision for Pillar Two top-up tax based on Pillar Two model rules.

## Profit for the Year and Net Profit Margin

As a result of the foregoing, our profit for the year increased by 47.9% from RMB3,208.8 million in the year ended 31 December 2024 to RMB4,745.5 million in the year ended 31 December 2025. Net profit margin increased from 11.0% in the year ended 31 December 2024 to 11.8% in the year ended 31 December 2025.

## Current Assets, Financial Resources and Current Ratio

To safeguard the Group's ability to continue as a going concern, finance the Group's operations and maximise value for the shareholders, the Group adopted various funding and treasury measures during the year ended 31 December 2025. These measures included, but were not limited to: (i) regularly managing the Company's capital structure by making relevant adjustments in light of both the prevailing economic conditions and risk characteristics of underlying assets; (ii) using a recurring liquidity planning tool which considers the maturity of its financial instruments and financial assets, and projected cash flows from operations in order to continuously monitor the Company's risks to a potential shortage of funds; (iii) trading only with recognised and creditworthy third parties, who are subject to the Company's credit verification procedures; and (iv) using various financial instruments such as leases and interest-bearing loans as appropriate to maintain a balance between continuity of funding and flexibility. During the year ended 31 December 2025, the Group maintained a stable financial position.

As at 31 December 2025, current assets amounted to RMB18,957.9 million, representing an increase of 50.5% from RMB12,599.3 million as at 31 December 2024. As at 31 December 2025, cash and cash equivalents of the Group amounted to RMB7,371.9 million, which increased by 46.5% from RMB5,032.4 million as at 31 December 2024.

The Group's current ratio (current assets divided by current liabilities) increased from 0.9 times as at 31 December 2024 to 1.1 times as at 31 December 2025.

## Capital Expenditures

The following table sets forth a breakdown of our capital expenditures for the periods indicated:

	For the year ended 31 December			
	2025		2024	
	<i>RMB'000</i>	<i>(%)</i>	<i>RMB'000</i>	<i>(%)</i>
Prepayments for property, plant and equipment	<b>5,113,717</b>	<b>100.0</b>	5,678,955	99.2
Land use right	–	–	28,697	0.5
Interest in an associate	–	–	18,148	0.3
<b>Total</b>	<b><u>5,113,717</u></b>	<b><u>100.0</u></b>	<b><u>5,725,800</u></b>	<b><u>100.0</u></b>

## Commitments

The following table sets forth a breakdown of our capital commitments as at the dates indicated:

	As at 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Property, plant and equipment	<u>4,242,296</u>	<u>6,498,669</u>

## Indebtedness

We recognized debts of RMB18,615.7 million as at 31 December 2025 (as at 31 December 2024: RMB13,852.3 million), which included interest-bearing bank and other borrowings denominated in RMB and USD that amounted to RMB6,077.9 million with fixed interest rates (as at 31 December 2024: RMB6,022.6 million) and RMB12,526.8 million with floating interest rates (as at 31 December 2024: RMB7,810.1 million), lease liabilities of RMB10.3 million (as at 31 December 2024: RMB19.6 million) and long-term payables of RMB 0.7 million (as at 31 December 2024: RMB 0 million).

### *Contingent liabilities*

As at 31 December 2025, we had no material contingent liabilities.

### *Gearing ratio*

Gearing ratio equals total interest-bearing bank borrowings divided by total equity. As at 31 December 2025, the gearing ratio was 0.9, representing a slight increase from the gearing ratio of 0.8 as at 31 December 2024.

### *Significant Investments Held and Material Acquisitions and Disposals*

During the year ended 31 December 2025, the Group did not hold any significant investments or carry out any material acquisitions or disposals in subsidiaries, joint ventures or associates.

### *Foreign Exchange Risk*

Our financial statements are presented in RMB. Fluctuations in exchange rates between other currencies in which the Group conducts its business may affect the Group's financial position and operation results. We currently do not have a foreign currency hedging policy. However, our management will manage foreign currency risk through regular reviews and consider hedging significant foreign currency risk exposures when necessary.

