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**Yunnan Jinxun Resources Co., Ltd.**

**雲南金得資源股份有限公司**

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

**(Stock Code: 3636)**

## **REALLOCATION AND CHANGE IN USE OF PROCEEDS**

Reference is made to the prospectus of Yunnan Jinxun Resources Co., Ltd. (雲南金得資源股份有限公司) (the “**Company**”) dated 31 December 2025 (the “**Prospectus**”), which set out the intended use of the Net Proceeds from the issue of H Share(s) of the Company (the “**Net Proceeds**”). Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Prospectus.

The Board continuously evaluates the status of the unutilized Net Proceeds. Having considered the reasons set out in “Reasons for the reallocation and change in use of Net Proceeds” below, the Company decided on the reallocation and change of use of a portion of the unutilized Net Proceeds. Details are set out below.

### **Reallocation and change in use of Net Proceeds**

The Net Proceeds received by the Company from the Global Offering (including the H Shares issued upon the full exercise of the Over-allotment Option) were approximately RMB1,094.45 million.

As of 30 September 2026, the utilized amount of the Net Proceeds was RMB673.99 million, and the unutilized amount of the Net Proceeds was RMB420.46 million.

The Company decided to reallocate a portion of the unutilized Net Proceeds amounting to approximately RMB119.16 million, which was originally intended for the improvement and expansion of the Kunming Research and Development Center (昆明研發中心), to a newly proposed use of the Net Proceeds for the strategic reserve of core raw materials.

The table below sets forth details of the allocation of the unutilised Net Proceeds before and after the change in the use of proceeds:

| Original Use of Proceeds                                                                                                                                                        | Original Allocation of Net Proceeds (RMB million) | Amount of Proceeds Utilised as at 30 September 2026 (RMB million) | Amount of Unutilised Proceeds as at 30 September 2026 (RMB million) | Re-allocation (RMB million) | Re-allocated Unutilised Net Proceeds (RMB million) | Expected Timeline for Utilisation of Unutilised Proceeds ( <i>Note</i> )                    |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------|-------------------------------------------------------------------|---------------------------------------------------------------------|-----------------------------|----------------------------------------------------|---------------------------------------------------------------------------------------------|
| (1) Expansion of core business                                                                                                                                                  |                                                   |                                                                   |                                                                     |                             |                                                    |                                                                                             |
| (i) Upgrading the hydrometallurgical capacity of the DRC No. 1 smelting plant, and increasing the production volume of the cobalt hydroxide production line                     | 273.61                                            | 239.59                                                            | 34.02                                                               | –                           | 34.02                                              | On or before 31 December 2026                                                               |
| (ii) Equipment procurement and daily operations of the Anhui facility                                                                                                           | 218.89                                            | 215.31                                                            | 3.58                                                                | –                           | 3.58                                               | On or before 31 December 2026                                                               |
| (iii) Strategic acquisitions                                                                                                                                                    | 218.89                                            | –                                                                 | 218.89                                                              | –                           | 218.89                                             | As at the date of this announcement, the Company has not identified any acquisition targets |
| (iv) Upgrading and expansion of the Kunming research and development centre to enhance research and development capabilities, attract local talent and promote local employment | 164.16                                            | 0.19                                                              | 163.97                                                              | (119.16)                    | 44.81                                              | On or before 31 December 2027                                                               |
| (v) Strategic reserve of core raw materials                                                                                                                                     | –                                                 | –                                                                 | –                                                                   | 119.16                      | 119.16                                             | On or before 31 December 2026                                                               |
| (2) Repayment of bank borrowings                                                                                                                                                | 109.45                                            | 109.45                                                            | –                                                                   | –                           | –                                                  | Fully utilized                                                                              |
| (3) Working capital and general corporate purposes                                                                                                                              | 109.45                                            | 109.45                                                            | –                                                                   | –                           | –                                                  | Fully utilized                                                                              |
| <b>Total</b>                                                                                                                                                                    | <b>1,094.45</b>                                   | <b>673.99</b>                                                     | <b>420.46</b>                                                       | <b>119.16</b>               | <b>301.3</b>                                       |                                                                                             |

Note: The expected timeline for utilizing the unutilized amount of proceeds is based on the best estimate of the Group, and may be subject to change based on the future development of market conditions.

