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金岩高新
GOLDEN ROCK

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

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

(Stock Code: 2693)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2026

The Board of Directors is pleased to announce the unaudited interim results (the "**Interim Results**") of the Company for the six months ended 30 June 2026. The Interim Results have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" issued by the International Accounting Standards Board. The Board and the Audit and Risk Committee have reviewed the Interim Results.

MINERAL RESOURCES AND MINING RIGHTS

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

MINERAL RESOURCE AND ORE RESERVE

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

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

Type of Mineral Resources	**Tonnes** *(kt)*	**Al_2O_3** *(%)*	**Al_2O_3 Material** *(kt)*	**SiO_2** *(%)*	**SiO_2 Material** *(kt)*
Measured	1,969	40.35	794	42.83	843
Indicated	8,990	40.28	3,621	41.13	3,698
Measured and Indicated	10,959	40.29	4,415	41.43	4,541
Inferred	7,292	40.30	2,939	41.58	3,032
Total/Overall	**18,251**	**40.30**	**7,354**	**41.49**	**7,573**

Notes:

1. Any differences between totals and sum of components are due to rounding.

2. A 0.7m minimum thickness was applied to the resource block model.

3. The models are reported for domains with a thickness greater than 0.7m, which is the minimum mineable thickness using the current mining method (longwall mining).

4. Mineral Resources that are not Ore Reserves do not have demonstrated economic viability. The estimate of Mineral Resources may be materially affected by environmental, permitting, legal, title, taxation, sociopolitical, marketing, or other relevant issues.

5. Mineral Resources are reported inclusive of Ore Reserves.

6. The Mineral Resources are effective as at 30 June 2026.

7. The data has been confirmed by the Company's internal experts.

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

Type of Mineral Resources	**Ore Reserve** *(kt)*	**Al_2O_3** *(%)*	**Fe_2O_3** *(%)*	**TiO_2** *(%)*
Proved	768	38.90	0.66	0.51
Probable	4,957	37.90	1.08	0.49
Total	**5,725**	**38.03**	**1.02**	**0.49**

Notes:

1. Any differences between totals and sum of components are due to rounding.

2. Cut-offs for ROM to define between ore and waste are $Al_2O_3 \geq 30\%$, $Fe_2O_3 \leq 2\%$, and $TiO_2 \leq 0.6\%$.

3. The minimum mining cutting height is 2m.

4. The Ore Reserves are reported on a metric kiloton basis.

5. The Ore Reserves are reported at the reference point (ROM material as received at the processing plant).

6. The reported reserves or Ore Reserves are inclusive of Mineral Resources.

7. The Mineral Resources are effective as at 30 June 2026.

8. The data has been confirmed by the Company's internal experts.

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

MINING LICENSE

Under the relevant PRC mineral laws and regulations, all mineral resources in China are owned by the State. Mining companies are required to obtain mining and exploration permits prior to undertaking any mining or exploration activities. The mining and exploration permits are limited to a specific geographic area and a certain time period. Mining enterprises that have, in accordance with the current Mineral Resources Law, applied for and obtained the mining right and are conducting exploration within the designated mining area for the purpose of their own production are not required to separately make an application and registration for the right of exploration. On 8 November 2024, the new Mineral Resources Law of the

People's Republic of China (the "**New Mineral Resources Law**") was deliberated and adopted, which came into force on 1 July 2025. The New Mineral Resources Law mandates that upon establishing a mining right, registration must be filed with the relevant department, which then issues a mining right certificate if conditions are met.

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

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

- Issuing authority: Huaibei Municipal Bureau of Natural Resources and Planning
- Holder of mining license: The Company
- Name of mine: Huaibei City Shuoli Kaolin Mine
- License number: C3400002019117120148949
- Mining method allowed: Underground mining
- Production volume allowed: 500.0 thousand tonnes per year
- Area of mine allowed: 17.9955 square kilometers
- Mining elevations allowed: 50-240 meters below the surface
- Period of validity: From 19 November 2021 to 19 November 2024 and extended to 20 November 2039 after the renewal on 6 March 2024
- Applicable natural resources: Kaolin
- Renewal: The mining right holder shall apply for renewal no later than 30 days before the expiration date of the mining license. If the application is not submitted by that date, the mining right shall lapse automatically.
- Restrictions: The mining license should not be lent, transferred or traded. If a mining right holder suspends or shuts down mining operation within the term of the mining license, it should comply with the cancellation procedures of the mining license in accordance with applicable laws and regulations.

- Modification: If the mining right holder alters the range of mining area, main types of mineral being mined, mining method, company name, or transfers such license within the term of the mining license, it should apply for the relevant modification in accordance with applicable regulations.

