



# 罕王黃金國際有限公司

## HANKING GOLD INTERNATIONAL LIMITED

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 03788



# 2025

ENVIRONMENTAL, SOCIAL &  
GOVERNANCE REPORT



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# ABOUT THIS REPORT

## Basis of Compilation

This report is prepared in accordance with Appendix C2 to the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”) –“Environmental, Social and Governance Reporting Code” (“**ESG Reporting Code**”), and with reference to the Sustainability Reporting Standards (“**GRI Standards**”) (2021 Edition) issued by the Global Sustainability Standards Board (GSSB), the International Financial Reporting Standards S1 *General Requirements for Disclosure of Sustainability-related Financial Information* and S2 *Climate-related Disclosures*, and the United Nations Sustainable Development Goals (UN SDGs). This report is the thirteenth Environmental, Social and Governance Report (“**ESG Report**”) published by Hanking Gold International Limited (formerly known as China Hanking Holdings Limited) (the “**Company**”, “**Hanking Gold**” or “**Hanking**”, together with its subsidiaries, the “**Group**” or “**We**”). All information herein reflects the performance of the Group in respect of environmental management, corporate social responsibility and corporate governance, which is available for public use to enhance transparency and increase the understanding and confidence of the stakeholders toward the Group.

## Reporting Entity

This report covers the Iron Ore Business (“**Iron Ore Business**”) and High-purity Iron Business (“**High-purity Iron Business**”) in the PRC and the gold mine business in Australia (“**Gold Mine Business**”) owned by the Group. The reporting scope is consistent with that of last year.

## Reporting Cycle

1 January to 31 December 2025 (namely the reporting period of the Group’s financial report). In order to enhance the comparability and forward-looking nature of this report, some of the contents may contain retrospective information or forward-looking descriptions as appropriate. The release frequency of this report is once a year, which aligns with the financial year.

## Source of Data and Internal Verification

Sources of the data contained in this report include the internal statistical data of the Group and relevant public data, etc. The non-financial data contained in this report is collected and summarized by the environmental, social and governance taskforce (“**ESG Taskforce**”) before being submitted to the Company’s Audit Department for independent verification and to the board of directors (“**Directors**”) of the Company (the “**Board**”) for review before publication. The financial data is derived from the 2025 annual report of the Company, which has already been audited by Deloitte Touche Tohmatsu (the auditor of the Company). The Group guarantees that there are no false records, misleading statements or major omissions in this report. Monetary amounts involved in this report are denominated in RMB saved for those otherwise stated.

## Reporting Principles

“Materiality”: During the preparation of this report, important stakeholders have been identified, and stakeholder communication channels have been established. Through materiality assessment, and review and confirmation by the Board, the important ESG issues of the Group have been determined and disclosed accordingly;

“Quantitative”: This report discloses various ESG quantitative key indicators of the Group, relevant standards and methods used for the calculation;

“Balance”: This report presents the ESG performance of the Group impartially, as far as reasonable and practicable, to disclose both positive and negative information;

“Consistency”: Unless otherwise specified, the preparation method of this report is the same as that of the previous year. This report uses consistent data statistical methods to present continuous performance in relevant areas with coherent database.

## Publication and Contact Method

This report is prepared in both Chinese and English versions. Should there be any discrepancy between the Chinese and the English versions, the Chinese version shall prevail. If you have any doubts or suggestions regarding this report, please contact our Investor Relations Department and help us perfecting our ESG practices.

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# Hanking at a Glance

- **Company Profile**
- **Principal Business**
- **2025 Key ESG Performance**
- **Sustainable Development Strategy**
- **Materiality Assessment**





## Company Profile

Hanking Gold is an international mining and metals group of companies with more than 30 years of operating history. The Group engages in the development and construction of gold mine projects in Australia, and engages in the exploration, mining, processing and sale of iron ore resources and, relying on its own high-quality iron ore resources, produces the wind power ductile casting iron products in China to supply the high-quality materials for the new energy industry.



### Core Value

People-first and business integrity

### Enterprise Vision

Continue to create value to lay an evergreen foundation, and become an internationally renowned and government-assured group enterprise which is cherished by employees and respected by the community, and satisfies shareholders

### Enterprise Principles

Safety, harmony and green

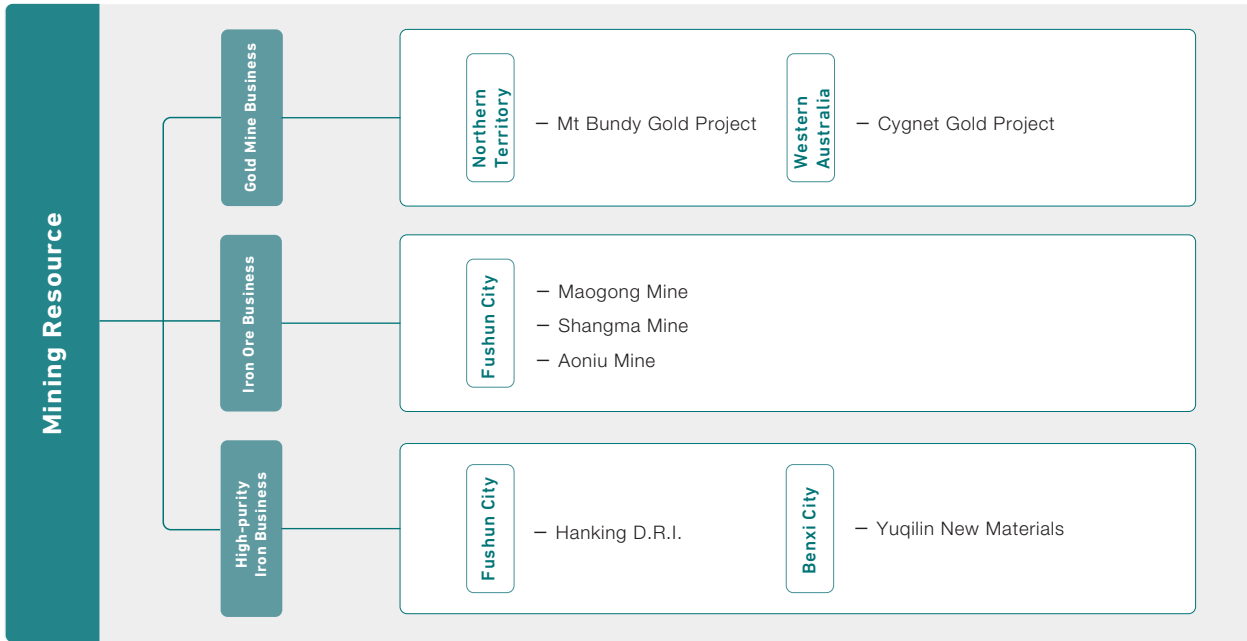
## Principal Business

### Australia Gold Mine Business

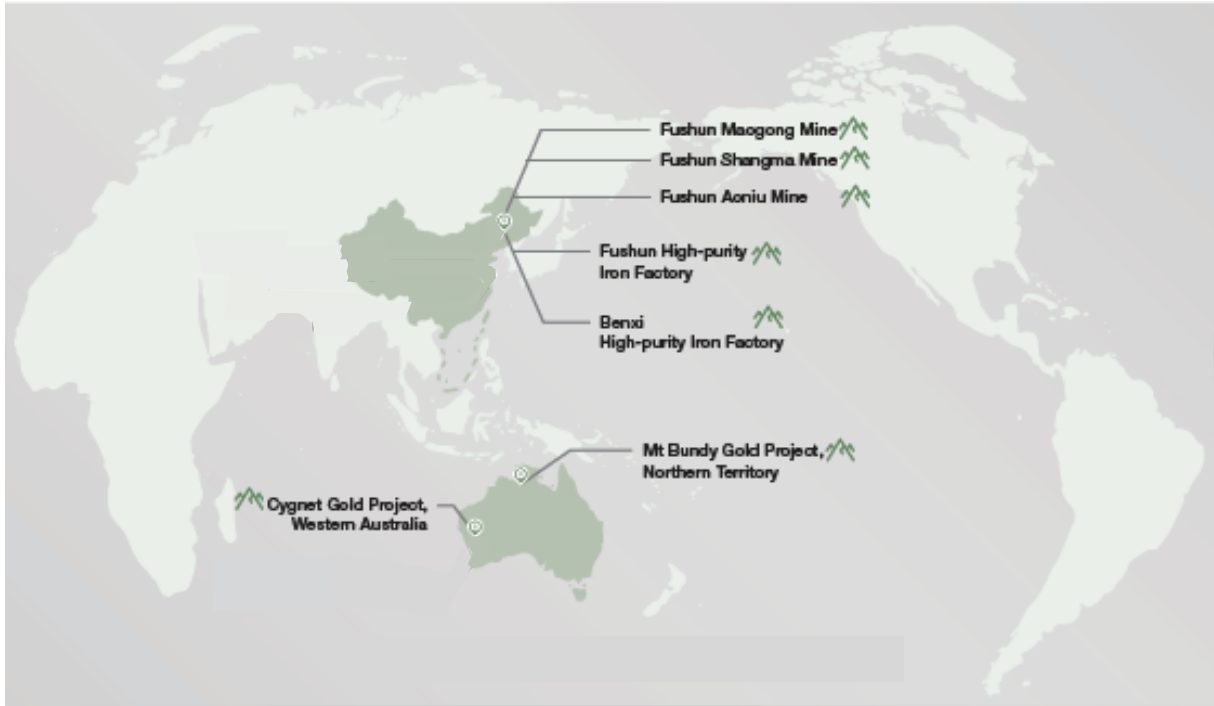
The Company has commenced setting up teams in Australia since 2010, and established its subsidiary in Australia in 2011, which is headquartered in Perth, the capital of Western Australia. Over more than 10 years, by completing the complete closed loop of acquisition, resource exploration, relaunched production and operation and capitalization in respect of SXO Gold Project, Hanking Australia has developed a gold mining and operation team with outstanding performance and applied its experience to the existing gold project, in an effort to create maximum value for the shareholders.

### China: Iron Ore and High-purity Iron Business

Thanks to the advantages of its own high-quality iron ore resources and unique technical process, the average grade of iron ore concentrates produced by Hanking is over 69%. Due to the minimal impurity contents of sulfur, phosphorus and titanium, together with the technical advantages accumulated over the years, high-purity iron products smelted by Hanking enjoy strong corrosion resistance and high tensile strength, thereby well meeting the casting requirements of major equipment in wind power, marine engineering and other sectors. Therefore, the Company's iron ore and High-purity Iron Business in China provides high-quality raw materials for clean energy wind power component casting enterprises.



**Mining resource distribution**



# 2025 Key ESG Performance

## Economic Performance

	2025	2024	2023
Net profit (RMB100 million)	1.69	1.76	1.51
Dividend (RMB100 million)	0.35	0.70	0.35
Output of high-purity iron (10,000 metric tons)	88.2	75.7	87.1
Output of iron ore concentrates (10,000 metric tons)	95.4	100.9	100.0

## Social Performance

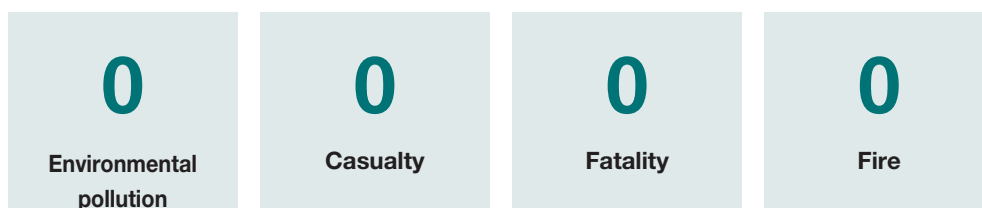
	2025	2024	2023
Total tax (RMB100 million)	2.9	3.88	2.55
Total number of employees	1,724	1,714	1,762
Proportion of female employees	16.36%	16.51%	16.57%
Turnover rate	7.71%	4.55%	1.93%
Safety education training rate for employees	100%	100%	100%
Local employment rate	78.43%	81.36%	78.62%
Local procurement rate	100%	100%	100%
Number of suppliers	583	685	510
Charitable donations in cash and in kind (RMB10,000)	97.5	468.6	180.5

## Environmental Performance

	2025	2024	2023
Total GHG emissions (Scope 1+Scope 2) (tCO <sub>2</sub> e)	1,882,119*	1,690,069	1,920,306
GHG emission intensity (tCO <sub>2</sub> e/RMB'000,000 operating income)	735	680	634
New trees	26,825	58,740	77,386
Proportion of clean energy	11%	22%	5%

Note: \* Indicates that the data has been revised.

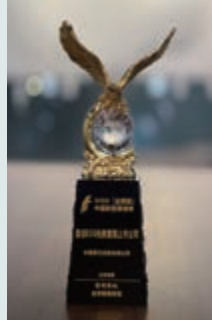
**Nine consecutive years of zero fatalities, zero serious injuries, zero environmental pollution accidents, and zero fires**



## ESG Honors and Awards

### China Financial Value List "Best Pioneer of ESG Practice in Listed Company"

In September 2025, at the "Golden Kunpeng" China Financial Value List selection organized by Hong Kong Commercial Daily and the Global Business Press Alliance, the Company received the "Best ESG Pioneer Practice Listed Company" award.



### China IR Annual Awards "Outstanding ESG Award"

In January 2026, at the "Fusion" 2026 Listed Companies Investor Relations Innovation Summit and the 9th China IR Annual Awards, the Company received the "Outstanding ESG Award".



### Excellence ESG Value Awards "ESG Outstanding Sustainable Development Enterprise"

In December 2025, in the "2025 Annual Listed Companies Excellence ESG Value Awards" selection jointly organized by the Global Commercial Press Alliance, Hong Kong Commercial Daily, and Hong Kong Economic Herald, the Company received the "ESG Outstanding Sustainable Development Enterprise" award.

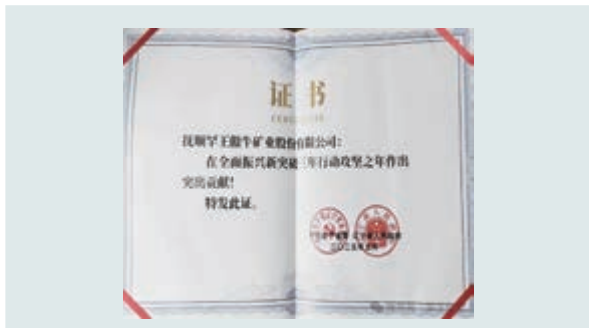


### China's Top 50 Metallurgical Mining Enterprises

In April 2025, the China Metallurgical Mining Enterprise Association officially released the list of the "2024 China's Top 50 Metallurgical Mining Enterprises". Fushun Hanking Aoniu Mining Co., Ltd., a subsidiary of the Company, was successfully listed, ranking No. 34, on the strength of operating revenue of RMB949,000,000 and solid overall capabilities. This also marks the third consecutive year that the Company has retained its place on the list, underscoring its standing in the metallurgical mining industry and its potential for sustained growth.



### Three-Year Action Plan for Comprehensive Revitalization – Outstanding Contribution Award



### Liaoning Province Labor Security Law-Abiding and Integrity Grade A Certificate



## ESG Rating (2025)

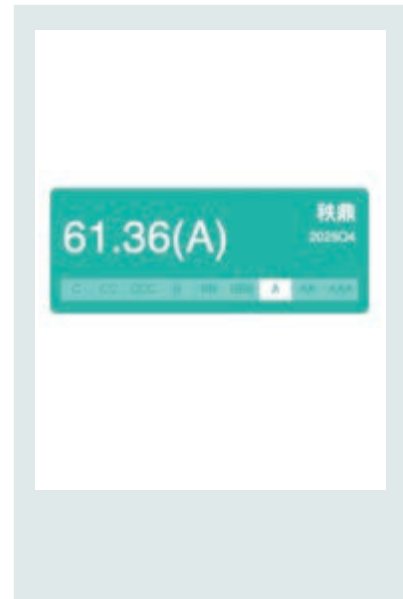
Wind ESG Rating: Grade AA



China Chengxin Green Finance ESG Rating: Grade A




Zhiding ESG Rating: Grade A






## Sustainable Development Strategy





To advance the common peace and prosperity of all humanity, all United Nations Member States adopted the 2030 Agenda for Sustainable Development in 2015, establishing a global sustainable development framework comprising 17 goals and setting out a shared blueprint for global action from 2015 to 2030. These goals are intended to systematically address development issues across the social, economic, and environmental dimensions in an integrated manner, guiding the world onto a path of sustainable development.

The Company firmly supports the United Nations Sustainable Development Goals, earnestly fulfills its responsibilities as a corporate citizen, and fully integrates sustainable development and ESG principles into every aspect of corporate development, production, and operations. The Company adheres to the tenet of “safety, harmony, and green” closely monitors the sustainable development progress of the countries and regions where its projects are located, and is committed to advancing global economic growth and sustainable transformation through high-quality mineral resources and metallurgical products, striving to become a key participant in the clean energy sector. At the same time, we collaborate with internal and external stakeholders to continuously advance ESG practices and jointly create a sustainable future.

United Nations Sustainable Development Goals	The Company's Material Issues	Our Actions
 7 AFFORDABLE AND CLEAN ENERGY  9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	Technological Innovation and Intellectual Property Energy Efficiency and Clean Energy Greenhouse Gas Emissions	<p>We insist on technological innovation-driven development and through continuous technological innovation, we seek to reduce comprehensive operating costs, provide quality products, and share innovative achievements with customers.</p> <p>We encourage our employees to focus on their job-specific skills, driving innovation and efficiency in their daily work. Throughout the year, a total of 32 items of “small inventions, small creations, small improvements, small designs, and small suggestions” were collected, and won 11 municipal-level awards and 18 county-level awards. We held 52 valid patents, 3 invention patents, 16 utility model patents, and 4 software copyrights.</p>

United Nations Sustainable Development Goals	the Company's Material Issues	Our Actions
  	<p>Human Rights Protection            Compensation and Benefits            Development and Training            Occupational Health and Safety            Diversity and Equal Opportunity</p>	<p>Forced labor and child labor are strictly prohibited.</p> <p>Respect and protect the rights of every employee, and prohibit discrimination based on age, gender, disability, race, ethnicity, origin, religious beliefs, or economic status, so as to eliminate inequality. Employees with disabilities are provided with suitable positions and necessary labor protection and work conveniences.</p> <p>The Mining Company's Human Resources Department systematically promoted the optimization of the job grade and benchmark job system this year, achieving phased results in four aspects: job verification, salary survey, job grade standard optimization, and benchmark job review.</p> <p>Prioritize employees' occupational health and safety, and provide a sound working environment and development platform.</p> <p>Eliminate gender discrimination, ensure equal pay for equal work for men and women, protect the lawful rights, interests, and benefits of female employees, and gradually increase the proportion of women in management. Women are present in the Group's middle and senior management, technical and operational personnel, and production personnel.</p>
     	<p>Environmental Management System            Mines Closure and Recovery            Protection of Biodiversity            Management of Wastes            Management of Tailing Ponds            Emergency Management            Water Resources Management            Climate Risk Response</p>	<p>Protect the environment and natural resources, actively carry out greening and reclamation, build green mines, maintain the stability of the local ecosystem, and protect biodiversity.</p> <p>Based on the concept of "harmonious coexistence between man and nature", produce environmental impact assessment reports for operating projects to minimize the impact of such projects on the environment.</p> <p>Successfully obtained the new version of the Environmental Management System Certification Certificate which is valid until 16 June 2028, and subject to annual audit review.</p> <p>Combined with the filed emergency plan, each business segment conducts special drills, , and prepares on-site responding plans for sudden accidents three-prevention drills for precursor chemicals and explosives every year.</p> <p>Implement water resource management and risk monitoring; ensure zero discharge of production wastewater through recycling; and regularly empty domestic sewage into septic tanks for use as farmyard manure, thus preventing any external discharge or soil pollution.</p> <p>Carry out energy-saving and emissions-reduction initiatives to response to climate change, adopt energy-saving measures, conduct greenhouse gas accounting, and enhance the Company's adaptability to climate change.</p>









United Nations Sustainable Development Goals	the Company's Material Issues	Our Actions
<div style="display: flex; justify-content: space-between;"> <div style="width: 45%;">  <p>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</p> </div> <div style="width: 45%;">  <p>17 PARTNERSHIPS FOR THE GOALS</p> </div> </div>	<p>Corporate Governance Structure</p> <p>Compliance Management and Risk Management</p> <p>Business Ethics</p> <p>Responsible Supply Chain Management</p> <p>Product Quality and Customer Service</p> <p>Digital Management</p> <p>ESG Management System</p>	<p>Continuously improve corporate governance, strengthen anti-corruption efforts, and strive to establish an efficient and transparent governance system.</p> <p>Build a responsible supply chain, assess the environmental and social risks of the supply chain, and preferentially select products and services that meet environmental standards.</p> <p>The Company and partners establish a cooperative and win-win relationship, and work together with upstream and downstream partners in the industrial chain to promote sustainable management.</p> <p>The Company continues to promote mechanization and intelligent upgrading in its mines, as well as unmanned operation of fixed positions, to further enhance its automation and intelligence levels.</p> <p>The Group has established a sound ESG governance system, created a multi-level management structure spanning from the Board and keeps improving its organizational ESG governance through specialized ESG training.</p>
<div style="display: flex; justify-content: space-between;"> <div style="width: 45%;">  <p>1 NO POVERTY</p> </div> <div style="width: 45%;">  <p>4 QUALITY EDUCATION</p> </div> </div>	<p>Community Participation and Integration</p> <p>Rural Vitalization</p> <p>Social Welfare and Charity</p>	<p>Charitable donations of RMB975,000 were made 2025 to support education, with student aid activities for the year benefiting 300 students.</p> <p>We actively organize volunteers to participate in community building, including blood donation, snow removal, sports competitions, and fundraising activities.</p> <p>Respect Indigenous peoples' rights and comply with relevant laws and regulations in project design, exploration, and operations.</p> <p>Create local employment and business opportunities, prioritize hiring local employees, and give preference to qualified local suppliers.</p>

## Materiality Assessment

### Communication with Stakeholders

Stakeholders are entities or individuals with internal or external relationships with the Group who are deeply influenced by and have a material impact on the business of the Group. Our stakeholders mainly include shareholders and investors, customers, suppliers, employees, the communities, the government and regulatory authorities. The Company places great importance on the needs of stakeholders and has established an open, transparent and efficient regular communication mechanism with them, responding promptly to the concerns of all parties and actively listening to their expectations and suggestions regarding the Group's sustainable development.