## Reasons for the Reallocation and Change in Use of Net Proceeds

The reasons for the reallocation and change in use of proceeds are as follows:

- (i) A significant decrease in the overall capital requirements of the Kunming Project as compared to the estimated amount at the time of the listing of the H Shares.

Subsequent to the listing of the H Shares, taking into account the local industrial supportive conditions in Kunming and the actual progress of project implementation, the Group continuously optimised the construction plan and investment structure of the research and development centre. The original plan of leasing premises was changed to purchasing land and construction of the research and development centre. Leveraging on the support of local industrial policies, the costs related to land and infrastructure were optimised, resulting in the overall infrastructure cost of the project being significantly lower than the initial expectation at the time of listing. Meanwhile, the subsequent operating expenses and research and development personnel-related expenses of the research and development centre will no longer be funded from the Net Proceeds but will be fully borne by the Group's own funds. Therefore, this resulted in a significant decrease in the overall capital requirements of the Kunming Project as compared to the original budget in the Prospectus.

Following a prudent re-assessment of the latest construction costs and investment standards of the project by the Board, retaining Net Proceeds of RMB45 million will be sufficient to cover the costs of building improvement, basic renovation, provision of supporting equipment and technological research and development of the research and development centre. The retained allocation will continuously safeguard the steady advancement of the research and development of the core technologies of the Group, such as hydrometallurgy and the comprehensive utilisation of resources, and satisfy the research and development needs of the Company at the current stage and in the short to medium term.

- (ii) The Group focuses on the smelting and deep processing business in the copper and cobalt industry chain, primarily engaged in copper and cobalt non-ferrous metal smelting and product manufacturing. Core raw materials mainly refer to the materials essential and continuously consumed during the ordinary course of business operations of the Group, including oxide ores, sulfide ores, mixed oxide-sulfide ores and cobalt raw materials. The Group expects its projects currently under construction (including the Zambia technical upgrading project, the phase I technical upgrading project in the DRC and the phase II hydrometallurgical plant project in the DRC) will fully commence production in 2027. Upon reaching full production capacity, the annual demand for core raw materials will significantly increase. Raw material reserves must be established in advance prior to the release of production capacity, so as to ensure a smooth ramp-up to optimal capacity after the new production capacities commence operations, and to avoid the capacity utilization rate falling short of expectations due to insufficient raw materials. Furthermore, affected by multiple factors such as the tightening of the global non-ferrous metal supply, fluctuations in cross-border logistics and overseas supply chains, as well as geopolitical changes, there is instability in the supply of raw materials from overseas mine sources, and the prices of core production raw materials such as copper and cobalt have experienced phased increases and dramatic fluctuations in recent years.

The Board considers that it is prudent to apply a portion of the unutilized Net Proceeds to strengthen such strategic reserves. Increasing such reserves will enhance the security and stability of the supply chain of the Group, and help to ensure the continuity of its production operations. Such reserves are expected to enable the Group to more effectively mitigate the impact of raw material price fluctuations and maintain cost competitiveness, thereby supporting its long-term business development. Accordingly, the reallocation and change in the use of Net Proceeds are in the overall interests of the Company and its Shareholders, and will not have any material adverse impact on the business operations, financial position or growth prospects of the Group.

Save as disclosed in this Announcement, there are no other changes to the intended use of the Net Proceeds.

By order of the Board  
**Yunnan Jinxun Resources Co., Ltd.**  
**Mr. Yuan Rong**  
*Chairman of the Board, Executive  
Director and Chief Executive Officer*

Hong Kong, 20 October 2026

*As at the date of this announcement, the Board comprises (i) Mr. Yuan Rong, Ms. Yuan Mei and Mr. Yang Yongchang as executive Directors; and (ii) Ms. Zheng Dongyu, Mr. Xia Hongying and Mr. Wong Hok Bun Mario as independent non-executive Directors.*