## **Pledge of Assets**

As at 31 December 2025, a portion of our loans was secured by (i) pledges of buildings and land located in the PRC with a carrying value of RMB19.7 million (as at 31 December 2024: RMB23.2 million); (ii) pledges of land use rights located in the PRC with a carrying value of RMB492.4 million (as at 31 December 2024: RMB380.8 million); (iii) pledges of plant and machinery, electronic and office equipment, motor vehicles and buildings under construction located in Indonesia with a carrying value of RMB16,636.6 million (as at 31 December 2024: RMB2,698.2 million); (iv) pledges of investment properties located in the PRC, with a carrying value of RMB188.9 million (as at 31 December 2024: RMB65.7 million); (v) pledges of inventory located in Indonesia with a carrying value of RMB1,232.4 million (as at 31 December 2024: nil); (vi) pledges of trade receivables located in Indonesia with a carrying value of RMB271.5 million (as at 31 December 2024: nil) ; and (vii) pledge of deposits with a carrying value of RMB2,466.6 million (as at 31 December 2024: RMB848.6 million).

As at 31 December 2025, the Group had no other assets pledged to financial institutions other than those disclosed above.

## **Future Plans for Material Investments and Capital Assets**

As at 31 December 2025, we did not have plans for material investments and capital assets.

## **MATERIAL EVENTS AFTER THE REPORTING PERIOD**

On 13 January 2026, BBS, a non-wholly owned subsidiary of the Company, and BMS, a wholly owned subsidiary of the Company, entered into the BJL Shareholders Agreement in relation to the establishment of a joint venture company, BJL. The initial investment amount in BJL is approximately US\$505,000,379, with BBS contributing approximately US\$505,000,000 (holding 99.999925% of the shares) and BMS contributing US\$379 (holding 0.000075% of the shares). BJL was established to meet the needs of the Company's business development and apply for the necessary Indonesian tax incentives, thereby optimizing the tax burden cost of future hydrometallurgical slag treatment business. For details, please refer to the announcements of the Company dated 28 October 2024, 26 December 2024, 12 January 2025, 13 January 2026 and 26 January 2026.

Save as disclosed above, as at the date of this announcement, the Group had no other material events after the Reporting Period.

## **EMPLOYEES AND REMUNERATION POLICY**

As at 31 December 2025, the Group had a total of 15,453 employees (as at 31 December 2024: 11,969).

We recruit primarily through job search websites, employee referrals and campus recruiting programs for our recruitment needs. Our employees typically enter into standard employment contracts with us. The remuneration packages for our employees include base salary, bonuses and allowances. We set performance targets for our employees based on their position and periodically review their performance. We provide orientation programs for new employees and continuous trainings to enhance our employees' industry, technical and product knowledge, as well as their familiarity with industry quality standards and work safety standards.

As required by PRC laws and regulations, we participate in social insurance schemes operated by the relevant local government authorities and maintain mandatory pension contribution plans and medical, work-related injury and maternity insurance schemes for our employees. We also contribute to unemployment insurance plans as well as housing accumulation funds for our employees.

## OFF-BALANCE SHEET ARRANGEMENTS

As at 31 December 2025, the Company had not entered into any off-balance sheet arrangements.

## FINAL DIVIDEND

The Board has resolved to recommend the distribution of a final dividend for the year ended 31 December 2025 of RMB0.6 per share (before tax) (for the year ended 31 December 2024: final dividend of RMB0.35 per share (before tax)), subject to the approval at the AGM (as defined below), and payment will be made on or around Thursday, 18 June 2026.