## Communication with Key Stakeholders of the Group in 2025

Stakeholders	Areas of Concern	Ways of engagement and communication	Communication frequencies or time
 <p><b>Shareholders and investors</b></p>	Protection of shareholders' rights and interests Financial position Compliance operation Openness and transparency of information	Annual/interim report Press release/announcement Results briefings Annual/extraordinary general meeting Roadshow and investor communication sessions On-site visits	Annual/semi-annual Regular/as needed Semi-annual Annual/as needed As needed As needed
 <p><b>Customers</b></p>	Product quality assurance Service commitment	Call or email from customer Customer follow-ups and visits Company's website and promotional materials	Irregular Irregular Daily
 <p><b>Local and regional Suppliers</b></p>	Transparent procurement Commercial ethics Policy stability	Open tendering On-site visits Exhibitions and fairs Establishing a complaint mechanism	Irregular As needed As needed As needed
 <p><b>Employees</b></p>	Remuneration and welfare Development and training Occupational health and safety Humanistic care	Internal communication channels Employees' satisfaction survey Employee team building activities Training and learning activities Occupational health examination	Daily As needed Irregular Irregular Annual
 <p><b>Communities and Indigenous groups</b></p>	Emission management Community wellness Employment and procurement Indigenous people's rights	Establishing a complaint mechanism Charity and donation Community construction activities Recruitment and procurement announcement Public opinion collection and investigation	As needed Irregular Irregular As needed Long term
 <p><b>Government and regulatory authorities</b></p>	Legal and compliant operation Response to policy Enterprise environmental protection and safety Employment and taxation	On-site visits and inspections Government meeting Response to regulatory requirements Application for licensing documents Information disclosure	Irregular Irregular As needed As needed Irregular

## ◎ Participation Association

### Member Unit of Metallurgical Mines' Association of China

### Council Unit and Member Unit of China Foundry Association



### Vice Chairman Unit of Casting Pig Iron Branch of China Foundry Association



### Member Unit of the Seventh Council of China Sand and Gravel Association



### Vice President Unit of Liaoning Province Association of Work Safety



## Material Issues Analysis

The Company, in accordance with the GRI Guidelines for Determining Material Issues, follows the principle of dual materiality and systematically conducts issue analysis to identify and review material issues that have significant impacts on the Company's operations and stakeholders. Through this process, we gain an in-depth understanding of the concerns and expectations of various stakeholders and incorporate the highest-priority issues into the Company's operations and decision-making framework. The process for analyzing material issues is as follows:

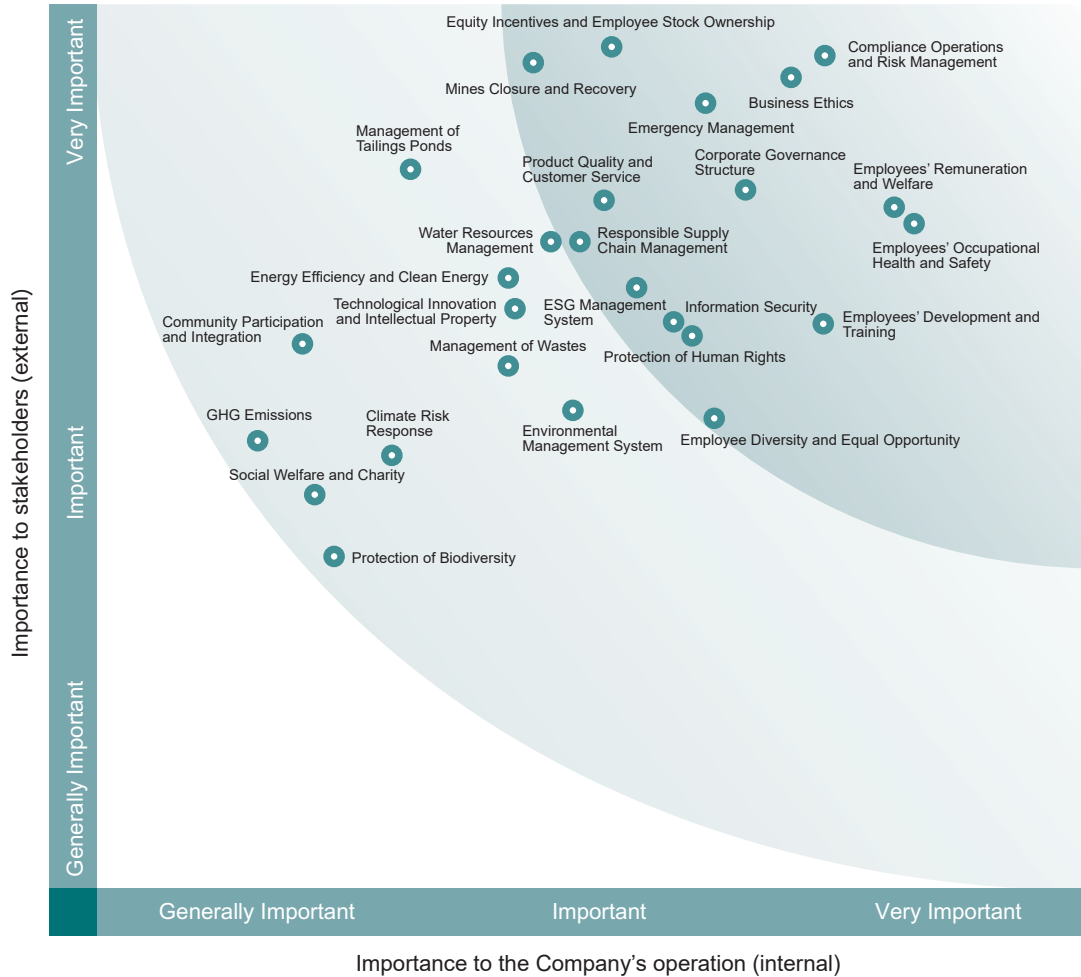
### ◎ Identification and Assessment

With reference to the Hong Kong Stock Exchange ESG Reporting Guide, GRI Industry Standards (GRI 14: Mining 2024), Industry-based Guidance on Implementing IFRS S2 – Climate-related disclosures (Volume 9: Iron & Steel Producers and Volume 10: Metals and Mining), the United Nations Sustainable Development Goals, and leading ESG reports from industry peers, and taking into account the Company's strategic objectives, the Company identified 26 material issues and determined the scope and boundaries of their impacts.

### ◎ Prioritization

We conducted questionnaire surveys with the Company's senior management and external stakeholders, and performed a materiality assessment of the identified material issues from two aspects: their importance to the Company's operations and their importance to stakeholders, thereby determining their priority and preparing a materiality matrix on this basis.

## Matrix of Materiality Assessment



Corporate Governance and Business Management	Employment Practice	Environmental Protection	Community Engagement
<ul style="list-style-type: none"> <li>Corporate Governance Structure</li> <li>Compliance Operations and Risk Management</li> <li>Business Ethics</li> <li>Responsible Supply Chain Management</li> <li>Product Quality and Customer Service</li> <li>Technological Innovation and Intellectual Property</li> <li>Information Security</li> <li>ESG Management System</li> <li>Equity Incentives and Employee Stock Ownership</li> </ul>	<ul style="list-style-type: none"> <li>Protection of Human Rights</li> <li>Employees' Occupational Health and Safety</li> <li>Employee Diversity and Equal Opportunity</li> <li>Employees' Remuneration and Welfare</li> <li>Employees' Development and Training</li> </ul>	<ul style="list-style-type: none"> <li>Climate Risk Response</li> <li>Environmental Management System</li> <li>Mines Closure and Recovery</li> <li>GHG Emissions</li> <li>Protection of Biodiversity</li> <li>Management of Wastes</li> <li>Management of Tailings Ponds</li> <li>Emergency Management</li> <li>Water Resources Management</li> <li>Energy Efficiency and Clean Energy</li> </ul>	<ul style="list-style-type: none"> <li>Community Participation and Integration</li> <li>Social Welfare and Charity</li> </ul>

### © Verification of material issues

In respect of the identified material issues, the Audit Department, ESG taskforce and senior management of the Company reviewed and confirmed the prioritization results and submitted the assessment process and results to the health, safety, environment protection and community committee of the Company (the "HSEC Committee") and the Board for consideration, for inclusion into this report.



# Governance

**SOUND CORPORATE  
GOVERNANCE IS THE  
FUNDAMENTAL SAFEGUARD  
FOR TRANSLATING A LONG-  
TERM VISION INTO SUSTAINABLE  
VALUE.**

- Corporate Governance

- ESG Governance System

- Business Ethics

- Internal Control and Risk Management

- Technological Innovation

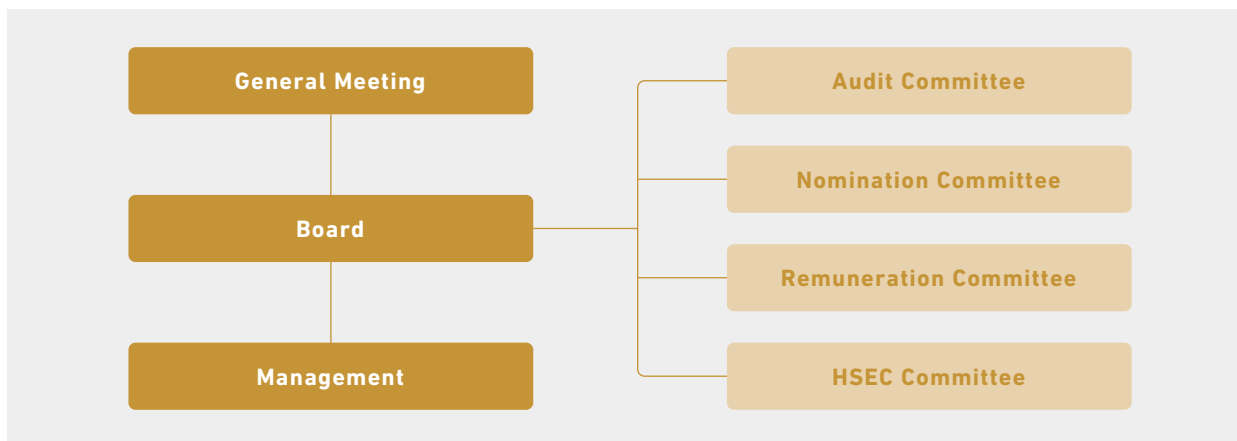
# Corporate Governance

The Company firmly believes that sound corporate governance provides a framework for effective management, successful business development, and the enhancement of shareholder value.

## Governance

The “Corporate Governance Policy” adopted by the Company has been formulated in accordance with the principles, code provisions, and certain recommended best practices set out in the “Corporate Governance Code” in Appendix C1 to the Listing Rules, and is in the best interests of the Company and its shareholders. During the reporting period, the Company has fully complied with the principles and applicable code provisions set out in the “Corporate Governance Policy” and the “Corporate Governance Code”, save as code provision C.2.1, and also followed the vast majority of the recommended best practices specified in the “Corporate Governance Code”.

Upholding the core concept to realise sustainable development, the Company has set up an established governance structure, which forms a scientific, efficient and transparent decision-making and supervisory mechanism. The general meeting, as the body that has the highest authority, is responsible for considering and approval of material strategic matters of the Company; while the Board is responsible for the decision-making function to make sure that the Company’s development direction is in the interests of shareholders; and the management is responsible for the daily management and implementation, to guarantee the efficient landing of the Company’s strategic targets. By clearly dividing responsibilities and establishing mutual checks and balances at all levels, the Company has implemented a collaborative governance system integrating decision-making, execution, and supervision, building a solid foundation for the long-term and stable development of the Company. Meanwhile, the Company actively performs its social responsibilities by incorporating ESG concept into its daily operation, to create sustainable value for shareholders, employees, customers and the society.



The Board is collectively responsible to all shareholders for the leadership and supervision of the Group’s business, and exercises operational decision-making power. The Board is mainly responsible for formulating the strategies, objectives, policies and business plans of the Company, and monitoring the execution of the Company’s strategies. It is also responsible for overseeing and controlling the operational and financial performance of the Company and establishing appropriate risk management policies and procedures to ensure that the strategic objectives of the Group are materialised. In addition, the Board is also responsible for improving the corporate governance structure and enhancing communications with the Shareholders. The management is responsible to the Board under the leadership of the Chief Executive Officer, executes the strategies and plans made by the Board, and makes daily operational decisions. The management reports to the Board the operational and financial performance of the Company on monthly basis.

During the reporting period, the Company convened 1 general meetings, 8 Board meetings, and 7 meetings of specialized committees under the Board (the “Special Committees”) in total. The contents and procedures of the abovementioned meetings are in accordance with the requirements of the Listing Rules and the Articles of Association, and attendees are allowed to conduct full discussion and give opinion on the resolutions.

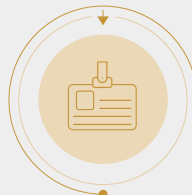
## Board Committees

The Board has four Special Committees, namely the Audit Committee, the Nomination Committee, the Remuneration Committee and the HSEC Committee. These committees have clear terms of reference to enable them to properly perform their functions and assist the Board in enhancing the Group's corporate governance practices.

### Audit Committee

The Audit Committee shall act as a focal point for communication among other Directors, the external auditors and the internal auditors in respect of financial and other reporting, internal controls, external and internal audits and such other matters as the Board determines from time to time. The Audit Committee shall assist the Board in fulfilling its duties by providing independent review and supervision of financial reporting, satisfying themselves as to the effectiveness of the internal controls of the Group and as to the adequacy of the external and internal audits.

The terms of reference of the Audit Committee shall at least include: monitoring the Company's financial reporting system, risk management and internal control system; examining the Company's financial control, as well as checking the effectiveness of the Company's risk management and internal control system, and the internal audit functions; discussing the risk management and internal control system with the management, to ensure that the management has performed its duties to establish an effective system; considering the major investigation findings on risk management and internal control matters and the management's response to these findings, on its own initiative or as delegated by the Board.



### Remuneration Committee

The Remuneration Committee shall formulate remuneration policies for submission to the Board for approval (factors to be considered in the remuneration policies shall include remuneration paid by comparable companies, time commitment and responsibilities and employment conditions of other positions within the Group) and implement the remuneration policies determined by the Board.

### Nomination Committee

The Nomination Committee shall formulate a nomination policy for the Board to consider, implement the nomination policy approved by the Board, assist with the preparation of the Board Skills Matrix and help assess the board's performance regularly.

### HSEC Committee

The HSEC Committee is responsible for leading the Group's work in health, safety, environmental protection and community affairs, and for making recommendations to the Board on major decisions or significant issues relating to employee health, corporate safety and environmental protection, and community relations.

## Roles and Responsibilities of Board Members

Director/ Committee Member	Type	Gender	Nomination Committee	Remuneration Committee	Audit Committee	HSEC Committee
<b>Qiu Yumin</b>	Executive Director, Chief Executive Officer and President and Hanking Australia Chief Executive Officer and President	Male				C
<b>Zhang Jing</b>	Executive Director and Board Secretary	Female	M			M
<b>Tang Wenbin</b>	Executive Director and Vice President	Male				
<b>Zhang Junfeng</b>	Executive Director and Vice President, and President of Aoniu Mining	Male				
<b>Xia Zhuo</b>	Non-executive Director and Chairman of the Board	Male	C			
<b>Zhao Yanchao</b>	Non-executive Director	Male		M		
<b>Wang Ping</b>	Independent Non-executive Director	Male	M	C	C	
<b>Wang Anjian</b>	Independent Non-executive Director	Male	M		M	M
<b>Zhao Bingwen</b>	Independent Non-executive Director	Male	M	M	M	
<b>Tim Sun</b>	Independent Non-executive Director	Male				

- Notes: (1) C denotes the chairman of the relevant Special Committees, M denotes a member of the relevant Special Committees; for detailed biographies of the Directors, please refer to the Company's annual report.
- (2) From 20 March 2018 to 13 January 2026, Mr. Yang Jiye served as Chairman of the Board, executive Director, and concurrently as Chief Executive Officer and President of the Company. On 14 January 2026, Mr. Yang Jiye resigned as Chairman of the Board, executive Director, Chief Executive Officer and President of the Company. On the same day, the Company appointed Mr. Xia Zhuo as Chairman of the Board and Dr. Qiu Yumin as Chief Executive Officer, respectively.
- (3) Mr. Zheng Xuezhi resigned as an executive Director, chief operating officer and executive vice president with effect from 14 January 2026.
- (4) Mr. Tang Wenbin and Mr. Zhang Junfeng were appointed as executive Directors on 14 January 2026.
- (5) Dr. Tim Sun was appointed as independent non-executive Director on 25 March 2026.

## Independence

The Company has received the 2025 annual confirmations of independence issued by each of the independent non-executive Directors, and considers that the independent non-executive Directors are independent from the Management and have no relationship that could materially interfere with their exercise of independent judgment.

During the reporting period, the independent non-executive Directors diligently attended meetings of the Board and the various Special Committees, and repeatedly provided independent professional opinions and recommendations on the Company's business development, major decisions, risk management, internal control, and other matters. During the reporting period, the Board comprises 3 independent non-executive Directors and 2 non-executive Directors, representing approximately 56% of all Board seats. Under the Board, both the Remuneration Committee and the Audit Committee are chaired by independent non-executive Directors.

## Diversity

The Company will make efforts to keep an appropriate balance in the diversity of skills, experience and opinions of the Board members, to support the execution of business strategies and ensure the effective operation of the Board. With a view that "diversity" is a broad concept, the Company may consider the board diversity in designing the Board's composition from several aspects, including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge and length of service. All Board appointments will be based on meritocracy as well as the business model of the Company and specific needs from time to time, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.

During the reporting period, the Board had a total of 9 members, including 4 executive Directors, 2 non-executive Directors, and 3 independent non-executive Directors. The Board has one female Director, accounting for 11% of the total members. The members of the Board come from mainland China, Hong Kong, and Australia. They not only have a background in international project development, but also possess rich experience in industry management, and are equipped with high skills in geological exploration, international investment, listed company operation and the consolidation of global resources. The Board has a well-structured composition of expertise, with members possessing the knowledge, skills, and qualities necessary to fulfill their duties, thus laying a solid foundation for the development of the Company.



### Age distribution forms reasonable echelon structure



### International background nurtures diversified global vision



### Female Director accounts for 11%



### High academic background brings cutting-edge industry insights and professional solutions



## Assessment of the effectiveness of the Board

The Company conducts an annual review to ensure the implementation and effectiveness of the mechanisms through which the Board obtains independent views and input, whether in terms of the proportion, appointment and independence of independent non-executive Directors, or their contributions and access to external independent professional advice. Conducted an annual review of the membership, structure and composition of the Board, as well as the implementation and effectiveness of the Company's board diversity policy; discussed whether the directors had devoted sufficient time and effort to fulfill their duties; and assessed the independence of the independent non-executive Directors. Evaluated the effectiveness of the Board to ensure that it is able to fulfill its responsibilities for strategic oversight and ESG oversight. Focused on the structure of the Board, decision-making efficiency, ESG oversight capabilities, and the level of risk management.

## Information Disclosure

The Company strictly complied with the relevant requirements of the Listing Rules, actively fulfilled its information disclosure obligations, ensured timely and fair disclosure of information, and guaranteed that the disclosed content was true, accurate, and complete. The Company resolutely prevented any false records, misleading statements, or material omissions, continuously improved the quality of information disclosure, fully and efficiently communicated the Company's operational management and business development information to investors, and safeguarded the lawful rights and interests of the Company's shareholders.

Our information disclosure strictly complies with the latest regulatory requirements. We have optimized our internal review processes and strengthened the management of inside information. Throughout the year, we disclosed a total of over 50 regular reports and interim announcements, ensuring that all disclosures are truthful, accurate and complete.

## Investor Relations

The Company has consistently regarded maintaining strong investor relations as a key priority, continuously improved its communication mechanisms, and established diversified investor communication channels. Through a combination of online and offline approaches, including results presentations, infographic summaries of results, corporate new media accounts, brokerage strategy conferences, and roadshows, the Company comprehensively showcased its operating performance; At the same time, the Company actively listened to investor concerns and responded promptly through channels such as the investor hotline, dedicated email address, and on-site visits.

During the reporting period, the Company held a total of 2 performance briefings, 1 special briefing and nearly 150 investor exchange meetings; published 24 press releases on mainstream financial platforms and posted 33 news flashes on its official website and corporate accounts on mainstream financial self-media platforms. In addition, all investor inquiries received via the dedicated investor relations email address were responded to in a timely manner.



## 2025 Interim Results Presentation

Online attendance: 93 people; On-site attendance: 23 people



## Remuneration and Performance Appraisal

The Company's remuneration system is designed in consideration of the characteristics of the mining industry, the Company's strategy, and employee needs, ensuring fairness, competitiveness, and effective incentives. Remuneration is linked to ESG performance, team objectives, and the Company's overall performance to motivate employees to improve efficiency and contribution. In the remuneration plans for the Management of the Company's various business segments, important ESG objectives such as production safety and environmental protection are given a relatively high weighting, and a one-vote veto system on safety is implemented to effectively enhance the Company's governance standards and performance on these key ESG issues.

## Shareholder Returns and Dividend

Although the Group recorded a net profit in 2025, after careful consideration of the Company's overall financial arrangements and strategic development direction, and in order to ensure the smooth progress of the gold mining business and protect the long-term interests of shareholders, the Board has decided to retain profits to support the relevant preparatory work. Therefore, the Board does not recommend the payment of a final dividend to the Company's shareholders for the year ended 31 December 2025.

For the most comprehensive information on the Company's corporate governance, please refer to the Company's 2025 Annual Report.