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

MINERAL EXPLORATION, DEVELOPMENT AND MINING ACTIVITIES

Exploration

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

Development

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

Mining

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

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

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

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

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

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

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

Strategies and Prospects

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

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

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

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

Financial Review

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

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

Revenue

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

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

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

- ***Revenue generated from the sales of precision casting mullite products***

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

- ***Revenue generated from the sales of refractory mullite products***

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

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

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

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

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

Cost of Sales

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

Gross Profit and Gross Profit Margin

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

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

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

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

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

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

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

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

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

Other Income and Gains

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

Research Expenses

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

Selling and Distribution Expenses

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

Administrative Expenses

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

Finance Costs

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

Provision for Impairment Losses on Financial Assets, Net

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

Income Tax Expense

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

Profit for the Period

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

Total Assets

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

Liquidity and Financial Resources

Cash and Cash Equivalents

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

Net Current Assets

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

Borrowings

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

Capital Structure

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

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

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

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

Funding and Treasury Policies

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

Capital Expenditure

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

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

Material Acquisitions and Future Plans of Major Investments

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

Significant Investments Held

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

Foreign Exchange Risk Management

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

Gearing Ratio

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

Contingent Liabilities

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

Pledges of Assets

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

Commitment

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

Employees, Training and Remuneration Policy

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

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

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

Use of Proceeds from the Global Offering

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

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

Notes:

(1) The expected timetable for the full utilization of unutilized proceeds was based on the estimate of the Company, which is subject to the current and future development of the market conditions.

(2) The unutilized proceeds will be used as originally planned. Since the project requires defect correction services and subsequent formal acceptance after preliminary inspection, the timing for using the proceeds for testing, completion, and acceptance will be later than originally planned.

(3) The unutilized proceeds will be used as originally planned. However, because the actual project research and approval took longer than expected, the use of the related proceeds has been slightly delayed compared to the original plan. As of the date of this announcement, the Company has completed the project approval and started the equipment procurement, and is continuing to work on building the new aluminosilicate material engineering and technology research center.

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

SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

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

Save as disclosed above and set out elsewhere in the announcement, there was no other significant event that occurred after 30 June 2026 and up to the date of the announcement.

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

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

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

Interim Dividend

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

INTERIM CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2026

	Notes	**2026** **RMB'000** **(unaudited)**	2025 RMB'000 (unaudited)
REVENUE	*4*	**103,882**	128,501
Cost of sales		**(70,432)**	(82,665)
GROSS PROFIT		**33,450**	45,836
Other income and gains	*4*	**727**	1,104
Research expenses		**(5,456)**	(5,430)
Selling and distribution expenses		**(1,701)**	(1,703)
Administrative expenses		**(15,079)**	(10,830)
Other expenses		**(78)**	(6)
Finance costs		**(3,283)**	(3,039)
Provision for impairment losses on financial assets, net		**(157)**	(167)
PROFIT BEFORE TAX	*5*	**8,423**	25,765
Income tax expense	*6*	**(457)**	(3,075)
PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**7,966**	22,690
Attributable to owners of the parent		**7,966**	22,690
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic and diluted *(RMB)*	*8*	**0.08**	0.31

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION
30 June 2026

	Notes	**30 June 2026** *RMB'000* **(unaudited)**	31 December 2025 *RMB'000* (audited)
NON-CURRENT ASSETS			
Property, plant and equipment		**518,324**	516,605
Right-of-use assets		**84,397**	85,778
Other intangible assets		**119,572**	122,436
Total non-current assets		**722,293**	724,819
CURRENT ASSETS			
Inventories	*9*	**89,999**	69,988
Trade and bills receivables	*10*	**42,494**	39,991
Prepayments, other receivables and other assets		**5,556**	8,136
Debt investments at fair value through other comprehensive income		**13,699**	12,716
Pledged deposits		**2,773**	2,773
Cash and cash equivalents		**148,938**	205,630
Total current assets		**303,459**	339,234
CURRENT LIABILITIES			
Trade and other payables	*11*	**126,854**	141,501
Tax payable		**1,447**	–
Interest-bearing bank and other borrowings		**22,252**	14,956
Total current liabilities		**150,553**	156,457
NET CURRENT ASSETS		**152,906**	182,777
TOTAL ASSETS LESS CURRENT LIABILITIES		**875,199**	907,596

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

NOTES TO INTERIM CONDENSED FINANCIAL INFORMATION
30 June 2026

1. CORPORATE INFORMATION

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

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

2. BASIS OF PREPARATION

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

3. OPERATING SEGMENT INFORMATION

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

Geographical information

(a) Revenue from external customers

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

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

(b) ***Non-current assets***

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

Information about major customers

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

4. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

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

Disaggregated revenue information for revenue from contracts with customers

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

Other income and gains

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

5. PROFIT BEFORE TAX

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

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

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

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

6. INCOME TAX EXPENSE

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

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

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

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

7. DIVIDENDS

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

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

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

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

The calculation of basic earnings per share is based on:

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

9. INVENTORIES

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

10. TRADE AND BILLS RECEIVABLES

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

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

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

11. TRADE AND OTHER PAYABLES

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

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

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

CORPORATE GOVERNANCE AND OTHER INFORMATION

Compliance with the Corporate Governance Code

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

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

Securities Trading

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

Audit and Risk Committee

The Audit and Risk Committee consists of three members, including two independent non-executive Directors, Mr. Jiang Weidong and Mr. Chan Ngai Fan, and one non-executive Director, Mr. Yang Chong. Mr. Jiang Weidong currently serves as the chairman of the Audit and Risk Committee. The Audit and Risk Committee has reviewed the Company's interim results for the six months ended 30 June 2026.

Publication of Interim Report

This announcement is published on the website of the Company (www.grkaolin.com) and the website of the Hong Kong Stock Exchange (www.hkexnews.hk). The interim report of the Company for the six months ended 30 June 2026 will be published on the above websites in due course, and will be dispatched to H shareholders of the Company in accordance with their selected means of receiving corporate communications.

DEFINITIONS

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

"Audit and Risk Committee"	the audit and risk committee of the Board of the Company
"Board of Directors" or "Board"	the board of Directors of the Company
"China" or "PRC"	the People's Republic of China for the purpose of this announcement and for geographical reference only, except where the context requires, references in this announcement to "China" and the "PRC" do not apply to Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan Region
"Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Company"	Anhui Jinyan Kaolin New Materials Co., Ltd. (安徽金岩高嶺土新材料股份有限公司), a limited liability company established under the laws of the PRC on 25 October 2012 and converted into a joint stock limited company on 17 June 2022
"Corporate Governance Code"	the Corporate Governance Code in Appendix C1 to the Listing Rules
"Director(s)"	the directors of the Company
"Domestic Share(s)"	ordinary shares in the share capital of the Company, with a nominal value of RMB1.00 each, which are subscribed for and paid up in Renminbi and listed on the National Equities Exchange and Quotations
"exploration"	activities undertaken to prove the location, volume and quality of a deposit
"H Share(s)"	ordinary shares in the share capital of the Company with a nominal value of RMB1.00 each, which is/are to be subscribed for and traded in HK dollars and listed on the Stock Exchange

"HK$" or "Hong Kong dollars" or "HK dollars"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the People's Republic of China
"Hong Kong Stock Exchange" or "Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Huaibei Mining Group"	Huaibei Mining (Group) Co., Ltd. (淮北礦業(集團)有限責任公司), a limited liability company established under the laws of the PRC on 15 March 1993, and one of the Company's Controlling Shareholders
"Listing Date"	3 December 2025, the date on which the Company's H shares were listed on the Main Board of the Stock Exchange
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended or supplemented from time to time
"Main Board"	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operates in parallel with the Growth Enterprise Market of the Stock Exchange
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 of the Listing Rules, as amended, supplemented, or otherwise modified from time to time
"Prospectus"	the prospectus of the Company dated 25 November 2025
"Reporting Period"	the six months ended 30 June 2026
"RMB"	Renminbi, the lawful currency of the PRC
"Share(s)"	ordinary share(s) with nominal value RMB1.00 each in the share capital of the Company, including both Domestic Shares and H Shares
"Shareholder(s)"	holder(s) of the Share(s)

"Shuoli Mining"	Huaibei Shuoli Mining Company Limited (淮北朔里礦業有限責任公司), a limited liability company established under the laws of the PRC on 30 December 2010, a former Shareholder of the Company, and was deregistered on 26 January 2024
"subsidiary(ies)"	has the meaning ascribed to it in section 15 of the Companies Ordinance
"treasury shares"	has the meaning ascribed to it under the Listing Rules
"%"	per cent

By order of the Board
Anhui Jinyan Kaolin New Materials Co., Ltd.
Mr. Zhang Kuang
Chairman of the Board and Executive Director

Beijing, the PRC
27 August 2026

As at the date of this announcement, the Board of Directors of the Company comprises: (i) Mr. Zhang Kuang and Ms. Chen Yan as executive Directors; (ii) Mr. Jiao Daojie and Mr. Yang Chong as non-executive Directors; and (iii) Mr. Jiang Weidong, Mr. Li Chenhui, Mr. Miao Guanghong and Mr. Chan Ngai Fan as independent non-executive Directors.