## USE OF PROCEEDS

Our H Shares were listed on the Main Board of the Stock Exchange on 1 December 2022 (the “**Listing Date**”). The net proceeds from the Global Offering were approximately HK\$3,600.4 million (including the additional net proceeds received by the Company from the partial exercise of the Over-allotment Option) after deducting underwriting commissions and offering expenses paid or payable. As of 31 December 2025, we had fully utilized the proceeds from the Global Offering in accordance with the purposes and proportions disclosed in the Prospectus, the 2024 annual results announcement and the 2024 annual report of the Company dated 28 March 2025 and 29 April 2025, respectively. Details are set out in the table below:

Purpose	Net proceeds available from the Listing (HK\$ million)	Actual net amount utilized as at 31 December 2024 (HK\$ million)	Net proceeds available after change approved at the 2024 annual general meeting (HK\$ million)	Actual net amount utilized during the Reporting Period (HK\$ million)	Actual net amount utilized up to 31 December 2025 (HK\$ million)	Unused net proceeds up to 31 December 2025 (HK\$ million)
Development and construction of our nickel product production projects on the Obi Island	2,030.7	2,030.7	0	0	2,030.7	0
Contribute additional capital to CBL	864.1	864.1	0	0	864.1	0
Making potential minority investments in nickel mines in Indonesia	345.6	0	0	0	0	0
Working capital and general corporate purposes	360.0	360.0	345.6	345.6	705.6	0
<b>Total</b>	<b>3,600.4</b>	<b>3,254.8</b>	<b>345.6</b>	<b>345.6</b>	<b>3,600.4</b>	<b>0</b>

After careful considerations, the Board decided to revise the use of the net proceeds of potential minority investments in nickel mines in Indonesia to working capital and for general corporate purposes of the Group. Such change in use of proceeds was approved at the 2024 annual general meeting held on 21 May 2025. For details of the reasons for the change in use of proceeds from the Global Offering, please refer to the 2024 annual results announcement and the 2024 annual report of the Company dated 28 March 2025 and 29 April 2025, respectively.

## **OTHER INFORMATION**

### **Compliance with the Corporate Governance Code**

The Group is committed to maintaining and promoting stringent corporate governance. The principle of the Group's corporate governance is to promote effective internal control measures, uphold a high standard of ethics, transparency, responsibility and integrity in all aspects of business, to ensure that its business and operation are conducted in accordance with applicable laws and regulations, to enhance the transparency of the Board, and to strengthen accountability to all shareholders. The Group's corporate governance practices are based on the principles and code provisions prescribed in 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 Group has complied with the applicable code provisions contained in the CG Code during the Reporting Period, save for code provision C.2.1 as set out below.

Code provision C.2.1 of the CG Code provides that the roles of the chairman and the chief executive should be separate and should not be performed by the same individual. At the beginning of the Reporting Period, the roles of the chairman of the Board (the "**Chairman**") and the general manager of the Company (the "**General Manager**") were both performed by Mr. CAI Jianyong.

As the founder of the Group, Mr. CAI Jianyong has extensive experience in international commodity trading and is responsible for the overall management of the Company's business strategies and operations. He has played a key role in the growth and business expansion of the Group, and the Board believes that vesting both roles of Chairman and General Manager in Mr. CAI Jianyong had been beneficial to the Company's management. In addition, the balance of power and authority is ensured by the structure and operations of the senior management and the Board, which comprises experienced and high-caliber individuals. The Board currently consists of four executive Directors (including Mr. CAI Jianyong), one non-executive Director and three independent non-executive Directors. Therefore, the Group believes that the composition of the senior management and the Board has a fairly strong independence element.

Subsequently, Mr. CAI Jianyong resigned as the General Manager with effect from 27 February 2025 due to job change, and he continues to serve as, among others, the Chairman of the Board and an executive Director. Dr. HU Zhichun was appointed as the General Manager with effect from 27 February 2025. For details, please refer to the announcement of the Company dated 27 February 2025. Accordingly, the Company has complied with the requirements as set out in code provision C.2.1 of the CG Code.

### **Compliance with the Model Code for Securities Transactions by Directors**

The Group has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules as the Group's code of conduct regarding the Directors' securities transactions. Having made specific enquiries with all the Directors of the Group, all the Directors confirmed that they had strictly complied with the Model Code during the Reporting Period.