## ESG Governance System

The Company places great importance on the harmonious development of business and society, and is gradually integrating the ESG management philosophy into every aspect of its production and operations. It conscientiously fulfills its economic, social and environmental responsibilities, welcomes oversight from stakeholders including the government, shareholders, employees, partners, consumers and the public, strengthens communication with stakeholders, enhances operational transparency, and increases public awareness and recognition of the Company's sustainable development, thereby fostering a mutually beneficial, win-win framework of shared development between the Company and its stakeholders.

## Governance

The Company has established a sound ESG governance system and formed a multi-tiered management structure spanning from the Board to the production workshops of each business segment, comprehensively advancing the systematization, standardization, and institutionalization of the Company's ESG management, enhancing the Company's overall value in environmental, social, and corporate governance aspects, and promoting sustainable corporate development.



**The Board** The Board is the highest governing body for ESG-related tasks, fully responsible for the risk management and internal control system of the Company, including the identification of significant ESG risks and opportunities. The Board is responsible for formulating the Group's ESG strategies, setting ESG goals, and reviewing the progress of achieving such goals.

**The HSEC Committee** In 2025, the HSEC Committee was composed of three members with expertise in the ESG field: Dr. Qiu Yumin, serving as the Chairman, is the president of the Gold Mine Business in Australia of the Company and a member of the Australian Institute of Geoscientists; Zhang Jing, serving as a member, is an executive Director of the Company and Secretary to the Board and Dr. Wang Anjian, serving as a member, is a professor of the Research Center for Strategy of Global Mineral Resources and a honorary director of Chinese Academy of Geological Sciences.

The primary function of the HSEC Committee is to help the Board to effectively perform its responsibilities in relation to health, safety, environmental protection and community matters arising from the Group's operating activities, and risk management in relation to such matters, so as to achieve its control and objectives regarding ESG risks. The HSEC Committee is responsible for formulating the Company's long-term ESG rules and annual plan, and supervising the implementation of the plan; adopting ESG-related policies and monitoring their compliance; and evaluating compliance with ESG-related laws and regulations.

**ESG Taskforce** The ESG taskforce is led by the heads of the Group's relevant departments and the main leaders of each business segment, who is responsible for managing ESG initiatives. The relevant department designates dedicated personnel to oversee the implementation of ESG tasks and is responsible for collecting and collating ESG data to prepare the ESG Report, regularly reviewing ESG matters that are important to the Group and related to its business, and reporting the assessment results to the HSEC Committee to assist it in assessing and determining whether the Company's risk management and internal control systems for ESG are appropriate and effective, and making recommendations for rectification.

For iron ore segment, we have established a grid-based, end-to-end management system centered on the Safety and Environmental Protection Department, ensuring that responsibilities for occupational health and safety and environmental management are implemented at every stage of production and operations.

#### Occupational health and safety

Occupational health and safety: We implement a vertical management mechanism of “mine general manager – head of the safety section – full-time/part-time safety officer”. Under the leadership of the mine general manager in charge, the head of the safety section coordinates and advances the work in an overall manner, and assigns full-time and part-time safety officers to primary production units and auxiliary production departments to assist frontline leaders in carrying out workplace safety tasks thoroughly and meticulously, ensuring continuous improvement.

#### Environmental management and compliance

Environmental management and compliance: Under the guidance of the Section Chief, the specialist from the Safety and Environmental Protection Department is responsible for internal and external coordination and centralized oversight. Specific responsibilities include organizing and carrying out the ‘three simultaneous’ requirements for new, renovated, and expanded projects, promoting the effective operation of the environmental management system, and implementing routine, standardized control over environmental factors such as the Company’s air pollutants, solid waste, hazardous waste, and noise.



#### ESG Capacity Building

In the face of increasingly stringent ESG regulatory requirements worldwide, enterprises’ systematic capability building is the first line of defense against risk and a prerequisite for creating value. During the reporting period, we used the High-purity Iron Business segment as a pilot and innovatively established an “ESG Liaison Network”, assigning overall responsibility for key material issues to designated individuals and achieving grid-based coverage in issue management. We conducted two rounds of “one-on-one” ESG information collection methodology training for each liaison, effectively improving the comprehensiveness, accuracy, and consistency of ESG information collection. Through this mechanism, ESG principles have been effectively embedded into the code of conduct for daily operations, and employees have also shifted from passive executors to proactive “ESG co-creators” who identify risks and uncover opportunities for improvement. This bottom-up internal momentum is accelerating the Company’s transformation from compliance-driven operations to sustainable value creation.

### ESG Risk Management

With the increasing global focus on ESG issues, the Company has gradually incorporated ESG risk considerations into board meetings and related discussions, making ESG risk management an integral part of our corporate sustainable development strategy. We have initially established an ESG risk management approach. In our daily operations, we identify and monitor relevant ESG risk factors in conjunction with our existing management system, and adjust our management strategies as needed based on actual circumstances. Simultaneously, we emphasize regular communication with stakeholders, continuously improving the transparency and effectiveness of ESG management through information disclosure and feedback, thereby promoting better fulfillment of our environmental and social responsibilities while pursuing commercial value.

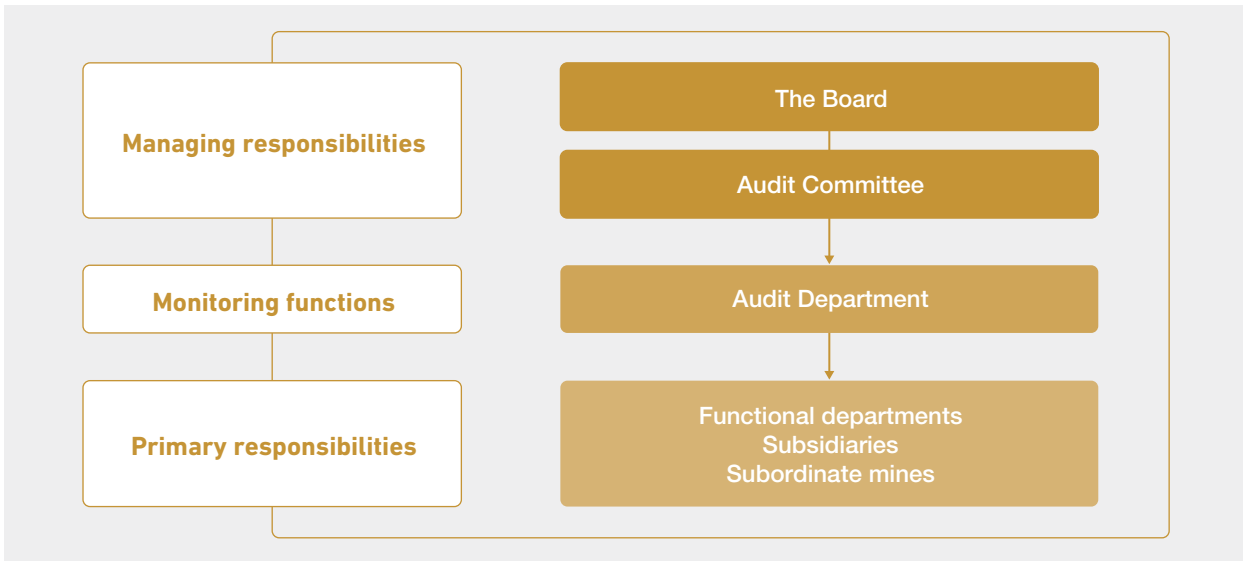
In 2025, based on the review of the HSEC Committee and the examination of the Board, the Group has fully complied with the “comply or explain” provisions set out in the ESG Reporting Guide of the Hong Kong Stock Exchange. The Group’s ESG work was compliant and effective during the reporting period.

## Business Ethics

The Company rigidly abides by the relevant laws and regulations and upholds the highest standards of ethical conduct. The establishment of a high-level business ethics management system contributes to the working and operating environment with fairness, transparency and integrity. Cultivating honesty and decency in corporate culture and firmly fighting against any corruption that will damage the integrity and reputation of the Company safeguards our operations in good faith and helps us achieve steady and long-term development of our sustainability.

### Governance

The Audit Committee under the Board directs business ethics and anti-corruption work. Within the Company, the multi-level supervision and management system was put into use, of which functional departments and business sectors will undertake the main responsibility of business ethics management, and the Audit Department is responsible for the formulation of supervision and administration system and to carry out supervision and administration work. The Company has also engaged independent auditors to conduct external audits on the Company, with an aim to prevent and control fraud or immorality within the Company through internal and external audit.



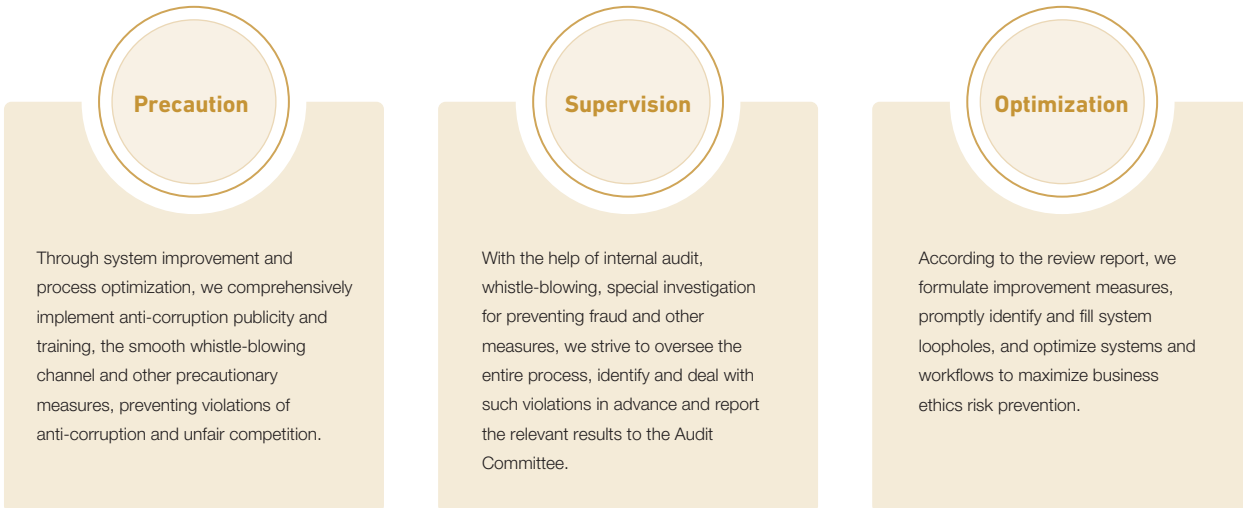
We uphold a zero-tolerance stance toward corruption and have established a robust compliance safeguard for our operations. We strictly comply with national laws and regulations, including the Anti-Unfair Competition Law of the People’s Republic of China and the Anti-Money Laundering Law of the People’s Republic of China. The Company has established a series of internal policies, including the Integrity Management Policy, Internal Control Policy, Whistleblowing Policy, and Procurement Management Policy.

Through an institutional framework that integrates internal and external measures, together with rigorous execution, we have embedded anti-fraud requirements throughout the entire business management process of all segments. This not only ensures transparency and integrity across all business operations, but also fosters a clean and upright culture of integrity within the Company, fundamentally preventing corruption and building a strong ethical foundation for the Company’s sustainable development.

**Strategy**

Our business ethics management adheres to the workflows of “pre-precaution, in-supervision and post-optimization”, aiming to minimize the business ethics risks to the greatest extent.

**| Business Ethics Risk Management System**



We firmly believe that transparency in business processes is the fundamental measure for preventing business ethics risks. Business ethics risks often arise from opaque information and unclear roles and responsibilities. To this end, the Company is committed to systematically enhancing transparency by optimizing and redesigning key business processes, specifically across the following three areas:

### Break down information barriers and reduce opportunities for human interference

We ensure full-process transparency in key business procedures such as procurement and engineering tendering by clearly defining the rules, steps, responsible parties, and outcomes, so that the entire process is traceable for all participants and oversight parties. Making processes transparent effectively reduces opportunities for human intervention and opaque dealings.

### Clearly define the boundaries of authority and responsibility and put traceability mechanisms in place

Transparent processes clearly assign accountability at every stage, preventing situations where "collective responsibility" results in "no one being responsible". For example, every sign-off stage and approval comment during project approval is available for real-time review. If a compliance irregularity arises, the source of responsibility can be quickly identified, providing a basis for issue tracing and corrective action.

### Encourage multi-party oversight and strengthen collaborative

Greater process transparency means oversight is no longer confined to Management, but extends to employees, customers, and partners, creating a sound mechanism for multi-party participation and collaborative oversight. For example, in procurement and engineering tendering, we implement a bid supervision system and accept mutual oversight from all parties; for key projects, we carry out joint acceptance by multiple departments; important matters such as equipment maintenance are promptly communicated to the leaders of the relevant departments, ensuring that key control points remain under effective supervision at all times.

In summary, by increasing transparency through process redesign and digital tools, we have strengthened our ability to prevent and control business ethics risks at the source. This not only effectively reduces the legal and reputational risks the Company may face as a result of non-compliant conduct, but also builds a strong foundation of trust among employees, customers, and partners, laying solid groundwork for the Company's sustainable development.

## Risk Management

The Company has consistently placed great importance on building a corporate culture of integrity and self-discipline. We explicitly require all employees not to engage in bribery, extortion, fraud, or money laundering in any form, and not to use their authority or the convenience of their positions to seek improper benefits.

We have established the Integrity Management System to foster an honest and efficient working environment, strengthen the Company's integrity framework, enhance employees' awareness of the rule of law, and regulate the conduct of all staff. The Company requires all employees to sign a Commitment Letter on Integrity in Employment and treats their integrity performance as an important basis for performance evaluations, appointments and removals, promotions, and salary increases. At the same time, by displaying workplace messages such as "Integrity is the golden rule for long-term development", we incorporate the values of honesty and integrity into daily operations, continually strengthening employees' compliance awareness and ethical consciousness and laying a solid foundation for the Company's sustainable development.

We are committed to building a clean and transparent supply chain system and applying full-lifecycle compliance controls to suppliers. In accordance with the Procurement Management Policy, we have established strict entry standards, and all suppliers must be approved by the Company's designated leadership before being added to the supplier database, thereby controlling risks at the source. During the course of cooperation, we implement dynamic oversight and maintain a "zero-tolerance" stance toward violations such as commercial bribery. Once verified, cooperation is immediately terminated and the supplier is removed from the supplier pool. For products or services that require procurement through tendering, the responsible procurement department shall determine the tender list and prepare the tender documents. The tender evaluation team is jointly formed by the procurement department, relevant functional departments, and the Group Audit Department. It has no contact with bidding suppliers throughout the process, ensuring the fairness and impartiality of the tendering process.

To ensure that integrity principles are upheld throughout the supply chain, following the update to the Procurement Management Policy, we communicated the changes clearly to supplier business contacts through multiple formal channels and established mechanisms for reading acknowledgment and feedback. This approach established a closed loop from "policy issuance" to "supplier awareness" and then to "shared behavioral alignment". It not only strengthened suppliers' compliance awareness, but also turned the shared commitment to ethical cooperation into a code of conduct jointly observed by both parties, thereby reinforcing the management foundation of a sustainable supply chain.

Anti-corruption training is a key measure for companies to build a culture of integrity, prevent operational risks, and strengthen core competitiveness, and it plays a positive role in supporting sustainable corporate development and promoting social harmony. To strengthen the Company's integrity framework and regulate directors' conduct, in light of the Group's business needs and the relevant requirements of the Hong Kong Stock Exchange, the Company distributed learning materials to all directors, including the Hong Kong Stock Exchange's Regulatory Newsletter for Listed Issuers and online courses on the Listing Rules, and invited a law firm to provide specialized training for directors, ensuring that they develop a thorough understanding of regulatory requirements and strengthen their awareness of compliance in fulfilling their duties.

The Audit Department, based on the Company's actual circumstances, designated 2 courses on the third-party training platform Liangjian Cloud Classroom, namely Sunshine Procurement and Clean Conduct in the Workplace and Sunshine Procurement Management and Practice, and organized a total of 111 participants, including all employees at the Company headquarters, middle management and above at controlled subsidiaries, and personnel in procurement-related positions, to complete integrity training. In addition, during the reporting period, integrity training for newly hired employees was provided 120 times in total, achieving a coverage rate of 100% and further strengthening the foundation for clean conduct among all employees.

## © Whistleblowing

We are committed to upholding and implementing high standards of business principles and conduct with openness, integrity, compliance with the law, and honesty. The purpose of establishing the whistleblowing policy is to raise awareness of internal fairness within the Group and to serve as an effective Internal Control mechanism by providing employees and stakeholders who deal with the Group, such as the Group's customers and suppliers providing products or services to the Group, with channels and guidance for reporting misconduct by the Group's internal personnel.

Employees of the Company have the right to report to the Company any suspected violations of national laws, regulations, and policies, the Company's internal controls, as well as other fraudulent acts and violations of Company discipline. The Company's Audit Department is responsible for handling reports of various violations related to the Company, its functional departments, subordinate mines, and all employees. Whistleblowers may provide detailed information to the Company's Audit Department by telephone, letter, email, or in person.



**Reporting hotline:**  
024-31290378

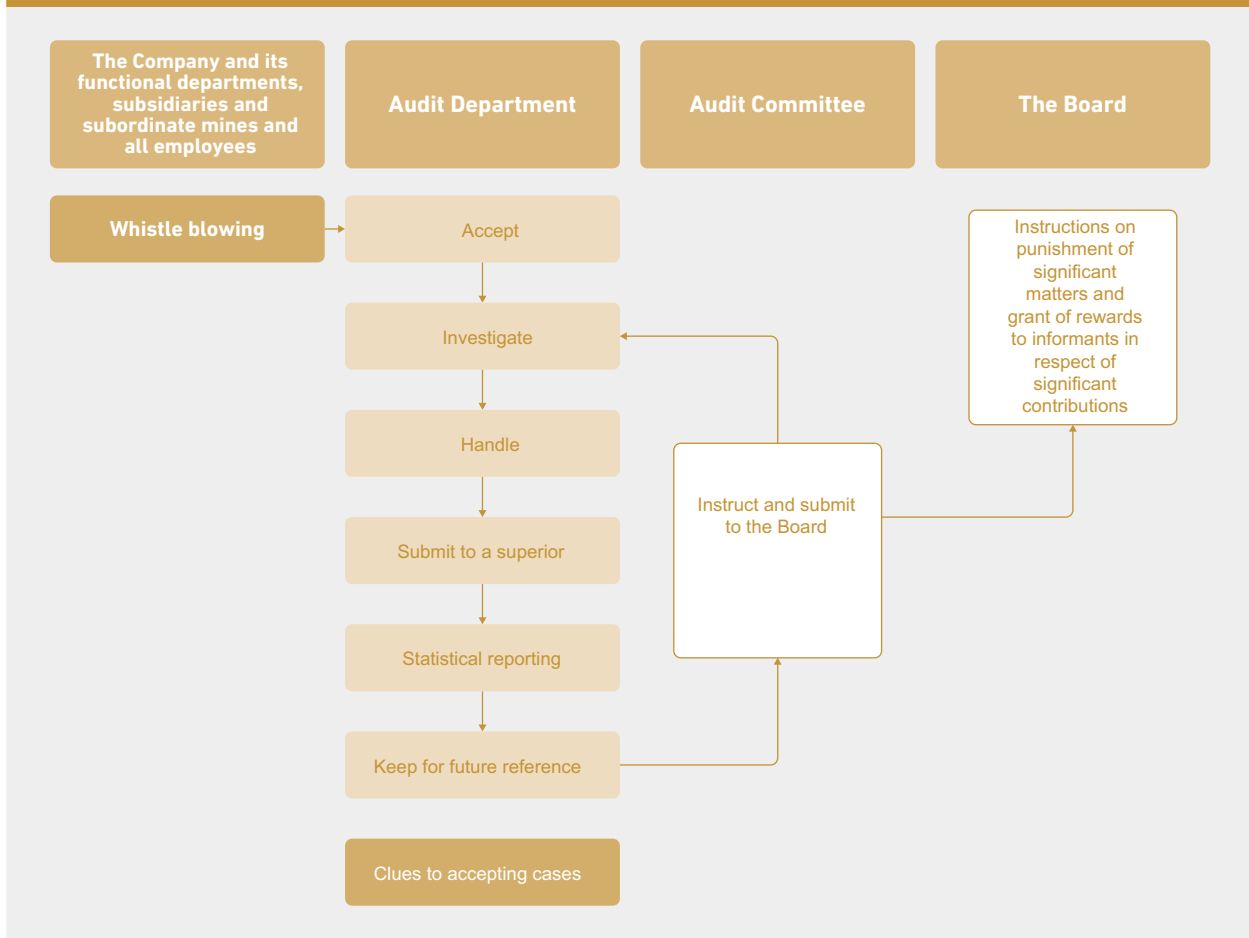


**Whistleblowing mailbox:**  
shenjb@hanking.com



**Correspondence:**  
Audit Department, 22nd Floor, Hanking Building, No. 227 Qingnian Avenue, Shenyang, Liaoning Province

### Flow chart of internal whistle-blowing



## © Contact information for the Audit Committee of the Board:

Employees of the Company and other parties having dealings with the Company (including but not limited to customers and suppliers) may report, on an anonymous basis, any information concerning possible improper matters of the Company to the Audit Committee of the Board.



**Email:**  
auditcommittee@hanking.com

## © Whistleblower Protection

We encourage all stakeholders to report any incidents they consider suspicious or improper and prohibit any form of retaliation against whistleblowers. The Audit Department shall keep whistleblowers' identities confidential and protect their lawful rights and interests. Without the whistleblower's consent, their personal information or other related details shall not be disclosed.

## © Anti-Monopoly and Fair Competition

The Group advocates for free and fair competition and opposes any form of monopoly or improper conduct that aims to obtain unfair benefits. We have established an integrity-based and fair competition mechanism and conduct dedicated investigations into identified and reported leads related to unfair competition to prevent such practices from occurring.

We strictly comply with the Anti-Unfair Competition Law of the People's Republic of China, the Civil Code of the People's Republic of China, and other relevant anti-monopoly and anti-unfair competition laws, regulations, and international standards.

During the reporting period, the Group was not involved in any anti-corruption litigation cases, nor did it receive any lawsuits against the Company related to unfair competition.

# Internal Control and Risk Management

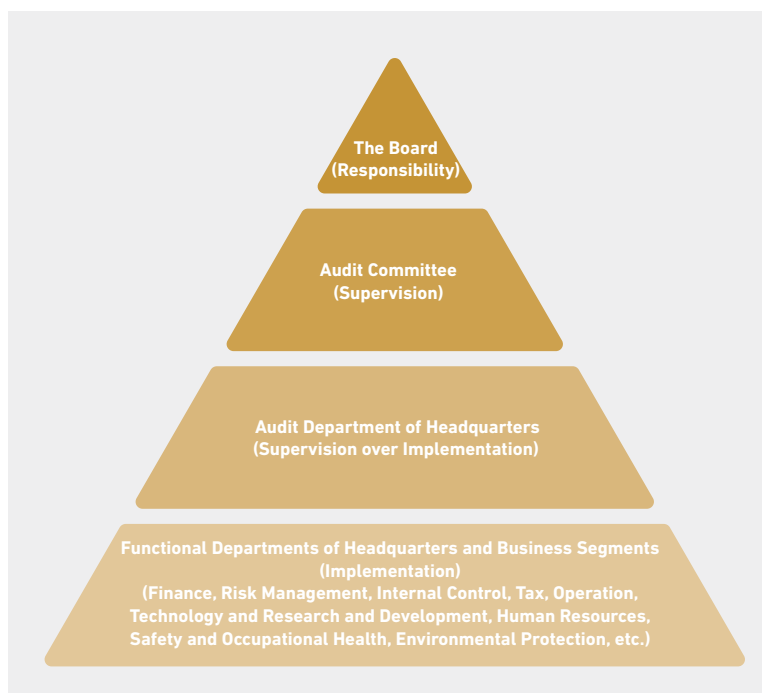
The Board is responsible for maintaining appropriate and effective Risk Management and Internal Control systems to safeguard shareholders' investments and the assets of the Group, including, but not limited to, establishing a management structure and granting appropriate authority, determining appropriate accounting policies, and providing reliable financial information. These measures are intended to provide reasonable, but not absolute, assurance against material misstatements or losses, and to manage, but not completely eliminate, the risk of failures in operational systems and the risk that the Group may fail to achieve its objectives.

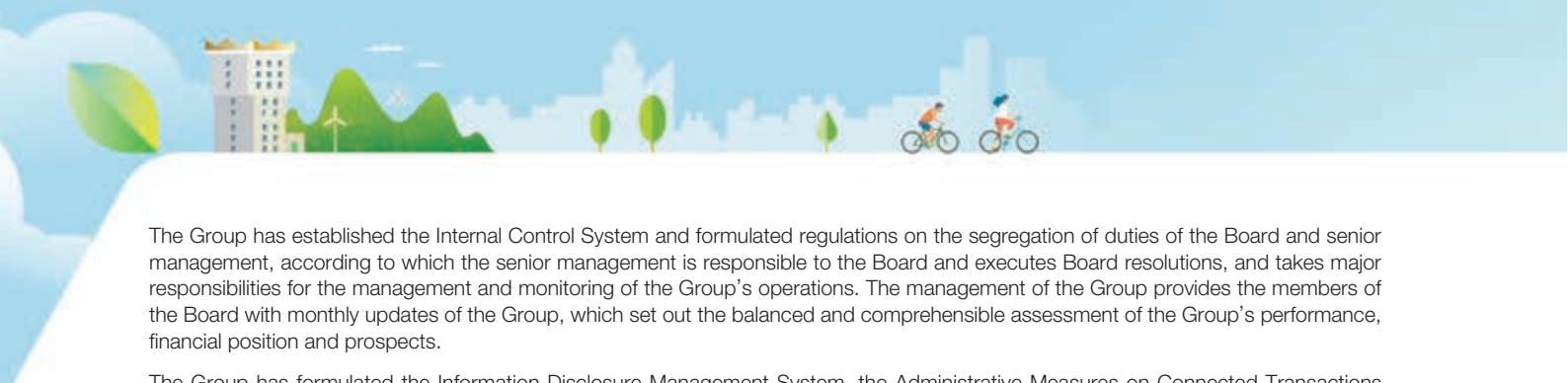
The Board, through the Audit Committee, continuously oversees the Group's financial reporting system, Risk Management and Internal Control systems; reviews the Group's financial controls, and annually reviews the effectiveness of the Group's Risk Management and Internal Control systems; discusses the Risk Management and Internal Control systems with Management to ensure that Management has fulfilled its responsibilities for establishing effective systems; examines major investigation findings on matters relating to Risk Management and Internal Control and Management's response to such findings.

The Group has established a dedicated internal audit function, the Audit Department, formulated relevant policies, and put in place appropriate Internal Control procedures to ensure the effectiveness of Internal Control and risk management, extending to all subsidiaries controlled by the Group. The Audit Department reports directly to the Audit Committee, which approves the annual audit reports and plans. The Audit Department independently carries out the Company's internal audit and oversight work and, in accordance with the work plan approved by the Audit Committee, comprehensively assesses work priorities based on Internal Control, routine oversight, and special oversight,

taking into account factors such as the likelihood of risk occurrence and the degree of impact on the Company's objectives. In 2025, the Audit Department focused on auditing the risk management and internal control of the Iron Ore Business's material procurement and warehousing, as well as the sales and collection processes; the internal control of the High-purity Iron Business's procurement and warehousing; and the Group's monetary and cash flow processes. Based on the annual effective testing and evaluation of internal control processes and business cycles, the Audit Department issued risk management and internal control evaluation opinions.

## Risk Management Structure of the Group





The Group has established the Internal Control System and formulated regulations on the segregation of duties of the Board and senior management, according to which the senior management is responsible to the Board and executes Board resolutions, and takes major responsibilities for the management and monitoring of the Group's operations. The management of the Group provides the members of the Board with monthly updates of the Group, which set out the balanced and comprehensible assessment of the Group's performance, financial position and prospects.

The Group has formulated the Information Disclosure Management System, the Administrative Measures on Connected Transactions and the Inside Information Disclosure System to identify and process the inside information. The Board assesses the effectiveness of the procedures for identifying and processing inside information in due course, so as to maintain the confidentiality of inside information prior to the disclosure with proper approval and disseminate such information in an effective and consistent manner.

The Group has established the Integrity Management System to promote and support anti-corruption laws and regulations, strengthen corporate integrity building, regulate the conduct of all employees, and foster an honest and efficient workplace atmosphere. The Group has established the Whistleblowing Policy, enabling employees of the Group and other external stakeholders of the Group (such as customers and suppliers) to raise concerns with the Audit Committee, confidentially and anonymously, about any possible improper matters relating to the Group. The "Investor Centre" section on the Company's website provides the "Contact information of the audit committee of the board of directors" for external stakeholders of the Group to make reports.

The Group has developed internal control procedures to identify, evaluate and manage significant risks and to resolve material internal control defects (if any). Such procedures are implemented by the Audit Department, which mainly include: formulation of the assessment work plan, implementation of on-site testing, identification of control deficiencies, compilation of assessment results, preparation of assessment report, etc. During the assessment process, the Audit Department widely collects evidences regarding the effectiveness of internal control design and operation, fills in the internal control risk assessment paper in a truthful manner and analyses the internal control deficiencies through a combination of methods and approaches such as individual interview, questionnaire survey, panel discussion, sampling inspection, walk through testing, on-site inspection and comparative analysis. When internal control deficiencies are identified in the audit, monitoring and assessment of the Company's risk management system, the Audit Department takes rectification measures after communication with the management.

## Risk Management Procedures of the Group



By doing so, the Audit Committee is of the opinion that the Group has maintained effective internal control over the financial reporting process in all material aspects with reference to the requirements under the enterprise internal control regulation system and the relevant provisions. According to the assessment of deficiencies in the internal control over the non-financial reporting process of the Group, as at the reference date of the internal control assessment report, no material deficiencies or major deficiencies in the internal control over the non-financial reporting process were identified. The Audit Committee submitted a Risk Management and Internal Control Evaluation Report to the Board for final confirmation.

In 2025, the Board reviewed the effectiveness of the Group's risk management and internal control systems and considered them to be adequately effective.

## Tax Compliance

Tax compliance is the cornerstone of the corporate governance system and a prerequisite for ensuring sustainable business operations. We uphold the philosophy of "paying taxes in accordance with the law, maintaining controllable risks, and creating value". Through sound policy design, professional team management, and proactive communication with tax authorities, we have established a comprehensive tax risk prevention and control system, enhancing governance transparency and public trust while ensuring compliance.



### A robust tax management framework

The Company has established a tax management mechanism with clearly defined responsibilities. The Finance Department has designated dedicated personnel for each role to manage the entire tax process, covering core functions such as tax filing and payment, tax planning, risk assessment, and risk prevention. We have established clear tax planning procedures and operating standards to ensure that all tax-related activities strictly comply with national laws, regulations, and tax policies. At the same time, regular reviews of tax compliance are carried out through the internal audit mechanism to identify and correct potential issues in a timely manner, creating a closed-loop management system.



### Proactive communication with tax authorities and risk mitigation

In response to changes in the tax regulatory environment, especially the new requirements arising from the full rollout of the Phase IV Golden Tax System, we have remained highly vigilant. The finance team proactively engaged with the relevant tax authorities and, in response to various tax-related issues flagged by the system, promptly conducted policy reviews and developed response measures, effectively mitigating potential risks.

In 2025, the Company actively cooperated with the relevant tax authorities in advancing the reform of the environmental protection tax filing method, successfully passed the on-site inspection by tax officials, and completed the task successfully. In response to the various tax-related issues raised by the competent tax authorities, we effectively resolved them through meticulous data analysis and policy communication, thereby safeguarding the Company's tax credit rating and public reputation.



### Capability Building and External Resource Synergy

We adhere to a team empowerment mechanism that integrates internal and external resources. On the one hand, we fully leverage the professional information and tax guidance provided by headquarters; On the other hand, we proactively draw on external information resources, including developments in industry cost accounting, policy interpretations published on official tax authority websites, and analyses of tax-related cases on professional finance and taxation platforms, while organizing targeted thematic learning to continuously strengthen the team's professional capabilities. During the reporting period, the finance department organized 2 internal professional training sessions, focusing on topics such as tax-related management of current accounts and practical tax planning.



### Overseas Tax Compliance Management

In its overseas operations, taking Hanking Australia as an example, the Company engages professionally qualified and highly experienced tax advisors to conduct regular reviews of relevant tax matters and, in accordance with applicable laws and regulations, promptly file and pay all taxes with the relevant government authorities, thereby effectively managing tax risks in cross-border operations.

Through the systematic management measures outlined above, we have not only effectively reduced the management costs associated with tax audits and disputes, but also strengthened the Company's ethical image and public credibility through transparent, compliant tax practices, thereby reinforcing the governance foundation for the Company's sustainable development.

## Technological Innovation

We remain committed to development driven by technological innovation. Through continuous technological advancement, we reduce the Company's overall operating costs, deliver high-quality products, and share the benefits of innovation with our customers.

### Governance

The Company has established a technological innovation management mechanism featuring strategic leadership and tiered execution, ensuring that R&D and innovation activities advance efficiently and in an orderly manner. At the strategic level, the Company's Board is responsible for coordinating the long-term development direction and technological innovation strategy, providing top-level guidance for technological innovation. At the execution level, each business segment, in light of its industry characteristics and management structure, has established an implementation system directly led by company executives:

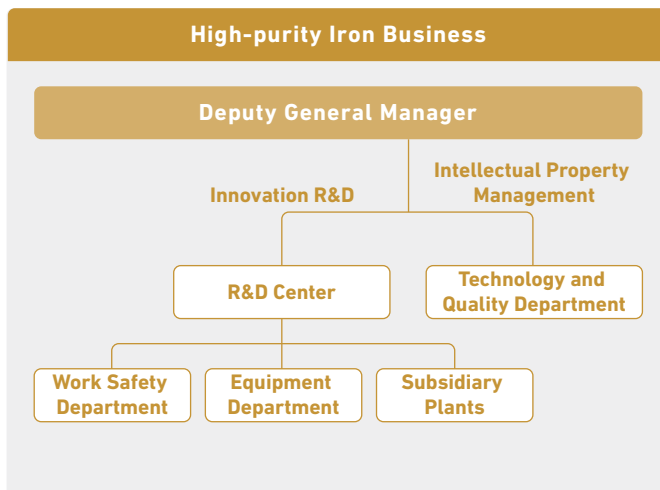
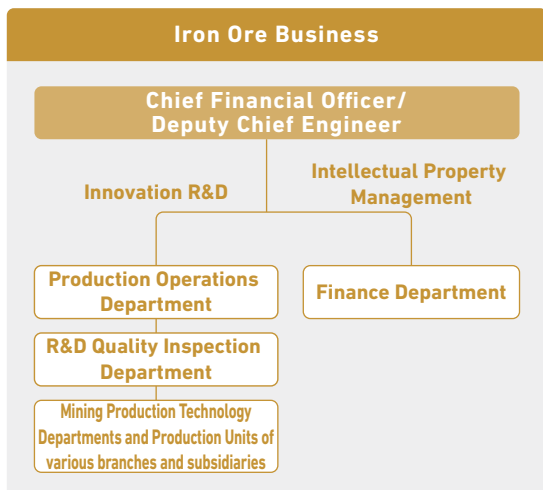
#### Iron ore segment

Led by the Chief Financial Officer and the Deputy Chief Engineer, with the Production and Operation Department and the R&D and Quality Assurance Department responsible for specific scientific research tasks and the Finance Department overseeing intellectual property management; each branch and subsidiary mine is overseen by the General Manager, with the Production Technology Section and production units undertaking specific research tasks.

#### High-purity iron segment

Overseen by the responsible deputy general manager, with the R&D Center coordinating the Safety Production Department, Equipment Department, and subordinate plants to jointly carry out scientific research and technical breakthroughs, while the Technology and Quality Department oversees intellectual property management.

Through the above mechanisms, the Company closely integrates strategic decision-making with business practices, providing solid organizational support for sustained innovation.



The Company has established the "Hanking Technology Management System" and the "Measures for the Administration of Employee Rewards and Penalties", and has set up a Special Contribution Award and a Special Incentive Bonus. For technological innovation achievements such as research inventions, technological upgrades, scientific research projects, and invention patents, commendations and cash rewards are granted.

## Strategy

**Building a solid foundation for sustainable development through smart mining:** Our technological innovation is not aimed at disruptive breakthroughs, but at the continuous, pragmatic advancement of our core business. The Company positions its smart mining system as the core foundation and strategic pillar of its digital transformation. Integrating technologies such as 4D geographic information, ubiquitous networks, cloud computing, and big data, the system combines functions including sensing and detection, data communication, and automatic control to enable the precise collection, reliable transmission, standardized integration, and real-time visualization of mining data.

By advancing the mine's "Four Modernizations" (mechanization, automation, informatization, and smartization), we are gradually achieving intelligent safety management and control. Since the project was launched in 2019, the Company has invested substantial workforce and resources each year in system upgrades, continuously optimizing everything from hardware deployment to software upgrades, effectively improving mine production management efficiency, reducing operating costs, and significantly strengthening safety assurance capabilities.

## Indicators and Targets

**Turning incremental progress into tangible results and empowering production efficiency through technology:** During the reporting period, leveraging its smart mine system and focusing on three areas—automation support, intelligent upgrades, and industry-academia-research collaboration—the Company delivered a series of practical and innovative achievements:

### Automation technology management to ensure stable system operation



**Automation systems** are the lifeblood of safe, efficient mine operations. In terms of intelligent upgrades, the Company completed the communication linkup and PLC programming for the reagent dosing machine in the grinding and beneficiation workshop of the Maogong Concentrator, as well as the design and commissioning of the automated dry tailings disposal retrofit system, the electrical control design for the dust removal unit further strengthening the foundation for automated operations.

### Intelligent transformation and upgrading, using “small initiatives” to drive “major improvements”



**Energy management optimization:** To address the lack of remote monitoring of pressure in the air tank, dewatering tank, and adsorption storage tank within the Ganpai Phase II vacuum filter system, we completed the equipment selection, retrofit design, installation and commissioning of 12 pressure transmitters, as well as PLC program optimization, enabling remote real-time monitoring of vacuum filtration system parameters. After the retrofit, the operating efficiency of the vacuum filtration system improved significantly, equipment failure frequency decreased, and it is expected to save RMB30,000 in outsourced construction costs.

**Maogong Concentrate Intelligent Fabric System:** This system achieved one-time cost savings of approximately RMB400,000 and received Fushun City’s “Three Excellence and Five Small” SME Innovation Award, becoming a model case of using intelligent methods to reduce costs and improve efficiency.

**Underground Network and Positioning System Upgrade:** In the second half of the year, we will make every effort to advance the upgrade and renovation of the six major systems, converting the original underground gigabit network into a 10-gigabit backbone ring-based industrial Ethernet network, and, based on the new 10-gigabit ring network and underground integrated substations, introducing Wi-Fi 6 wireless network coverage to achieve full network coverage of the main roadways in each level. At the same time, the original personnel positioning system was upgraded to a UWB precision positioning system, enabling accurate tracking of personnel locations; The video surveillance system was expanded with 128-channel high-performance video recorders, enabling comprehensive visual monitoring of underground areas and providing intuitive decision support for operational dispatch and emergency response.

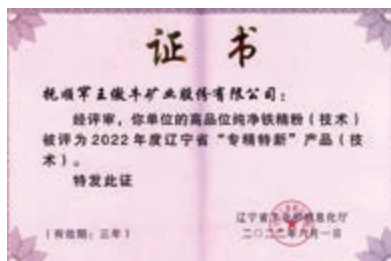
### Promoting deep integration of industry, academia, and research by leveraging external expertise to tackle technical challenges



In cooperation with higher education institutions, the Company prepared the reports Analysis of Safety Pillars and Stope Stability and Research on Surface Subsidence Patterns and Research on Key Technologies for Goaf Treatment and Resource Conservation and Utilization in Mining Areas. The research results not only provided a theoretical basis for subsequent goaf treatment and pillar resource recovery in the mining area, but also put comprehensive resource conservation and efficient utilization into practice throughout the entire mineral resource development process, offering a technical model for goaf management and comprehensive resource utilization in similar mines.

## Qualifications and Honors

Through sustained investment in innovation and the accumulation of technical expertise, the Company has received the High-Tech Enterprise Certificate, recognition as a Liaoning Province “Specialized, Refined, Distinctive and Innovative” SME, and the title of Provincial Enterprise Technology Center. The high-grade pure iron concentrate powder (technology) we produce has also been recognized as a Liaoning Province “Specialized, Refined, Distinctive and Innovative” product (technology).



## R&D Investment and Intellectual Property

We encourage our employees to focus on their job-specific skills, driving innovation and efficiency in their daily work. Thus, the Company organized a variety of vocational skills competitions. Throughout the year, a total of 32 items of “small inventions, small creations, small improvements, small designs, and small suggestions” were collected, and won 11 municipal-level awards and 18 county-level awards. During the reporting period, R&D investment totaled RMB350,000, with 52 valid patents, 3 invention patents, 16 utility model patents, and 4 software copyrights.



# Environmental

THROUGH SYSTEMATIC ENVIRONMENTAL AND CLIMATE RISK MANAGEMENT, WE TAKE CONCRETE ACTIONS TO RESPOND TO THE GLOBAL IMPERATIVE OF SUSTAINABLE DEVELOPMENT.

- **Environment and Natural Resources**
- **Emissions**
- **Use of Resources**
- **Water Resource Management**
- **Climate Change**
- **Biodiversity**



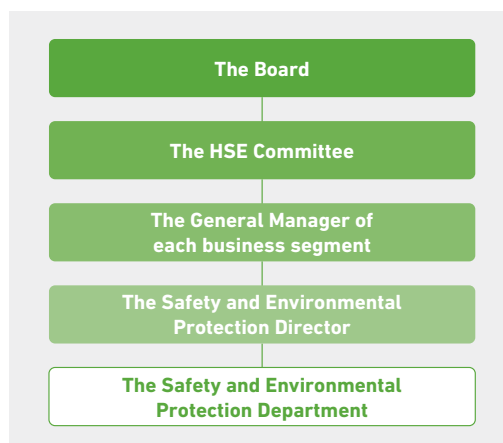
# Environment and Natural Resources

The Company adheres to a sustainable development strategy, integrating the concept of environmental protection throughout the entire process of corporate development, production, and operations, and forging a green development path that balances production and operations with environmental protection, so as to minimize the impact of its business activities on the environment and natural resources.

## Governance

Within our governance system for environmental issues, under the guidance of the Board, the HSEC Committee formulates the Company's development objectives and defines the direction of environmental management; the principal persons in charge of each business segment provide specific guidance on the management of environmental protection issues; and the Director of Safety and Environmental Protection leads the Department in carrying out day-to-day environmental and safety work. We deploy full-time and part-time safety officers to operating entities and auxiliary production departments to assist production unit leaders in taking the lead on specific workplace safety tasks and continuously advancing the operation of the system.

This organizational structure serves as our unified management body for six topics: emissions management, Water Resource Management, energy management, management of tailings ponds, climate change response, and biodiversity protection, enabling coordinated management of all environmental factors.



## Environmental Management System Certification

We continue to advance our environmental management system toward standardization and internationalization. During the reporting period, the Company conducted a comprehensive review and upgrade of its existing environmental management system in accordance with the ISO 14001:2015 standard, systematically identified and managed environmental risks in its operations, and further improved resource efficiency and emissions control. Following review by an authoritative institution, the Company successfully obtained the new version of the Environmental Management System Certification Certificate, which is valid until 16 June 2028 and subject to annual surveillance audits. This certification signifies that our environmental management capabilities are aligned with advanced international standards, providing a solid institutional foundation for the continuous improvement of environmental performance.