## **Purchase, Sale or Redemption of the Company's Listed Securities**

During the Reporting Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's securities (including sale of treasury shares) listed on the Stock Exchange. As at 31 December 2025, the Company did not hold any treasury shares.

## **Sufficiency of Public Float**

The Stock Exchange has granted the Company a waiver from strict compliance with Rule 8.08(1) of the Listing Rules, such that the minimum percentage of the Shares from time to time held by the public shall be approximately 15.31% (rounded up). Based on the information that is publicly available to the Company and to the best knowledge of the Directors, the Directors confirmed that the Company has maintained the aforementioned minimum public float as approved by the Stock Exchange since the Listing Date.

## **Audit Committee and Review of Financial Information**

The Company has established an audit committee (the "**Audit Committee**") in compliance with Rule 3.21 of the Listing Rules and the CG Code to monitor the implementation of our risk management policies across our Company on an ongoing basis to ensure that our internal control system is effective in identifying, managing and mitigating risks involved in our business operations. The Audit Committee comprises three members, namely Dr. HE Wanpeng, Dr. WANG James Jixian and Ms. ZHANG Zhengping. Ms. ZHANG is an independent non-executive Director with the appropriate professional qualifications and serves as the chairperson of the Audit Committee.

The Audit Committee has reviewed the annual results and the consolidated financial statements of the Group for the year ended 31 December 2025 and discussed matters with respect to the accounting policies and practices adopted by the Company and internal control with senior management members and Ernst & Young, the auditor of the Company (the "**Auditor**").

## **Scope of Work of Auditor**

The financial information set out in this announcement does not constitute our Group's audited accounts for the year ended 31 December 2025, but represents an extract from the consolidated financial statements for the year ended 31 December 2025 which have been audited by the Auditor, Ernst & Young, in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants.

## **Annual General Meeting**

The annual general meeting is scheduled to be held on Friday, 22 May 2026 (the "**AGM**"). A notice convening the AGM will be published on the websites of the Company and the Stock Exchange in the manner required by the Listing Rules in due course.

## **Closure of Register of Members**

For determining the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Tuesday, 19 May 2026 to Friday, 22 May 2026, both days inclusive, during which period no transfer of shares will be effected. In order to be eligible to attend and vote at the AGM, all transfer documents of H shares accompanied by the relevant shares certificates must be lodged with the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong before 4:30 p.m. on Monday, 18 May 2026.

For determining the entitlement to the final dividend, the register of members of the Company will be closed from Friday, 29 May 2026 to Wednesday, 3 June 2026, both days inclusive. Shareholders whose names appear on the register of members of the Company on Wednesday, 3 June 2026 will be entitled to the final dividend. In order to be entitled to the final dividend, all transfer documents of H shares accompanied by the relevant shares certificates must be lodged with the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong before 4:30 p.m. on Thursday, 28 May 2026.

## **PUBLICATION OF THE ANNUAL RESULTS ANNOUNCEMENT AND THE ANNUAL REPORT**

This annual results announcement is published on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and the website of the Company at [www.lygend.com](http://www.lygend.com). The annual report of the Group for the year ended 31 December 2025 will be published on the aforesaid websites of the Stock Exchange and the Company and will be dispatched (if requested) to the Company's shareholders in due course.

## **APPRECIATION**

The Board would like to express its gratitude to all of our customers, suppliers and partners, and all shareholders for their understanding, support and trust, with which all employees of the Group will remain committed to working together with diligence and dedication in the years ahead.

By order of the Board  
**Lygend Resources & Technology Co., Ltd.**  
**CAI Jianyong**  
*Chairman and Executive Director*

The PRC, 31 March 2026

*As at the date of this announcement, the executive Directors are Mr. CAI Jianyong, Ms. FEI Feng, Mr. CAI Jianwei and Mr. WANG Ling; the non-executive Director is Mr. Lawrence LUA Gek Pong; the independent non-executive Directors are Dr. HE Wanpeng, Ms. ZHANG Zhengping and Dr. WANG James Jixian; the employee representative Director is Mr. YU Weijun.*