## National-Level Green Mine

Mining activities objectively cause disturbance to land and vegetation. The Group fully recognizes this industry characteristic and has always adhered to the principles of scientific and orderly mining, adopting effective measures throughout the entire process from exploration and construction to production and operations to minimize impacts on the ecological environment and biodiversity. We strictly comply with China's environmental protection laws and regulations. For all operating projects, environmental impact assessment reports are prepared in accordance with the law before implementation and reviewed by experts and approved by competent government authorities, so as to avoid and mitigate ecological risks at the source.

Through continuous investment in ecological protection and restoration, the Group's two major iron mines—Aoni Iron Mine and Maogong Iron Mine—have both been designated as "National Green Mines". Among them, Maogong Iron Mine was further awarded the honorary title of one of the 7th Metallurgical Mines "Top Ten Plants and Mines" by the Metallurgical Mines Association of China in 2020, highlighting the industry's strong recognition of our efforts in land reclamation, energy conservation and emissions reduction, and ecological protection.



## Strategy

We fully recognize the tangible impacts of mining activities on the environment and natural resources, and firmly believe that responsible companies should not only mitigate those impacts, but also work to restore ecosystems and create shared value. To this end, the Company has made “full life-cycle land management” as the core of its environmental strategy, incorporating mine closure, land reclamation, and biodiversity conservation into planning from the very outset of mine design and development, with the aim of turning the impact of resource extraction on natural capital into opportunities to rebuild and enhance ecological functional areas.

### © Mine Closure and Reclamation Plan

The Company has established a long-term mechanism for mine closure and reclamation, continuously investing resources in ecological restoration projects tailored to local conditions across mines, waste dumps, tailings ponds, and other areas. Through systematic greening and reclamation efforts, vegetation coverage in the mining area has increased significantly, and damaged land has gradually recovered its ecological functions, providing a solid habitat foundation for biodiversity conservation. We are committed to building a modern ecological mine where industrial and mining areas coexist in harmony, and development and protection progress hand in hand.



### ◇ Ecological Restoration Data for the Iron Ore Business for the Past Three Years

	2025	2024	2023
<b>Investment in Greening and Land Reclamation (RMB ten thousand)</b>	<b>35.9</b>	13.3	41.4
<b>Restored Area (mu)</b>	<b>70</b>	89	162
<b>Newly Planted Trees (no. of trees)</b>	<b>26,825</b>	58,740	77,386
<b>CO<sub>2</sub>e Reduction Equivalent of Newly Planted Trees (tons)</b>	<b>617</b>	1,351	1,780

### ◇ Mine Closure and Reclamation Plan for the Gold Mining Business

A progressive reclamation and reforestation approach is adopted, with local vegetation introduced step by step for reforestation. The reforested mining area will blend seamlessly with the surrounding terrain, providing a coherent ecological habitat for local flora and fauna. All open-pit layouts and slope angle designs for the project were developed to integrate seamlessly with the surrounding topography, reducing additional work and costs during future mine closure and reforestation and minimizing environmental impacts and post-project liabilities.

### © Green Design and Cleaner Production





The Company applies green design principles throughout the entire mine development and operational process. Through technological innovation, equipment upgrades, and process optimization, it reduces resource consumption and environmental impact at the source and has established a cleaner production management system centered on source reduction, process control, and end-of-pipe treatment.

**Reduction at the source:** We adopt advanced mining and beneficiation technologies and high-efficiency, energy-saving equipment, continuously optimize our production processes, select low-energy-consumption and low-emission options for energy-intensive equipment, equip electrical systems with variable-frequency drives, and deploy BPRT gas turbine blowers to reduce energy consumption, thereby cutting energy use and greenhouse gas emissions at the design stage and improving overall resource utilization efficiency.

**Process control:** We have established a pollutant control mechanism covering the whole process, with systematic monitoring and standardized treatment of wastewater, waste gas, and solid waste to ensure that all types of emissions consistently meet the required standards. At the same time, it actively promotes recycling and reuse technologies. Process units such as sintering machines, shaft furnaces, and lime kilns can reuse blast furnace gas, effectively reducing environmental impact while lowering purchased energy consumption and promoting coordinated gains in both energy efficiency and environmental performance.

**Continuous improvement:** Regular cleaner production audits are conducted to systematically identify improvement opportunities and drive the ongoing optimization of production processes and environmental performance.

◇ **Green design initiatives and achievements**

 <p><b>Energy conservation and carbon reduction</b></p>	<p>BPRT blower turbine unit commissioned</p>	<p><b>Daily electricity savings of 50,000 KWh, significantly reducing production energy consumption</b></p>
 <p><b>Resource Recycling</b></p>	<p>Recycling and reprocessing raw material offcuts</p>	<p><b>High-purity iron raw material utilization rate increased from 92% to 95%</b></p>
 <p><b>Ultra-Low Emissions</b></p>	<p>Major upgrade to the sintering desulfurization system</p>	<p><b>Effectively reducing dust and sulfur dioxide emissions</b></p>
 <p><b>Closed-Process Operation</b></p>	<p>Upgraded closed production processes, supported by bag filters, electrostatic precipitators, etc.</p>	<p><b>Substantially reducing particulate emissions and improving the working environment and the surrounding air quality</b></p>

**Risk Management**

The core of environmental risk management lies in source control and capacity building. The Company has always regarded the prevention and control of environmental risks as a critical part of sustainable development, adhered to the principle of “prevention first and taking precautions before problems arise”, strengthened drills and used exercises to prepare for real-world response, comprehensively enhanced employees’ emergency response capabilities, and systematically established an emergency management system for sudden environmental incidents.

◇ **Systematic emergency preparedness**

All business segments prepare the Emergency Response Plan for Environmental Incidents in accordance with the law and file it with the competent authorities to ensure effective alignment with local government emergency response systems. The plan covers the full emergency management cycle, including risk identification, emergency response, resource support, and post-incident recovery, providing an institutional framework for the efficient handling of sudden environmental incidents.

◇ **Regular emergency drills**

The Company has established a dual-driven mechanism of “training + drills” to strengthen emergency response capabilities. By regularly conducting practical emergency drills, the Company tests the feasibility of its plans and sharpens the response speed of its teams. Through specialized training, the Company strengthens employees’ awareness of environmental risks and their emergency response skills.



Emergency Response Plan for Environmental Incidents  
(Completed filing with the competent authority)



High-purity iron segment emergency drill: simulated a gas drain failure and leak that caused surrounding air pollution, and was handled promptly to prevent the situation from escalating.



## Indicators and Targets

All business segments of the Company engage qualified third-party professional institutions to conduct regular monitoring of noise, point-source air emissions, fugitive air emissions, surface water, groundwater, and other factors in the mining and plant areas, identify potential environmental risks, and promptly carry out rectification or response measures. During the reporting period, the Company did not experience any environmental pollution incidents

### ◎ High-purity Iron Business

We continuously improve our Environmental Management System (EMS), promote environmental management in a standardized, organized, and routine manner, and formulate and strictly implement all environmental management policies within the system, thereby achieving an ecological and environmental protection management model of “System–Action–Result”. In 2025, we once again obtained ISO14001: 2015 Environmental Management System certification, valid through June 2028, and are subject to annual surveillance audits.

During the reporting period, we conducted monthly monitoring of air pollutants 12 times, quarterly monitoring 8 times (4 times at each of the 2 plant sites), dioxin monitoring 2 times, and solid waste monitoring 1 time. During the year, we made 5 submissions to platform systems for environmental statistics, solid waste treatment, and self-monitoring information disclosure, prepared 1 self-monitoring plan, and recorded no emissions exceeding applicable standards throughout the year.

### ◎ Iron Ore Business

We strictly complied with environmental protection laws and regulations, adopted the necessary environmental protection measures, conscientiously fulfilled its responsibilities for mine environmental restoration, prepared and implemented the mine environmental protection and restoration plan, and achieved sound recovery of the mine’s geological environment. Based on the mine’s actual conditions, optimized mining methods and mineral processing techniques, strengthened management, strictly controlled mining and beneficiation technical indicators, minimized the mining loss rate and dilution rate, improved resource utilization, extraction rate, and recovery rate, and maximized overall resource utilization.

During the reporting period, in accordance with environmental impact assessment requirements, regular environmental monitoring was conducted to track emissions of the three types of industrial waste and the conditions of the surrounding environment. The three types of industrial waste (waste gas, wastewater, and solid waste) all met discharge standards, and plant boundary noise complied with the requirements of the Industrial Enterprise Boundary Noise Standard (GB12348-2008).

### ◎ Australia Gold Mine Business

In Australia, the Company strictly complies with federal and project state or territory environmental protection laws and regulations, and systematically advances the environmental assessment and compliance management of its gold mining projects.

#### ✦ Northern Territory Mt Bundy Gold Project

The project has successfully obtained all environmental permits and approvals required for mine development, marking a key milestone for the Company in achieving compliance readiness. During the subsequent implementation process, we have strictly complied with the requirements set out in the environmental approvals and continued to carry out ecological protection, water resource management, and on-site monitoring to ensure that all mine development activities comply with local environmental laws, regulations, and regulatory standards throughout the entire process.

#### ✦ Western Australia Cygnet Gold Project

The project has officially commenced its preliminary environmental studies. The Company has engaged professionally qualified environmental consultants to systematically carry out mine-area water sample surveys, hydrological model development, and baseline studies of the ecological and acoustic environments. These results will provide a scientific basis and technical support for subsequent project planning, EIA approvals, and community engagement.

#### ✦ Environmental Management System and Regular Disclosure

The Company has developed and implemented an Environmental Management Plan for each project, clearly defining environmental objectives, key performance indicators, and the corresponding control and mitigation measures. At the same time, we rigorously implement the annual reporting mechanism by submitting the Annual Mine Rehabilitation Report and the Mining Management Plan each year to the Northern Territory authority responsible for mining resources, truthfully reporting progress toward environmental objectives and ensuring transparency and compliance in information disclosure.

# Emissions

Our emissions mainly include air pollutants, greenhouse gases, hazardous waste, and non-hazardous waste. Applying reduction, resource recovery, and sound management measures to the above emissions is not only a core requirement for the Company to fulfill its environmental responsibilities, but also an important way for us to improve resource-use efficiency and optimize operational performance.

## Governance

The Company is committed to minimizing waste generation and emissions to the greatest extent possible through continuous technological innovation and recycling practices, thereby reducing potential environmental impacts. We strictly comply with the environmental regulations and emission standards in the regions where we operate, treating compliant emissions as a fundamental operational baseline. At the same time, we incorporate waste reduction into our energy-saving and carbon-reduction target framework, driving coordinated improvements in both environmental performance and business results.

### Strict compliance with the environmental protection standards stipulated by national and local laws, regulations, and industry standards

Environmental Protection Law of the People's Republic of China  
Law of the People's Republic of China on the Prevention and Control of Water Pollution  
Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste  
Measures for the Management of Mining Solid Waste  
Measures for the Management of Hazardous Waste

Discharge Standard of Water Pollutants for the Iron and Steel Industry (GB13456-2012)  
Emission Standard of Pollutants for the Iron Ore Mining and Mineral Processing Industry (GB28661-2012)  
Emission Standard of Air Pollutants for the Iron and Steel Industry—Sintering (Pelletizing) (GB28662-2012)  
Emission Standard of Air Pollutants for the Steelmaking Industry (GB28664-2012)  
Emission Standard of Air Pollutants for the Iron and Steel Industry (DB21/ 4119-2025)

In strict compliance with national environmental protection laws and regulations, the Company has established a comprehensive emissions management system with clearly defined responsibilities and authority, tailored to its business characteristics and management needs. Core policies include the Environmental Protection Management System, Hazardous Waste Management System, and Responsibility System for the Disclosure of Hazardous Waste Information, among others. These policies standardize the full-process management of the classification, monitoring, disposal, and information disclosure of various emissions, ensuring environmental risks remain under control and operations stay compliant.

### ◆ Annual Performance

In 2025, the Group's industrial "three wastes" (wastewater, waste gas, and solid waste) consistently met discharge standards. The results of boundary noise monitoring complied with the requirements of the Environmental Noise Emission Standard for Industrial Enterprises at Factory Boundary (GB12348-2008), and no noise disturbance incidents occurred. All environmental performance indicators continued to comply with the regulatory standards of the locations where the Group operates, demonstrating the effective operation and continuous improvement of the Company's environmental management system.

### ◎ Waste Gas Emission and Management

The main sources of the Company's air emissions are nitrogen oxides, sulfides, and particulate matter generated by industrial production and vehicle transportation. Waste gas emissions from the High-purity Iron Business are divided into fugitive emissions and organized emissions. Organized emissions are consolidated daily, hourly, by the minute, and in real time through the automatic monitoring and database system for key pollutant discharge units (enterprise service terminal), meeting national standards for system connectivity, while monitoring is also conducted by third-party organizations as required. Fugitive exhaust emissions were assessed through third-party monitoring, and a monitoring report was issued. Waste gas from the Iron Ore Business mainly comes from general dust (particulate matter) at mining sites and dust collector exhaust stacks. The reported emissions are data after end-of-pipe treatment technologies were put into operation. In addition, small amounts of nitrogen oxides and sulfur oxides are generated by vehicle transportation.

The particulate matter emission data is sourced from the Environmental Protection Tax Data System of the Fushun County Taxation Bureau of the State Taxation Administration, and is calculated using the pollutant generation and discharge coefficient method for iron ore mining and beneficiation under the Classification of National Economic Industries(GB/T475- 2017); Emissions from vehicle transportation are calculated using the motor vehicle emission calculation model (EM-FAC-HK Vehicle Emission Calculation) published by the Hong Kong Environmental Protection Department.

## ◇ Emission statistics

Business segments	Pollutant factors	Concentration of emissions	2025		2024		2023		2022	
			Discharge amount (metric ton)	Discharge per Metric Ton (10 <sup>-4</sup> metric ton/metric ton)	Discharge amount (metric ton)	Discharge per Metric Ton (10 <sup>-4</sup> metric ton/metric ton)	Discharge amount (metric ton)	Discharge per Metric Ton (10 <sup>-4</sup> metric ton/metric ton)	Discharge amount (metric ton)	Discharge per Metric Ton (10 <sup>-4</sup> metric ton/metric ton)
High-purity Iron Business	Nitrogen oxides	<300mg/m <sup>3</sup>	164.25	1.86	222.72	2.94	347.42	3.99	227.27	3.42
	Sulfur dioxide	<180mg/m <sup>3</sup>	57.04	0.65	77.64	1.03	118.96	1.37	64.63	0.97
	Particulate matter	<40mg/m <sup>3</sup>	160.70	1.82	185.18	2.45	252.39	2.90	199.29	3.00
	Subtotal		381.99	4.33	485.54	6.42	718.77	8.26	491.19	7.39
Iron Ore Business	Particulate matter	<20mg/m <sup>3</sup>	84.80	0.89	89.62	0.89	90.11	0.90	68.47	0.89
	Total		466.79	5.22	575.16	7.31	808.88	9.16	559.66	8.28

During the reporting period, high-purity iron output increased by 16.5% year on year, total exhaust emissions decreased by 21.3% year on year, and emissions per ton also declined 32.6% year-on-year. This was mainly attributable to improvements in production processes, with specific measures including: (1) the commissioning of SCR denitrification equipment, which reduced nitrogen oxides concentrations; (2) Use higher-grade desulfurization agents to improve the efficiency of desulfurization facilities and reduce sulfur dioxide concentrations; (3) Use high-efficiency filter media in dust removal equipment to reduce particulate concentrations. In addition, blast furnace gas generated during the blast furnace smelting process is transported through pipelines to the sintering machine, blast furnace, and shaft furnace for use as fuel in these three production processes. During the reporting period, a total of 128.002 million standard cubic meters of blast furnace gas was generated, all of which was recovered and utilized.

Waste gas emission management is carried out by the production unit, under the supervision of the Safety and Environmental Protection Department. In accordance with the environmental protection management system, the production unit manages and controls the operation of production facilities and treatment facilities. Supervision is conducted through real-time monitoring and early warning methods using automatic online monitoring, the key pollutant-emitting enterprises database, and the Liaoning Province self-disclosure platform for key pollutant-emitting enterprises. If any problems are identified, they are resolved by shutting down production equipment and treatment facilities and handled by the operation and maintenance unit.

## ◇ Dust removal and prevention, and reduction of waste

### Iron Ore Business



The processing plant is equipped with specialized dust removal equipment. Underground mining uses wet drilling operations. Haul roads are dust-controlled through water-spraying trucks and spray pipelines. The processing plant and grinding workshop generate very little dust by using a wet grinding process. The processing plant's crushing, screening, waste ore bin, central ore storage and main plant workshops are all equipped with bag filters, and measures such as elevated discharge are also adopted to effectively eliminate process dust. The dust removal efficiency reaches 99%, and dust emissions meet national standards. Areas of the tailings impoundment beach surface that are suitable for planting shall be revegetated; areas unsuitable for planting shall be covered with dust-proof netting and fitted with a sprinkler system for water spraying and dust suppression; the outer slopes of the tailings impoundment shall also be revegetated to minimize dust emissions from the tailings impoundment to the greatest extent possible.

Waste gas emissions have met the Emission Standard of Pollutants for the Iron Ore Mining and Mineral Processing Industry (GB28661-2012). The emission reduction targets are to keep organized particulate emissions below 10 mg/m<sup>3</sup> and fugitive particulate emissions below 1 mg/m<sup>3</sup>.

### High-purity Iron Business



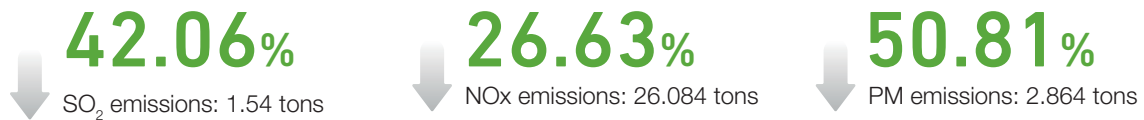
At present, electrostatic precipitators and baghouse dust collectors are used to control particulate matter, while the sintering machine and shaft furnace are equipped with lime-wet desulfurization facilities to reduce sulfur dioxide emissions. Upgrades to the desulfurization system (with emission levels below 20mg/m<sup>3</sup>, which both improve the environment and reduce power consumption) and the dust removal system (with emission levels below 10mg/m<sup>3</sup>) can reduce emissions of sulfur compounds and particulate matter.

The specific emission-reduction point is NO<sub>x</sub> at the sintering machine head. By installing a new SCR denitrification system, the emission concentration is reduced to below 50mg/Nm<sup>3</sup>. Enclosed dust suppression and dust collection measures are implemented at the material loading and unloading points to ensure that no dust overflow is visible to the naked eye, involving 281 points in total. There is no secondary material transfer within the site, and organized emission outlets meet the required concentration limits of no more than 10mg/m<sup>3</sup>, 35mg/m<sup>3</sup>, and 50mg/m<sup>3</sup> for particulate matter, sulfur dioxide, and nitrogen oxides, respectively.



## Upgrade of the ultra-low-emissions project for high-purity iron operations

The sintering desulfurization overhaul and upgrade project includes replacing the demister in the desulfurization tower; adding a tube-bundle pre-dust collector, wash piping, and supporting pneumatic valves; applying phosphor flake anticorrosion lining inside the desulfurization tower and the wet ESP tower; replacing the spray support beams; and carrying out a comprehensive overhaul of the wet ESP system. These works ensure the following emission indicators: dust < 8 mg/m<sup>3</sup> and SO<sub>2</sub> < 25 mg/m<sup>3</sup>, laying the groundwork for subsequent sintering denitrification and meeting the ultra-low-emissions requirements. At the same time, denitrification treatment is being applied to the flue gas after sintering desulfurization, and the denitrification construction project is currently 80% complete.



Following maintenance of the sintering machine desulfurization tower, fourth-quarter emissions of SO<sub>2</sub>, NOx, and PM were 1.54 tons, 26.084 tons, and 2.864 tons, respectively, representing quarter-on-quarter decreases of 42.06%, 26.63%, and 50.81%.

Note: This decrease is affected by multiple factors.





### © Solid Waste Management

Our main waste consists of waste rock, tailings, waste oil, and desulfurized gypsum generated during mining, mineral processing, and smelting. All of it is recycled and reused or collected by third parties, achieving zero external discharge of waste and no environmental impact. Domestic waste is centrally sorted and stored, while non-biodegradable domestic waste is transported to the waste treatment station for processing.

### Governance Structure and Systems

The governance structure for solid waste discharge and management is: Mining Headquarters President - Safety and Environmental Protection Director - Safety and Environmental Protection Department; Mine General Managers - Safety and Environmental Protection Section - Production Units. In accordance with the Measures for the Management of Mine Solid Waste, centralized and unified management is implemented for the storage, utilization, and disposal of mine solid waste, so as to ensure the reasonable and effective use of solid waste. In accordance with the Hazardous Waste Management System and the Information Disclosure System on Responsibility for Hazardous Waste Pollution Prevention and Control, responsibilities, waste storage in and out, transfer, preventive measures, disposal procedures, and other matters are clearly defined.

### Emission reduction and reuse measures

 <b>Waste rock generated from mining</b>	Non-hazardous waste	Used to backfill subsidence areas as cover rock, eliminating the need for a waste rock storage yard and reducing land occupation
 <b>Tailings sand generated from mineral processing</b>	Non-hazardous waste	Tailings sand is screened through a tailings dry drainage system, with the graded coarse sand sold as building sand; the fine sand is used for mine site restoration and rehabilitation after dewatering
 <b>Desulfurized gypsum</b>	Non-hazardous waste	Generated by the high-purity iron production workshop, emissions are reduced at the source by using raw materials with low sulfur content; we seek to increase the efficiency of desulfurization facilities and higher-grade desulfurizing agents are used. Disposal of the waste, which will be used as construction material, is entrusted to a qualified third party.
 <b>Waste oil</b>	Hazardous waste	As it is hazardous waste, it will be stored in the temporary storage room of hazardous waste in the mining area after it is produced. Entrust a qualified unit to transfer and dispose of the dangerous goods after a prescribed transfer volume is reached. Waste is not discharged.



## Risk Management

The Safety and Environmental Protection Section of each mine is responsible for carrying out and implementing related tasks such as reporting in the mine's Solid Waste Management Information System, while the Safety and Environmental Protection Department of the mining company is responsible for supervision.

During the management process, the following risks may arise:



- Failure to identify relevant laws and standards for solid waste management in a timely manner may result in non-compliance in storage, outbound transfer, and other stages. This risk is mitigated by promptly identifying applicable regulations and standards through information disseminated via the management department's WeChat groups and official accounts, and by using systematic oversight and audits to prevent it;
- When collection, recycling, and disposal are entrusted to external entities, the entrusted party may engage in illegal or non-compliant conduct; this is managed by strictly verifying the relevant qualifications of the entrusted party and signing contracts that clearly define responsibilities and breach-of-contract clauses;
- Waste oil is hazardous waste. In accordance with the Standard for Pollution Control on Hazardous Waste Storage (GB18597-2023), a temporary hazardous waste storage area is set up in the mining area, with an anti-seepage protective layer on the ground and a containment berm. Even if waste oil leaks, it can still be ensured that it will not penetrate into the soil, thereby avoiding environmental pollution.

## Indicators and Targets

### ✧ Non-hazardous Waste Treatment

During the reporting period, the non-hazardous waste generated in the course of the Company's production and operations included mining waste rock 76,150 tons, tailings 1,563,491 tons, and desulfurized gypsum 2,031 tons, for a total of 1,641,672 tons. The total amount of non-hazardous waste generated per million in revenue was approximately 641 tons. All of it was recycled and reused, with zero external discharge.

### ✧ Hazardous Waste Treatment

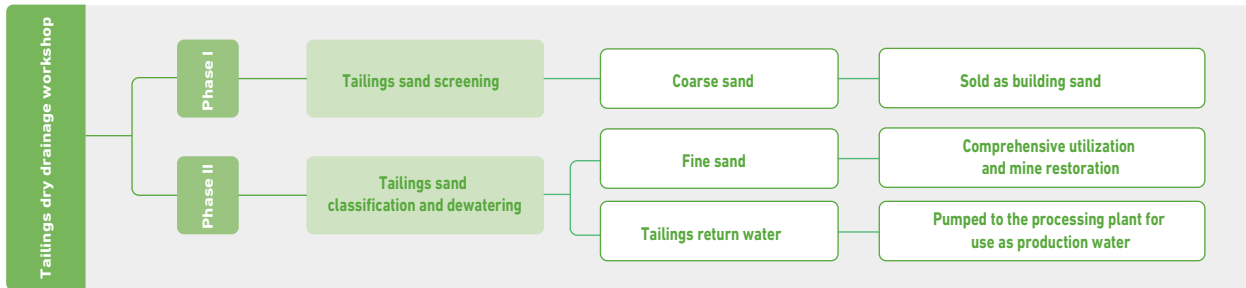
The Company exercises strict control in accordance with the standardized management requirements of government authorities and continuously strengthens whole-life-cycle monitoring and management of hazardous waste. The hazardous waste generated during the Company's production process mainly consists of waste oil. We have established a hazardous waste temporary storage room at the mining site. Waste oil is stored there after it is generated, and once a sufficient volume has accumulated for transfer, we engage a qualified recycling contractor to transport it for harmless disposal. In 2025, a total of 28 tons of waste oil were generated, all of which were recycled by a third party and treated for harmless disposal.

### ◎ Management of the tailings ponds

Tailings treatment is an important part of the mining industry and is of great significance for protecting the environment, conserving resources, and reducing production costs. The Iron Ore Business designs, constructs, and manages its tailings ponds in strict accordance with the Provisions on the Supervision and Administration of Tailing Ponds Safety and the Safety Code for Tailing Ponds, meeting national safety and environmental protection standards. In order to strengthen the safety management of tailings ponds and safeguard the safety of people's lives and properties, according to the relevant national laws and regulations, combined with the actual situation of the tailings ponds in the Iron Ore Business, we have formulated the Safety Management System of Tailings Ponds.

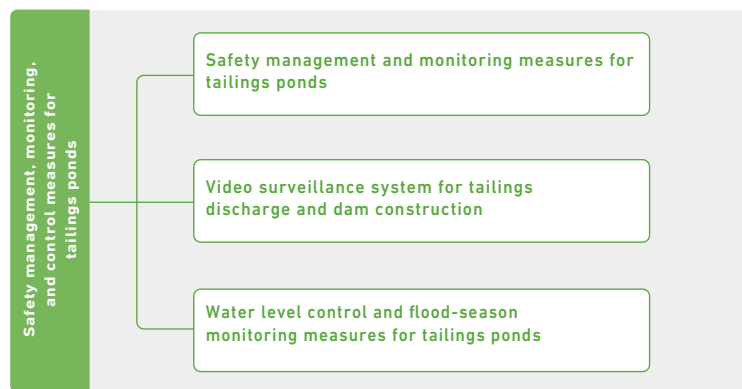
## ❖ Tailings Treatment

For tailings treatment, the Iron Ore Business adopts tailings dry drainage technology, tailings storage, and backfilling mined-out underground areas. The advantages of tailings dry discharge lies in classifying and recycling tailings sand through a dry discharge system, reducing the amount of tailings entering the ponds and lowering the facilities' safety and environmental risks.



## Risk Management

The tailings ponds pose potential risks such as dam failure, overtopping, and tailings leakage. Our company strictly follows the design specifications in constructing the tailings ponds and assigns special technical staff to regularly inspect its flood discharge system to ensure it remains effective. Each year before the flood season, flood-routing calculations are conducted to ensure that the tailings ponds's flood-control capacity meets seasonal flood-control requirements. The facility is equipped with an online monitoring system capable of real-time monitoring of various operational data, and regular manual monitoring is also carried out to verify the system's stability and ensure that the online monitoring system remains stable and effective. Conduct quality inspections of the tailings ponds flood discharge system once every three years to ensure that the quality of the flood discharge structures meets requirements.



During the reporting period, 12 rounds of monitoring of surface displacement in the backfilled area, backfill volume, and the locations of settlement observation holes at the Dongfeng shaft were carried out; UAV aerial survey technology was used to track the surface settlement rate in real time, and no abnormal settlement was detected; 3 rounds of dam surface displacement monitoring at the Maogong Tailings Ponds and the Jingjia Tailings Ponds were completed; analysis of dam deformation data ensured the safe operation of the tailings ponds, and no deformation exceeding the warning threshold occurred. In addition, a survey of hidden disaster-causing factors in tailings ponds was conducted. Based on the survey conclusions, none of the Company's tailings ponds were found to have any hidden disaster-causing factors.

## Application of the smart mine system in intelligent safety monitoring of tailings ponds

Tailings storage refers to the placement of tailings in tailings ponds. Tailings storage requires strengthened management and maintenance of the tailings ponds to prevent accidents such as dam failure. The iron ore intelligent mining system uses technology measures such as displacement monitoring, liquid level monitoring, and video surveillance to conduct real-time data collection and visualization for the tailings ponds. It applies data fusion technology to enable multi-sensor data fusion and safety diagnostics, triggers real-time alarms when abnormalities occur, and ultimately delivers intelligent safety monitoring of the tailings ponds.

## Tailings ponds for the Gold Mine Business

According to the approved EIS design submitted by Knight Piesold in 2022, the proposed tailings ponds for the gold operation will be built at Rustlers Roost, with the embankment alignment designed to take advantage of the natural topography (ridgelines) to reduce the required volume of embankment material.

## Emergency drill for sudden environmental incidents at the tailings ponds

In May 2025, the Iron Ore Business unit took the lead in jointly carrying out comprehensive live emergency drills at six tailings impoundments with local emergency management authorities, with more than 200 person-times of participation in total.

**Simulated scenario:** The drill simulated a situation in which sustained heavy rainfall caused the water level in the tailings impoundment to rise to near the warning threshold; if the rainfall continued, there would be a risk of overtopping, along with secondary environmental pollution incidents.

As the alarm sounded, Maogong Iron Mine immediately activated the Special Emergency Response Plan for Production Safety Accidents at the Tailings Impoundment, and multiple task groups, including the traffic and public security group, emergency expert group, and emergency rescue group, assembled rapidly. Under the unified leadership of the Company's emergency command headquarters, each emergency rescue team member shall perform their respective duties and take effective control measures in the shortest possible time to prevent the situation from escalating. The drill covers key procedures, including hazard reporting, public evacuation, dam reinforcement, and pollution containment, enabling sound decision-making through measures such as drone dam inspections and real-time water quality monitoring.

**Traffic and Public Security Group:** Promptly organize traffic and public security management teams; carry out on-site security cordons and public security management; establish restricted zones and guard posts; enforce lockdowns and site control in the disaster area; maintain public security and traffic order at the disaster site; and organize on-site security patrols and protection in the disaster area. Work with the government to properly evacuate residents downstream of the dam, ensuring that no one is overlooked. Evacuate non-essential personnel from the disaster area, assist the emergency rescue team in relocating affected people and property, and complete other tasks assigned by the on-site emergency rescue and disaster relief command headquarters.

**Emergency Expert Group:** Its task is to conduct accident risk analysis and prediction in accordance with the command headquarters' requirements and based on on-site information, submit response recommendations to the command headquarters, and, in light of the progress of accident response efforts, put forward follow-up recommendations.

**Emergency Rescue Teams 1 and 2:** promptly organize relevant personnel to rush to the Maogong Tailings Pond site to direct emergency rescue and disaster relief efforts; organize and guide endangered personnel in conducting self-rescue and mutual rescue; and assume unified mobilization and carry out on-site emergency rescue and disaster relief operations; be responsible for implementing safety measures for emergency rescue and disaster relief operations, rescuing endangered personnel, and transferring equipment and facilities from the disaster site; and complete other tasks assigned on site by the Emergency Command Headquarters.

**Medical Communications Team:** Responsible for contacting the nearest hospital, organizing and conducting emergency medical rescue and treatment operations, providing medical aid to personnel injured, disabled, or taken ill in sudden workplace safety incidents, promptly arranging hospital transfers for the seriously injured, minimizing casualties as much as possible, and ensuring smooth communications.

**Materials Support Team:** Responsible for supplying emergency rescue materials, preparing and safeguarding materials, and coordinating and supporting vehicles, supplies, and equipment during rescue operations.

**Safety Protection Team:** Responsible for protecting the safety of personnel at emergency rescue and disaster relief sites, ensuring the personal safety of rescue workers, and preventing environmental impacts caused by tailings loss. Based on changes in how the situation develops, when special high-risk circumstances involving rapid deterioration arise, emergency response measures shall be promptly taken in accordance with the law. Responsible for contacting environmental monitoring units to conduct environmental monitoring at the accident site. Carry out accident site investigation, evidence collection, analysis, and reporting.



## ◎ Wastewater Management

During the reporting period, the Company achieved zero discharge of wastewater: all industrial wastewater was fully recycled and reused, while domestic sewage was sent to septic tanks for use as farm manure. For details, see the Water Resource Management section.

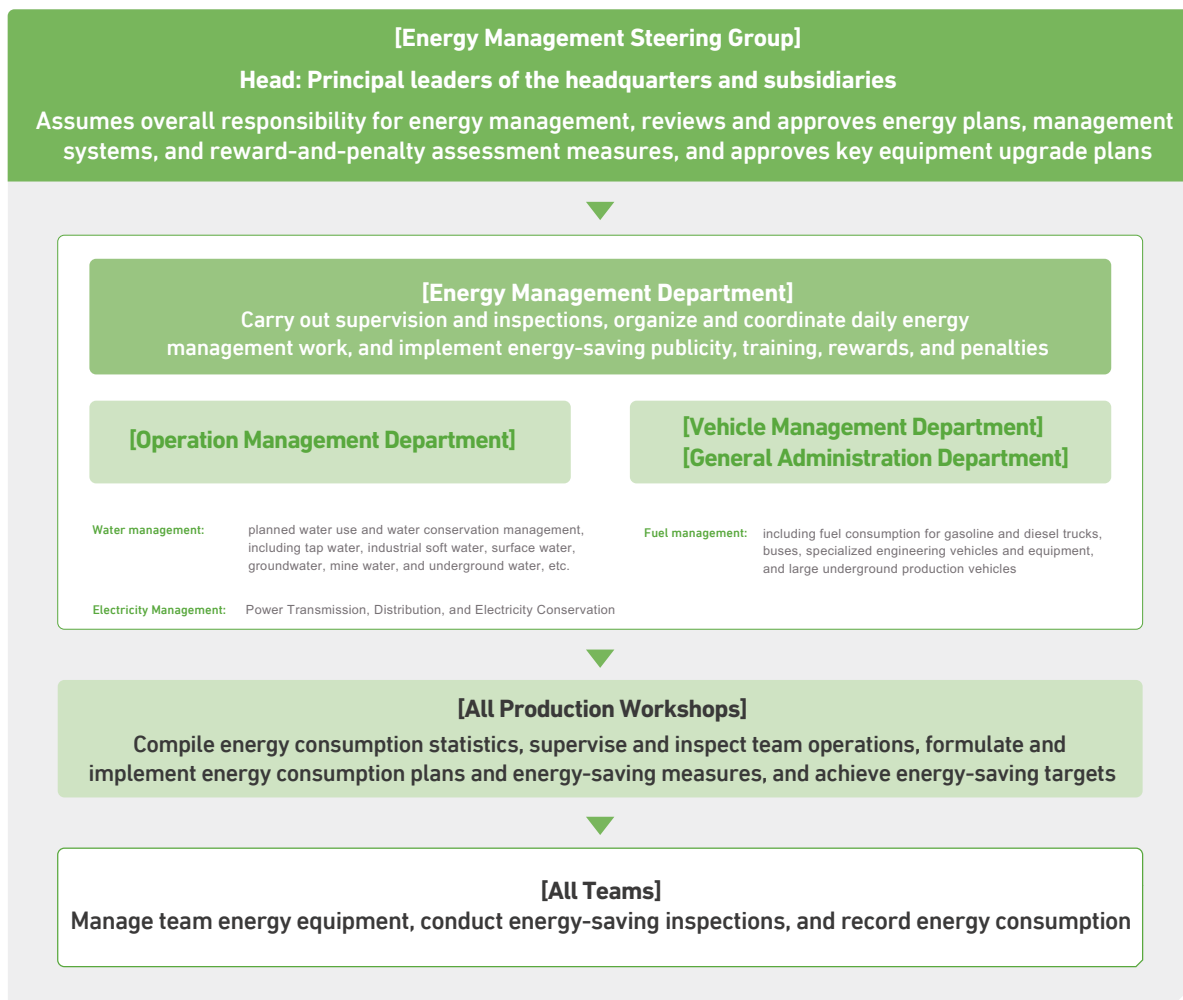
# Use of Resources

The mining and processing of our Iron Ore Business, and smelting process in High-purity Iron Business require significant energy consumption. The direct energy is mainly diesel, coal, coke, etc., while the indirect energy is mainly purchased electricity. We realize that energy management is crucial to the economic benefits of enterprises and the external ecological environment. We earnestly abide by the Energy Conservation Law of the People's Republic of China (the **"Energy Conservation Law"**) and relevant regulations, scientifically and rationally manage energy in a normalized, standardized and systematized manner, and use energy reasonably and economically.

## Governance

The Company has established an Energy Management System in compliance with the Energy Conservation Law and relevant regulations, to standardise, systematise and institutionalise energy management. The system fosters the scientific and efficient use of energy, enhancing the Company's economic performance, and covers all energy sources used in production and operations, including captive coal, electricity, gasoline, diesel and water.

The Company employs a four-tier Energy Management System, comprising Energy Management Steering Group, Energy Management Department, Workshops and Working Teams.





To enhance the management of water, electricity and fuel consumption, the Company has formulated Water Conservation Management Measures, Electricity Conservation Management Measures, Fuel Conservation Management Measures and Energy Conservation and Monitoring Measures in accordance with the Energy Conservation Law and the Provisions on Monitoring and Management of Energy Conservation (《節約能源監測管理規定》). By strengthening energy conservation monitoring, the Company aims to reduce energy consumption, improve economic efficiency and enhance social energy-saving benefits.

The iron ore segment has established an Energy Conservation Leading Group, headed by the President, with members including the heads of relevant headquarters departments and the general managers of each mine. An Energy Management Office has been set up under the Production and Operation Department, with dedicated personnel appointed to oversee energy management and serve as energy managers, in order to establish and improve the Company's energy management system and organize the implementation of the Company's integrated energy management initiatives.

From 2022, all of our key energy consuming units passed the acceptance of the online energy consumption monitoring terminal system for key energy consuming units launched by provincial development and reform commission, connecting enterprise energy consumption data with the platform data of the provincial energy bureau to ensure data can be monitored in real time by the provincial energy bureau.

## Strategy

The energy management department will organize and formulate energy-saving goals, plans and energy consumption plans, and report them to the energy leadership team for approval. Then, energy consumption quota indicators will be formulated, and the annual energy consumption plan will be determined. The quota plan will be decomposed and implemented to the workshop and team machines month by month. The department establishes technical files for major energy-consuming equipment, conducts regular efficiency and energy consumption tests, and makes technical analysis to achieve economical and reasonable operation.

Meanwhile, we enhance energy consumption statistics work and regularly report various energy statistical statements. The statistical data should be true and accurate with realistic analysis. All kinds of original records are bound into neat and complete ledgers.

### ✦ Energy Saving Monitoring

The operation management department is responsible for monitoring the Company's energy conservation. An energy-saving monitoring station is set up to monitor and manage heat, electricity, fuel and water consumption.

**Water intake quota standard:** water consumption for plant production, water consumption for ground mining production, water consumption for heating area, and daily water consumption per capita;

**Electricity consumption quota standards:** the group companies shall formulate and issue annual consumption quota standards for performance evaluation. The key electricity consumptions include: comprehensive unit consumption of iron ore concentrates production, unit consumption of iron ore concentrates production, unit consumption of raw ore stripping, unit consumption of crude oil, unit consumption of RMB10,000 output value; process electricity consumptions are derived from ball mills, roller mills, ventilation fans, slurry pumps, crushers and hoists. Meanwhile, we regularly carry out tests on power consumption equipments, which mainly include ball mill, water pump, air compressor, belt machine, hoist, transformer, roller mill and other large equipment. For issues identified during the test, relevant units are required to take measures to resolve within a specified period to ensure saving electricity.

**Fuel assessment standard:** for gasoline and diesel trucks and buses, the per-ton-kilometer unit consumption assessment is implemented; for small passenger and cargo vehicles, the 100-kilometer assessment is implemented; for special engineering vehicles and equipment, the fuel consumption can be assessed according to the work shifts and operating hours; the assessment of fuel consumption quota for large vehicles used in underground production is based on the actual transportation distance, stripping amount, and basic quota.

### ✦ Training, publicity and reward and punishment

**Training and assessment:** the completion of regular and irregular technical trainings are required for energy management personnel, technicians before officially assuming duties. Energy-saving monitoring personnel must pass the professional technical training and assessment and obtain the "Energy Conservation Monitoring Certificate (《節能監測證》)" issued by the national competent department before they can perform energy-saving monitoring tasks;

**Publicity and education:** we carry out energy-saving publicity work, make full use of various forms of publicity tools such as the Internet, radio, television, board newspapers, etc., vigorously publicize energy-saving knowledge and enhance the Company's employees' awareness of energy conservation to save energy;

**Reward and punishment measures:** we praise and reward units and individuals who have made outstanding contributions to energy management. Units and individuals who neglect energy conservation efforts with inadequate measures, causing losses and waste shall be imposed with economic penalties and criticism.

The main electricity-saving measures include using standard startup equipment as much as possible during off-peak hours and installing variable-frequency controllers for equipment that runs for long periods and at high frequency, in order to reduce both electricity consumption and electricity costs.

### ◇ Energy consumption monitoring and reporting

**Iron Ore Business:** The energy consumption monitoring system mainly includes the daily collection of electricity and diesel consumption, as well as monthly data on diesel, electricity, gasoline, lubricants, liquefied petroleum gas, gross industrial output value, industrial added value, total comprehensive energy consumption, unit product energy consumption, iron concentrate output, and other data. Submit reports on a monthly basis through the Liaoning Province Big Data Analysis Platform for Online Monitoring of Energy Consumption by Key Energy-Using Units.

**High-purity Iron Business:** The energy consumption monitoring system includes purchased electricity consumed, coke purchased, purchased coke consumed, opening coke inventory, closing coke inventory, anthracite purchased, purchased anthracite consumed, opening anthracite inventory, closing anthracite inventory, product output, unit consumption of foundry pig iron products, total industrial output value, and total comprehensive energy consumption; They are reported separately as daily, monthly, and annual reports through the Liaoning Province Big Data Analysis Platform for Online Energy Consumption Monitoring of Key Energy-Using Units.

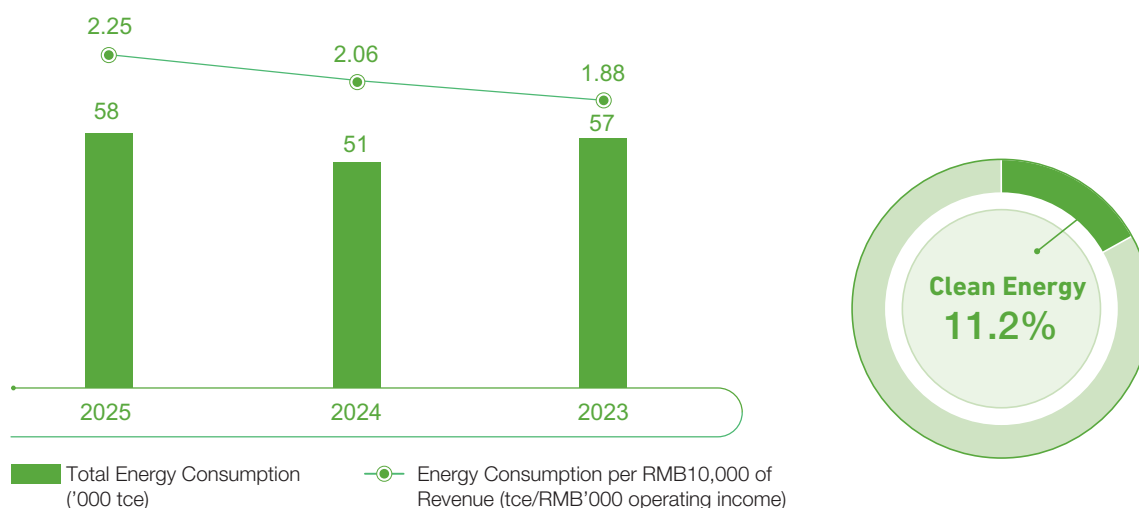
### Indicators and Targets

In the Company's Iron Ore Business, comparable comprehensive energy consumption per unit product for underground mining was 1.25 kilograms consumed energy per metric ton ("**kgce/t**"), better than the national advanced standard value of 1.45 kgce/t; comparable comprehensive energy consumption per unit product for ore processing was 2.17 kgce/t, better than the national advanced standard value of 2.42 kgce/t. The comprehensive energy consumption per unit of high-purity iron product of Hankang D.R.I. was 541 kgce/t, representing a year-on-year increase of 2.59%, while energy consumption for the blast furnace process was 386.3 kgce/t, representing a year-on-year decrease of 2.28%.

Energy usage data are as follows:

Energy Type		2025	2024	2023
<b>Direct Energy</b>	Gasoline (liters)	<b>129,585</b>	98,538	109,867
	Diesel (liters)	<b>1,307,849</b>	1,103,141	1,207,690
	Coke (tons)	<b>474,005</b>	423,063	471,033
	Coke Breeze (tons)	<b>37,012</b>	30,850	35,818
	Anthracite (tons)	<b>97,022</b>	83,747	93,119
<b>Indirect Energy</b>	Electricity (GWH)	<b>279</b>	239	263
	Of which: wind power and solar power (GWH)	<b>31</b>	52	12

In 2025, the production of iron concentrate was 954,000 tons, decreased by 5.45% year-on-year, while the production of high-purity iron was 882,000 tons, increased by 16.51% year-on-year. Due to the increase in high-purity iron production, total energy consumption increased by 13% year-on-year, and energy intensity rose slightly. The Company's purchased electricity was sourced from the local power grid, with clean energy accounting for approximately 11.2% in 2025.



**Energy Management Target:** Continuously improve energy efficiency, reduce unit product energy consumption year by year, and decrease the use of fossil fuels.

**Steps Taken:**

**Monitoring and Management:** Track consumption of electricity, fuel oil, coke, etc., to identify energy-intensive processes.

**Energy-Saving Retrofits:** Adopt high-efficiency equipment and variable frequency drive technology to reduce electricity consumption.

**Transportation Optimisation:** Reduce vehicle idling and empty trips, promote low-carbon transportation, and lower diesel and gasoline consumption.

**Behavioural Advocacy:** Strengthen energy-saving awareness campaigns, eliminate wasteful practices and establish incentive mechanisms.

## Energy Conservation Awareness Week Activities

To thoroughly implement the work requirements of "Energy Conservation Awareness Week and National Low-Carbon Day", actively put the green development philosophy into practice, and foster a strong atmosphere of energy conservation and efficiency improvement among all employees, in June 2025, the Company organized Energy Conservation Awareness Week activities under the theme of "All Employees Participate in Cost Reduction, and Everyone Benefits from Profit Growth", comprising three parts: themed promotion, creative practice, and system development:

**Themed promotion:** Create an event atmosphere by hanging promotional banners, putting up posters, and other means; use electronic display screens to loop energy-saving promotional videos; publish event updates and results through the Company's official WeChat account.

**Creative practice:** Organize and carry out the "Green Energy Saving · Unlimited Creativity" themed photography activity, soliciting creative works from employees that incorporate energy-saving elements; encourage the presentation of energy-saving practices across multiple scenarios and in various forms; display and evaluate the works through the "You Space" work platform.

**System development:** Optimize MES energy management system functions; improve energy data collection and reporting modules; strengthen the energy consumption early warning mechanism.

Through this initiative, the following objectives will be achieved:

### Strengthen energy-saving awareness

promote energy-saving laws, regulations, policies, and standards, and enhance all employees' understanding of the importance of energy conservation and consumption reduction;

### Foster an energy-saving culture

create "an enterprise atmosphere where everyone cares about energy conservation and everyone participates in energy saving";

### Improve the management system

advance the refined, standardized, and systematic development of energy management.



## Utilizing Mineral Resources

### Iron Ore Business

Improving the efficiency of mineral resource utilization is, in essence, the greatest protection for the ecological environment. The Company adheres to the philosophy of "source reduction and precise process control" and, through technological upgrades and management optimization, maximizes resource utilization while minimizing the disturbance that development activities cause to the natural environment.

**Smart leadership:** The Iron Ore Business was among the first to respond to national smart mine industry standards, taking the lead in building a smart mine system within the industry. Leveraging intelligent mining and beneficiation technologies, it continuously optimizes mining methods and beneficiation processes to improve the efficiency of resource extraction at the source.

**Precision mining:** Mining plans are dynamically optimized in line with the mine's geological conditions. Underground mining uses a high-sublevel medium-to-deep-hole blasting process. By precisely controlling blasting parameters, it effectively reduces the amount of development and cutting work while lowering explosive consumption, thereby reducing environmental impact at the source.

**Indicator-based management and control:** A rigorous, end-to-end technical KPI control system is established to dynamically monitor and continuously improve the mining loss rate, ore dilution rate, and mineral processing recovery rate, ensuring that resources are mined and recovered to the greatest extent possible.

## Iron ore recovery rate and processing recovery rate

	2025	2024	2023
<b>Underground mining recovery rate</b>	94.7%	96.3%	93.6%
<b>Magnetic iron recovery rate from ROM ore</b>	98.6%	98.5%	96.7%

### ◇ High-purity Iron Business

In accordance with the requirements of the Environmental Resource Impact Control Measures, the high-purity iron segment has actively adopted measures to conserve resources and improve resource utilization. Through the recycling and reprocessing of raw material scraps, the utilization rate of high-purity iron raw materials increased from 92% to 95%.

## Total scrap recycled and reused (tons)

<b>Pig iron scrap</b>	7,382
<b>Small iron pieces</b>	25
<b>Iron blocks</b>	7,474
<b>Iron pellets for sintering</b>	4,127
<b>Total</b>	<b>19,008</b>

### ◎ Raw materials and packaging materials

The Company's core products are iron concentrate and pig iron, which are supplied in bulk form. No additional packaging is required during delivery, and therefore there are no issues relating to the consumption of packaging materials or waste disposal. The main raw materials required for the Company's production, including coke, anthracite, and limestone, are also procured from upstream suppliers in bulk form and likewise do not involve any packaging.

Although packaging materials are not material issues for the Company, we still place great emphasis on the procurement and utilization of raw material. The Company ensures that incoming raw materials meet environmental and quality requirements through a stringent supplier qualification mechanism and quality control system.

# Water Resource Management

Our production activities, including mining, beneficiation, and smelting, are highly dependent on water resources. Access to clean and safe water resources is vital to both our production operations and the daily lives of the communities where we operate.

### Governance

In terms of water resource management and protection, we strictly comply with the laws and regulations on water resource management in the areas where our projects are located. Overall coordination is carried out by the Energy Management Steering Group, while the Production and Operation Department is responsible for developing water use plans and water conservation rules and for supervising all units. The Company has established the Water Conservation Management Measures and implements them rigorously.

### Strategy

**Water recycling and reuse:** The Iron Ore Business uses elevated water tanks at its mines to supply mine drainage water and tailings pond return water to the mineral processing plant as production water, achieving zero discharge, with the water recycling and reuse rate reaching 97%.

The High-purity Iron Business uses wastewater treatment equipment to recycle and reuse production wastewater. In 2024, a new sedimentation tank was built to direct wastewater into the tank for recycling and reuse.



The water treatment plant built in the Tom's Gully mine area was officially put into operation at the end of 2023. This water treatment plant is primarily used to treat accumulated water from the Tom's Gully pit, and after purification, the water quality can meet drinking water standards. This facility will not only provide a stable water supply for employee dormitories during future mine construction and production, but also lay the foundation for the sustainable operation of the mining area.

After treatment at the water treatment plant, the pit water can be safely used for livestock drinking and can also meet the water needs of nearby community farm owners for agriculture, forestry, and orchard irrigation, effectively reducing the potential impact of mining operations on local water resources and further alleviating community concerns about water safety.



### ✦ Wastewater Management

All business segments have implemented measures to improve water recycling efficiency and achieve zero wastewater discharge:

**Iron Ore Business:** Through ongoing technical upgrades, water consumption per ton of iron concentrate has been continuously reduced. Mine drainage water and return water from the tailings pond are the primary sources of production water. In particular, mineral processing wastewater is clarified in the tailings pond and then pumped back into the mineral processing system for recycling, with no external discharge. Domestic wastewater is discharged into septic tanks for regular cleaning, preventing external discharge. Multiple emergency containment ponds have been installed within the plant area. In the event of a production wastewater leak, the wastewater will be collected in these ponds and, after treatment, recycled for reuse, preventing pollution of surrounding water bodies.

**High-purity Iron Business:** The metal smelting process requires a relatively large volume of water, while water quality requirements are not high. It is not a key unit subject to wastewater management. All wastewater, including rainwater, is directed to the slag-flushing pond after sedimentation, and no water is discharged externally throughout the entire process.

## Risk Management

### ✦ Water Security Risk Assessment

We have major mining, beneficiation, and smelting projects in Australia and Liaoning Province, China, and adopt water management measures suited to local conditions to ensure water security for both our operations and surrounding communities. During the reporting period, we used the tool Aqueduct Water Risk Atlas developed by the World Resources Institute WRI (World Resources Institute) to conduct an annual overall water risk analysis of 5 subsidiaries located in different regions, covering physical risk indicators affecting water quantity (baseline water stress, baseline water depletion, inter-annual variability, seasonal variability, groundwater table decline, river flood risk, coastal flooding, drought risk), physical risk indicators affecting water quality (untreated wastewater, coastal eutrophication trend), and regulatory and reputational risk indicators (such as drinking water, sanitation, and the RepRisk ESG risk index).

## I Analysis Results

The 3 subsidiaries in China are located in high water-risk areas (EH: 4-5). The risks in these areas are mainly reflected in medium to high levels of untreated wastewater, unimproved/no sanitation facilities, and flood and drought risks. Although the overall risk is relatively high, the individual analysis indicates that the RepRisk ESG risk indicator for these areas is medium-low (LM: 25-50%), and the drinking water risk is also medium-low (LM: 2.5-5%). Water supply is expected to be abundant, with the projected water supply (available blue water) by 2030 estimated optimistically at 300-1,000 cm/year. Since our mining and metallurgical enterprises have basically achieved zero external discharge through the closed-loop recycling of production water, the actual risk is controllable and will not affect production operations or the environment.

The 2 gold project companies in Australia are located in the Northern Territory and Western Australia, respectively, both in low water-risk areas (L: 0-1). The overall risk level is low. Analysis of the individual projects shows that the Northern Territory project is rated as low risk for quantitative physical risk, with interannual variability, seasonal variability, river flood risk, and coastal flood risk assessed as low-to-medium risk; The qualitative physical risk level is low, with coastal eutrophication potential rated as low-medium risk; For the Western Australia project, the quantitative physical risk level is low, with the interannual variability rate rated as high risk, and the seasonal variability rate and drought risk rated as low-medium risk; the qualitative physical risk level is low, with coastal eutrophication potential rated as low-medium risk.



The Northern Territory Mt Bundy Project is located in a low water-risk area



The Western Australia Cygnet Project is located in a low water-risk area

### ❖ Water Risk Monitoring

The project in Australia’s Northern Territory employs qualified environmental protection professionals with extensive industry experience to carry out environmental management and oversight. The project conducts surface water and groundwater monitoring throughout the year, and regularly inspects and assesses on-site water levels and water conditions in the mining area to ensure adequate storage capacity during periods of heavy rainfall, while effectively preventing environmental and safety risks such as dam failure.

### ❖ Water Source Protection Practices

The construction site does not involve any legally designated nature reserves, scenic and historic interest areas, drinking water source protection areas, or other areas requiring special protection.

## Indicators and Targets

None of the Group’s business segments faces any difficulty in water withdrawal or in securing water for office or domestic use. For the Iron Ore Business, domestic water is sourced mainly from groundwater, production water mainly from mine dewatering discharge, and the backup water supply source is surface water; no municipal water is used.

All production water is fully recycled and reused with zero discharge. After domestic sewage enters the septic tank, the septage is regularly removed and used as organic fertilizer for agricultural purposes. According to the Liaoning Province local standard “Water Quota for Industries” (DB21/T1237-2020), water use for iron ore mining has reached the industry benchmark for advanced performance.

## Water Use Data

Source	2025	2024	2023
<b>Surface water (metric tons)</b>	<b>38,589</b>	124,321	155,380
<b>Underground water (metric tons)</b>	<b>785,325</b>	673,233	625,725
<b>Municipal water supply (metric tons)</b>	<b>840,217</b>	841,593	914,778
<b>Total water withdrawal (metric tons)</b>	<b>1,664,131</b>	1,639,147	1,695,883
<b>Water consumption intensity (metric tons/RMB’000,000 operating income)</b>	<b>650</b>	660	560

In 2025, total water withdrawal remained broadly in line with that of 2024, and as revenue increased by approximately 3.0%, water intensity decreased by about 1.5%.

Water resources management target: reduce freshwater usage year by year, striving to lower total water intake and water intensity, to achieve efficient use and sustainable management of water resources.

To achieve the above targets, we take the following steps:

- (1) strengthen water conservation advocacy, supervision and management, enhance company-wide awareness of water conservation, establish a water usage monitoring mechanism and eliminate wasteful water use practices;
- (2) increase the recycling rate of wastewater to reduce reliance on freshwater resources;
- (3) conduct reviews and technological retrofits of water-intensive processes to continuously reduce water consumption per unit of product.

Regular review and continuous improvement: Track water usage data on a quarterly basis, analyse the causes of deviations and propose improvement measures to ensure year-on-year improvement in water usage performance.

# Climate Change

We pay close attention to changes in the climate and the risks and opportunities that climate change may bring to the Company's business, continuously improve energy efficiency, and reduce our carbon footprint. Developing a circular economy is a key driver of our sustainable development.

## Governance

The Company incorporates climate-related risks into the core of its ESG governance system, clearly defining the oversight responsibilities of the Board and the management responsibilities of Management in climate-related matters.

**Responsibilities of the Board:** The Board is responsible for identifying climate-related risks and opportunities, approving climate-related strategies, and overseeing the effectiveness of their implementation. The Board regularly hears reports from the HSEC Committee on the progress of climate risk management, ensuring that climate issues receive full attention at the highest level of decision-making.

**Management Responsibilities:** The HSEC Committee assists the Board in overseeing the implementation of climate risk strategies and coordinating resource allocation and actions across various business segments. Each ESG working group is responsible for implementing specific plans, including collecting climate data, advancing emission reduction measures, and providing feedback and suggestions, thereby forming a three-tier climate governance structure of "decision-making - coordination - execution".

## Strategy

The Company integrates climate strategy into business development and transformation planning, identifies the short-, medium-, and long-term impacts of climate-related risks and opportunities on the enterprise, and formulates response measures.

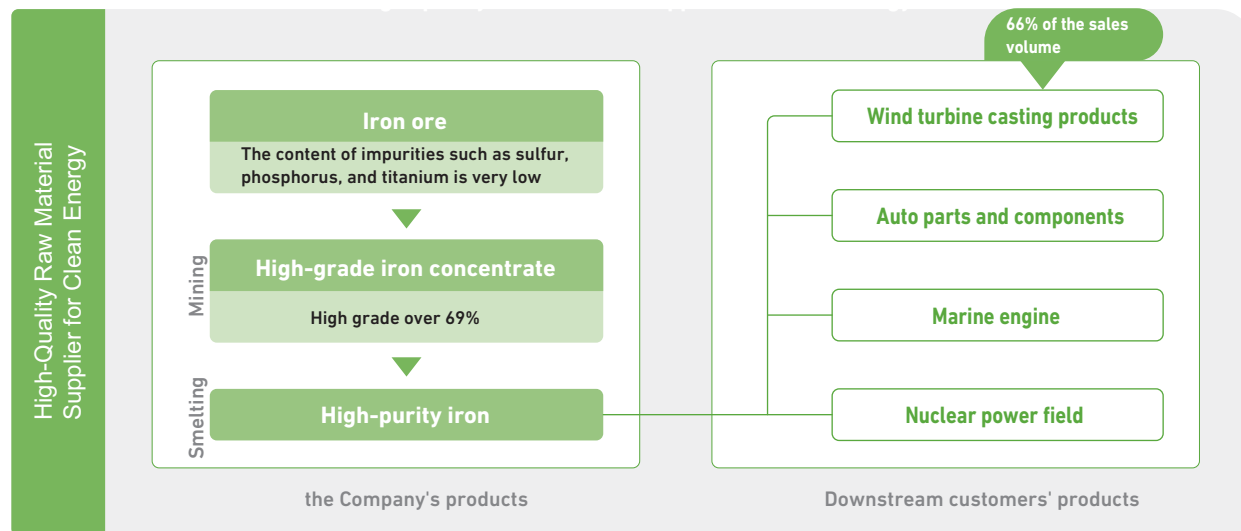
## Identification of climate-related risks and opportunities

Risk/opportunity type	Definition	Specific description	Reporting Period	Financial impact
<b>Physical risks</b>	refers to the direct impacts on a company's physical assets, operations, supply chains, etc., caused by extreme weather events resulting from climate change (such as floods and droughts) or by long term changes in climate patterns (such as sea level rise).	Heavy rainfall may lead to tailings pond incidents, road damage, and increased groundwater inflow; Blizzards and prolonged low temperatures may cause icy roads and transport disruptions, make commuting difficult for employees, and reduce operational efficiency	Short-term/ Medium-term	Higher business interruption costs, rising transportation costs, and increased cooling costs (the extreme heat in summer 2025 led to a 15% increase in workshop cooling costs)
<b>Transition risks</b>	refers to the financial and strategic risks brought to enterprises during society's transition toward a low carbon economy as a result of factors such as changes in policies and regulations, technological innovation, shifts in market preferences, or legal litigation.	Environmental policies and emissions regulations have become increasingly stringent, resulting in higher financial costs such as carbon taxes and environmental taxes; Downstream customers have raised their environmental requirements for suppliers, increasing environmental compliance costs; raw material costs for coal, coke, and similar inputs have risen	Medium-term/ Long-term	Rising compliance costs and higher raw material costs
<b>Transition opportunities</b>	include improvements in resource efficiency, optimization of the energy structure, development of low carbon products and services, enhanced market access and supply chain resilience, as well as policy incentives and financing support.	The global energy transition is driving growth in demand for clean energy, and high-purity iron, as a key raw material for major equipment such as wind power and nuclear power, enjoys broad market prospects	Medium-term/ Long-term	Revenue structure optimization and market share expansion

\* Short-term: within 1 year; Medium-term: 1 to 5 years; Long-term: more than 5 years

### ✦ Business strategy adjustment: transforming into a high-quality raw material supplier for clean energy

The Company acquired the High-purity Iron Business in 2019, and since 2020, revenue from high-purity iron has accounted for more than 50% of total revenue, marking the Company's strategic transformation from a bulk resources producer to a new energy materials supplier. High-purity iron products feature extremely low levels of harmful impurities and anti-spheroidizing elements such as phosphorus, sulfur, and titanium, along with strong corrosion resistance and high tensile strength, making them highly suitable for major equipment castings in wind power, nuclear power, marine engineering, and other sectors.



### ✦ Adaptive Adjustments to Business Models and Value Chain

**Production process:** Optimize production processes through the smart mining system, upgrade environmental protection equipment, ensure emissions compliance, and reduce energy consumption per unit of product

**Supply chain management:** Identify the impact of climate-related factors on high-purity iron production and the supply chain, and define the response responsibilities of each department

**Product mix:** Focus on low-energy-consumption, environmentally friendly products to meet growing market demand for green materials

**Employee travel:** Encourage teleconferencing in place of overseas or long-distance business travel to reduce greenhouse gas emissions from air travel

## Risk Management

The Company has established a comprehensive climate risk management system covering the entire process for physical risks and transition risks, ensuring that climate-related risks are identified, assessed, and effectively addressed in a timely manner.

### ✦ Physical Risk Management

Extreme weather events may have a significant impact on the Company's operations:

- Heavy rain: may lead to accidents at tailings ponds, road damage, and increased water inflow in underground operations
- Blizzards and prolonged low temperatures: may cause icy roads, disrupted transportation, and commuting difficulties for employees

All business segments have developed the "Emergency Response Plan for Work Safety Accidents" and the "Emergency Response Plan for Environmental Emergencies", both filed with the competent government authorities; they are equipped with sufficient emergency supplies and equipment, have established internal emergency rescue teams, and have signed rescue agreements with professional mine rescue organizations. The emergency rescue team closely monitors weather changes in real time, issues early warnings ahead of extreme weather, and takes preventive measures. In 2025, the Iron Ore Business and the High-purity Iron Business conducted a total of 133 emergency drills, effectively enhancing employees' emergency response capabilities and self-rescue/mutual-rescue abilities.

## ✦ Transition Risk Management

In response to the policy, legal, market, and cost pressures arising from the low-carbon transition, the Company has adopted the following measures:

<b>Institutional safeguards</b>	Establish the Environmental Protection Management System, clarify the response responsibilities of each department, and identify the impacts of climate factors on production and supply chain
<b>Technology upgrades</b>	Upgrade eco-friendly equipment to ensure emissions meet standards; reduce production energy consumption through intelligent management and process improvements
<b>Product optimization</b>	Develop low-energy, eco-friendly products to meet downstream customers' environmental requirements for suppliers
<b>Emergency response plans</b>	Develop production emergency response plans for extreme weather such as high temperatures and heavy rain to ensure operational continuity

## ✦ Actions to address material climate-related issues

	Impact of extreme weather	Response actions
<b>Impacts have already occurred</b>	High summer temperatures lead to increased cooling costs of workshops	<p><b>Distribute heatstroke prevention and cooling supplies:</b> Equip employees with adequate heatstroke medicine, beverages, and personal protective equipment to safeguard their health and operational safety under high-temperature working conditions.</p> <p><b>Upgrade workshop temperature control facilities:</b> Systematically upgrade the energy-efficient cooling equipment in production workshops to improve cooling efficiency while reducing energy costs, thereby enhancing the resilience of production operations during hot weather.</p>
<b>Potential Impacts</b>	Extreme rainstorms may disrupt transportation of raw materials	<p><b>Building climate resilience in the supply chain:</b> Prioritize suppliers in regions less exposed to climate risks, diversify procurement channels to reduce dependence on a single source, and mitigate the impact of extreme weather on the supply chain.</p> <p><b>Supplier diversification:</b> Establish a multi-source supplier network, enhance procurement flexibility and risk resilience, and ensure the availability of alternative sources for key raw materials.</p> <p><b>Safety stock management:</b> Implement dynamic inventory monitoring, maintain appropriate safety stock levels, and ensure that raw material supply can meet production needs in the event of extreme weather events or supply chain disruptions.</p>

## Indicators and Targets

The Company has established a quantitative climate-related metrics system, regularly monitors GHG gas emissions, energy mix, and emissions reduction performance, and sets targets for continuous improvement.

### ✦ GHG emissions data

In 2025, the Group's iron concentrate output was 954,000 tons, down 5.5% year on year; high-purity iron output 882,000 tons, representing a year-on-year increase of 16.5%. Due to the increase in high-purity iron production, Scope 1 GHG emissions increased by 18% year-on-year, while Scope 2 GHG emissions decreased by 36% year-on-year as a result of adjustments to the emission factor for purchased electricity. Total GHG emissions increased by 11% year-on-year.

## GHG emissions

Indicator	Unit	2025	2024	2023
<b>Scope 1 Direct emissions</b>	tCO <sub>2</sub> e	<b>1,746,206</b>	1,477,454	1,635,874
<b>Scope 2 Indirect emissions</b>	tCO <sub>2</sub> e	<b>135,913</b>	212,615	284,432
<b>Total emissions (Scope 1 + Scope 2)</b>	tCO <sub>2</sub> e	<b>1,882,119</b>	1,690,069	1,920,306

Notes:

- In 2025, 26,825 new trees were planted, equivalent to a reduction of 617 tCO<sub>2</sub>e.
- Of the purchased electricity for the Iron Ore Business, clean energy (wind power and solar power, etc.) accounted for approximately 15%. In High-purity Iron Business, clean energy (wind power and solar power, etc.) accounted for approximately 10% of its purchased electricity.

**Scope 1:** Refers to direct GHG emissions. The Group's emission sources include greenhouse gases generated from the consumption of stationary and mobile sources, less the annual greenhouse gas removals from newly planted trees (Global warming potential (GWP) is based on the IPCC Sixth Assessment Report (AR6)). In addition to direct emissions from the High-purity Iron Business, this also includes emissions from industrial production processes, after deducting emissions embodied in carbon-sequestering products. The accounting method is based on the Guidelines to Account for and Report on Greenhouse Gas Emissions - Iron and Steel Industry.

**Scope 2:** Refers to indirect GHG emissions. The Group's indirect emissions mainly arise from emissions generated by purchased electricity. Among which, **emissions in China amounted to 135,791 tCO<sub>2</sub>e, and emissions from regions outside China (Australia) amounted to 122 tCO<sub>2</sub>e.** The GHG emission factors for China are sourced from the 2023 Provincial Grid Average CO<sub>2</sub> Emission Factors for Liaoning Province issued by the Ministry of Ecology and Environment, and include CO<sub>2</sub> only. As the emissions of CH<sub>4</sub> and N<sub>2</sub>O from power generation are each far below 1% of total CO<sub>2</sub> emissions and have a negligible impact on overall results, they are not accounted for separately in this report. The GHG emission factors for Australia are sourced from the Australian National Greenhouse Accounts Factors (2025) published by the Australian Department of Climate Change, Energy, the Environment and Water (DCCEEW).

## GHG Emission Density

Indicator	Unit	2025	2024	2023
<b>Emission Density</b>	tCO <sub>2</sub> e/RMB'000,000 operating income	<b>735</b>	680	634
	tCO <sub>2</sub> e/metric ton of iron ore concentrates	<b>0.035</b>	0.043	0.049
	tCO <sub>2</sub> e/metric ton of high-purity iron	<b>2.096</b>	2.173	2.148

### ✦ Explanation on the Adjustment to the Purchased Electricity Emission Factors

During the reporting period, the Company adjusted its calculation method for purchased electricity emission factors for its domestic operations in China. In previous years, the emission factors for each province, municipality, and autonomous region in the World Resources Institute's 2013 publication, "Guide to Tools for Calculating Greenhouse Gas Emissions from Energy Consumption (Version 2.1)" (based on 2011 data), were used. Starting from 2025, the provincial average CO<sub>2</sub> emission factor for electricity (Liaoning Province) published by the Ministry of Ecology and Environment in 2023 is adopted.

This adjustment aims to enhance the timeliness and accuracy of the calculation data. The updated factors can more truly reflect the current actual situation of Liaoning Province's power structure, avoid potential overestimation of emissions caused by the use of outdated data, and at the same time remain consistent with the current national calculation methodology.

## Scope 3 GHG Emissions

Indicator	Unit	2025	2024	2023
<b>Category 6: Business Travel</b>	tCO <sub>2</sub> e	<b>55</b>	46	60

**Scope 3:** Other indirect GHG emissions. The Group chooses to disclose **Category 6 Business Travel**. Business travel emissions are calculated using the ICAO Carbon Emissions Calculator.



## Emission Reduction Measures and Outcomes

Emission Reduction Areas	Specific Measures	Outcomes/Targets
<b>Energy transition</b>	Increase the share of clean energy use, such as wind and solar power; gradually phase out diesel-powered transport vehicles	The share of clean energy in purchased electricity for iron ore operations has increased
<b>Energy efficiency and conservation</b>	Optimize the configuration of mining and ore processing equipment and phase out high-energy-consuming equipment; Use low-energy-consumption electromechanical equipment and install variable-frequency drives	After the BPRT blower turbine unit was commissioned, the current decreased from 498A to 330A, saving approximately 50,000 KWh per day
<b>Process optimization</b>	Upgrade the blast furnace pulverized coal injection system to increase the pulverized coal injection rate to above 200 kg/t of iron; optimize blast furnace operating parameters; install a supporting waste heat recovery and utilization system	Reduce coke consumption and lower fuel consumption per ton of iron
<b>Natural carbon sinks</b>	Continue to advance reclamation and tree planting initiative	The reclamation area was approximately 70 mu, with 26,825 newly planted trees
<b>Business Processes</b>	Realize process automation through OA and smart mining systems; reduce business travel	Reduce GHG emissions from business travel



### BPRT fan turbine unit commissioned

In 2025, the electrically driven Shaangu axial-flow blast furnace power recovery turbine coaxial unit (BPRT) was commissioned. After it began operation, the current dropped from 498A to around 330A, saving approximately 50,000 KWh per day.



## ◆ Goals and Plans

The Company actively responds to the national "dual carbon" goals and has incorporated climate change management into its long-term development strategy. In the future, we will:



Put green mining principles into practice and set science-based carbon reduction targets aligned with industry characteristics, contributing to sustainable development



Continuously optimize the energy mix and increase the share of clean energy; Commence the construction of a blast furnace gas power generation project



Improve the climate risk management system and enhance climate resilience



Explore clean technology applications and advance the low-carbon transformation of all business segments; Accelerate the initiative to replace fuel-powered factory vehicles with electric vehicles

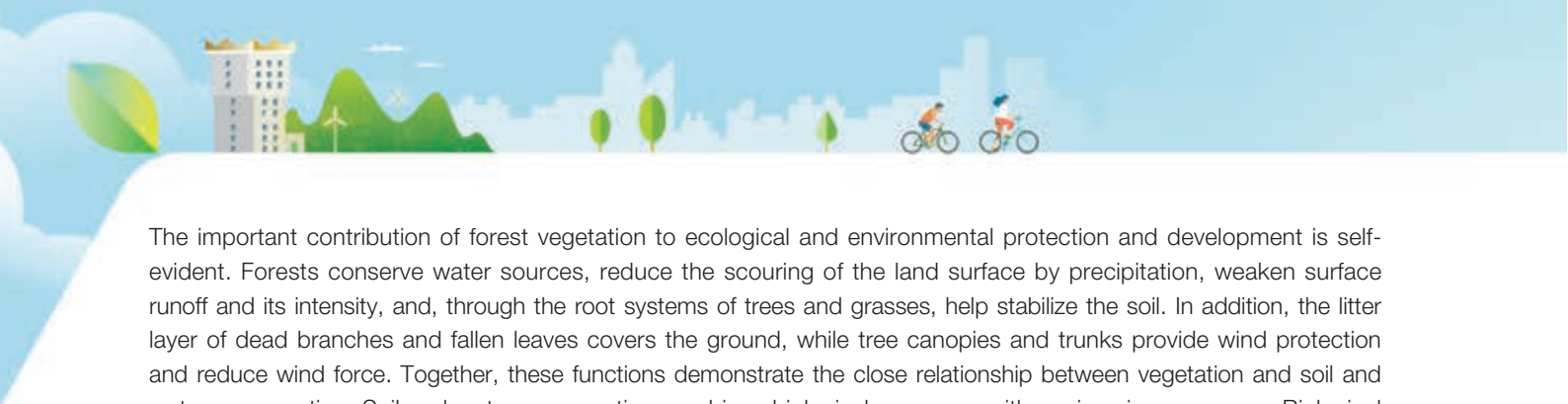
## Biodiversity

Mining activities may cause a certain degree of surface damage, so we have always regarded biodiversity as an important issue in ESG management. Before project implementation, we will conduct biodiversity surveys and assessments and will not carry out exploration or mining activities in sensitive areas such as nature reserves and ecological conservation redlines. After the project is completed, we will use mine reclamation as a key measure and, based on local ecological and environmental characteristics, develop targeted biodiversity compensation plans to mitigate, to the greatest extent possible, any harm caused to biodiversity.

Before the project begins, we will conduct detailed ecological surveys using satellite remote sensing, field investigations, and other methods, covering vegetation, animal resources, and other aspects, to ensure a comprehensive understanding of biodiversity in the project area. By comprehensively assessing the distribution of vegetation and animal resources in the mining area and surrounding areas, potential ecological risks can be identified. A clear ecological restoration plan should also be developed, including measures such as soil restoration and vegetation restoration, to ensure that the land can recover its ecological functions after the mining area is developed.

### ◆ Iron ore mining and beneficiation plant

For its iron ore operations, biodiversity analysis and assessment were conducted for the 3 million-ton mining and beneficiation project. No nationally protected animals were found within the project assessment area. Based on field surveys and data review, there are no relevant nature reserves or wildlife migration corridors in the assessment area or its surroundings. There are no endangered species at the site of the mineral processing project, and the key factor where project construction may affect wildlife is the tailings ponds. The tailings ponds are proposed to be built in a gully. Once completed, the gully will no longer exist. Since surface water is scarce in the gully and it does not constitute habitat or a breeding ground for forest frogs, the completion of the mineral processing plant is not expected to affect forest frog habitat within the assessment area. During the later stages of operation of the tailings ponds, birds near the mining area are expected to relocate to other areas outside the gully, resulting in a reduction in their numbers within the area. In summary, this project will have a certain impact on wildlife in the area, but the extent of that impact will remain within an acceptable range.



The important contribution of forest vegetation to ecological and environmental protection and development is self-evident. Forests conserve water sources, reduce the scouring of the land surface by precipitation, weaken surface runoff and its intensity, and, through the root systems of trees and grasses, help stabilize the soil. In addition, the litter layer of dead branches and fallen leaves covers the ground, while tree canopies and trunks provide wind protection and reduce wind force. Together, these functions demonstrate the close relationship between vegetation and soil and water conservation. Soil and water conservation combines biological measures with engineering measures. Biological measures include planting trees and grass to restore vegetation, while engineering measures include the construction of drainage ditches, cofferdams, and similar works. According to the Law of the People's Republic of China on Soil and Water Conservation and the Provisions on Land Reclamation, the Iron Ore Business will restore and put damaged land back into use as early as possible. Topsoil replacement and afforestation will be carried out in stages to minimize impacts on the ecosystem. Trees are planted outside the processing plant buildings to create noise buffer zones and reduce noise pollution. The slopes of the tailings ponds are promptly subject to ecological restoration, and after closure, topsoil covering and vegetation restoration are carried out in a timely manner.

#### ✧ **Australia Gold Mine Project**

The Mt Bundy mining area in Australia's Northern Territory is situated in an ecological environment dominated by savanna woodlands and seasonal wetlands, with regional biodiversity characterized by native vegetation communities, wildlife, and aquatic ecosystems. During project planning and implementation, the Company identifies and assesses the potential impacts of mining activities on biodiversity in accordance with environmental impact assessments and relevant environmental approval requirements. By properly planning the mining layout, controlling the scope of operations, and implementing water resource and ecological management measures, the Company minimizes disturbance to native vegetation and habitats as much as possible. At the same time, the Company continues to conduct surface water and groundwater monitoring to maintain ecosystem stability, while progressively carrying out mine site reclamation and ecological restoration throughout the project life cycle.

The Western Australia Southern Cross region is characterized primarily by semi-arid ecosystems, with biodiversity reflected mainly in drought-tolerant vegetation, native wildlife, and relatively fragile natural habitats. Before advancing projects in this region, the Company had already initiated relevant environmental and biodiversity studies and engaged professional environmental consultants to carry out ecological surveys to identify vegetation types of environmental value and potentially sensitive species. On this basis, the Company incorporated biodiversity protection requirements into project planning and environmental management plans and, through baseline surveys, risk assessments, and necessary mitigation measures, sought to minimize the impact of project activities on local ecosystems.

**Air Quality Management Plan:** Prepared in accordance with the National Environmental Protection (Ambient Air Quality) Measure and the Approved Methods for the Modelling and Assessment of Air Pollutants in New South Wales (2022). Air quality monitoring and reporting shall be conducted at the mine boundary, relevant sensitive receptors, and important Aboriginal heritage sites to measure various air pollutants.

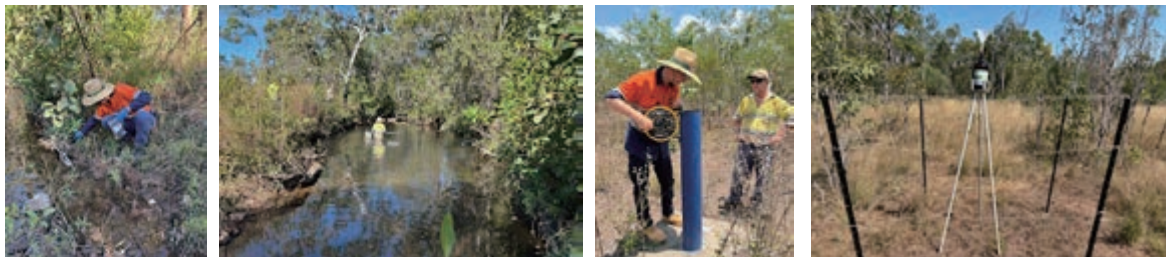
**Land and Soil Baseline Contamination Assessment:** Completed in accordance with the National Environmental Protection (Assessment of Site Contamination) Measure. The study aims to establish pollution level benchmarks for the mine's full life cycle, protect the quality and integrity of land and soil, and thereby maintain, preserve, and enhance the environmental values of the Adelaide River and Mary River catchments.

**Pre-clearance survey:** Developed and implemented in consultation with the Flora and Fauna Division of the Northern Territory Department of Environment, Parks and Water Security. The survey aims to identify the presence of habitats and threatened species and to protect terrestrial habitats in order to maintain flora and fauna values, including biodiversity, ecological integrity, and ecological function.

**Aquatic and groundwater-dependent ecosystems:** Seasonal baseline data collection has commenced, including: monitoring surface water flow and water quality in watercourses/water bodies and aquifers; vegetation assessment of terrestrial groundwater-dependent ecosystems; and description of the aquatic ecological value attributes of aquatic groundwater-dependent ecosystems. These studies and operational monitoring are intended to: protect the Adelaide River and its tributaries, the Mary River and its tributaries, and the McKinlay River and its tributaries; protect the environmental values of terrestrial and aquatic groundwater-dependent ecosystems, including biodiversity, ecological integrity, and ecological functions.

### Tom's Gully Mine Annual Water Quality and Biological Management Plan

Tom's Gully Mine Annual Water Quality and Biological Management Plan: The ongoing success of pit water treatment, off-site discharge, and compliance activities at the Tom's Gully Mine is underpinned by a structured approach focused on proactive water management and strict compliance with the approved Waste Discharge Licence (249) and Deemed Mining Licence (DML0740-01). Treated water quality is measured at the authorized discharge point and at downstream compliance points. The solar-powered remote monitoring station continuously tracks surface water quality and flow in real time, with data captured and accessed through the Xylem Eagle internal portal, enabling remote online monitoring and automated alerts. Environmental site officers regularly collect water samples and mine pit water level data in accordance with permit conditions. Annual biological monitoring focuses on macroinvertebrate and sediment sampling, which are key components of the multiple lines of evidence used to assess the health of aquatic ecosystems.





# Social

- **Employment**
- **Occupational Health and Safety**
- **Development and Training**
- **Labour Standards**
- **Supply Chain Management**
- **Product Responsibility**
- **Community**



# Employment

The Group recognizes that employees are its most important and valuable asset and strives to foster a fair, respectful, diverse, collaborative, and friendly corporate culture and working environment. To enhance employee satisfaction, the Group offers employees competitive remuneration packages, implements a well-established performance appraisal system and appropriate incentive measures, and provides comprehensive training programmes to encourage employees to realise their potential and contribute their talents.

## Governance

The Company places great importance on the strategic value of human resources and has established a human resources governance structure of 'central coordination by headquarters and implementation at different levels' to ensure that its talent strategy is closely aligned with the Company's overall development objectives. All branches and subsidiaries have established Human Resources departments staffed by dedicated professionals responsible for localized recruitment, training, compensation, employee relations, and other specific management functions, thereby creating a well-coordinated and highly effective organizational support system.

The Company strictly complies with the Labor Law of the People's Republic of China, the Labor Contract Law of the People's Republic of China, and other applicable laws and regulations. In line with its operational needs, it has formulated the Human Resources Management Policy, covering the full employment lifecycle, including recruitment and hiring, compensation and benefits, performance appraisal, training and development, employee relations, and separation management, to ensure that employment management is well-governed, compliant, and transparent. At the same time, we developed the Human Resources Business End-to-End Standardized Operations Manual, which covers all business areas from 'Human Resources Planning' to 'Records Archiving'. This manual has enabled the initial establishment of a systematic and comprehensive basic framework for personnel operations, significantly improving the consistency and accuracy of business processing and providing core documentary support for standardized management.

## Strategy

Following the natural cycle of talent development, we implement a moderately forward-looking recruitment strategy, continue to strengthen the development of a localized and diversified talent pool, and focus on addressing the shortage of skilled talent. We uphold the principle of equal opportunity in recruitment and promotion, actively attract and develop outstanding local talent, and strengthen team stability and local integration. The Company places great importance on women's participation and influence in the mining industry. We firmly believe that gender diversity not only brings a wider range of perspectives and more innovative thinking, but also enhances team collaboration and organizational competitiveness. The Company will continue to improve career development pathways for female employees, foster an inclusive and equitable workplace, and enable every employee to apply their strengths and realize their full potential in their roles.

We uphold a people philosophy centered on 'self-fulfillment, giving back to society, integrity and competence, merit-based appointment, equal opportunity, and excellence-based selection', providing equal career development opportunities for all employees. We have established clear promotion pathways for every role, aligning job requirements with employee capabilities so that employees with ambition, ability, and dedication have a platform to realize their dreams and showcase their talents.



### Recruitment

The Company follows the principles of fairness, impartiality, and openness in recruiting outstanding and qualified talent, without discrimination based on race or religion. Internal candidates are required to undergo the same interview process as external candidates



### Promotion

Provide employees with equal opportunities for promotion, establish advancement pathways for all positions, and conduct comprehensive assessments based on employees' job performance, capabilities, potential, and the Company's business development needs



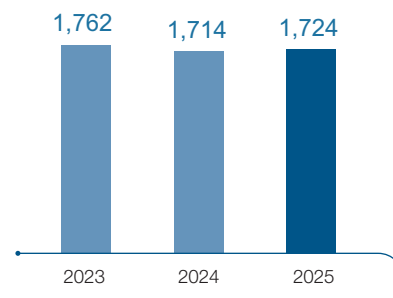
### Termination of Employment

The Company and its employees shall, on the principles of voluntariness, equality, and mutual consultation and agreement, dissolve or terminate the employment relationship in accordance with national laws and policies

## © Workforce Diversity

The Group values an equal and diverse corporate culture and employment policies, and provides all employees with equal opportunities for development. During the year, the Company formulated the Employee Diversity Policy and communicated the concepts of diversity and inclusion to management and employees through various channels: treating employees of different nationalities, races, genders, religious beliefs, and cultural backgrounds fairly and equitably; maintaining zero tolerance for any form of discrimination; emphasizing talent development; and striving to build a diverse talent pool. In the employee promotion process, assessments are conducted strictly in accordance with job responsibility standards, with no requirements related to gender, place of origin, or other such factors, so as to avoid unequal treatment such as gender discrimination or place-of-origin discrimination. Women are represented among the Group's middle and senior management, technical and operational staff, and production staff.

Number of employees



The Company upholds the principle of fair employment and actively provides persons with disabilities with equal opportunities for career development. We have employed three persons with disabilities. Based on their physical conditions and professional strengths, we assign them to suitable positions and provide the necessary labor protection and workplace accommodations, safeguard their lawful rights and interests, and support them in realizing personal value and integrating into society.

The Company strictly safeguards employees' rights and interests in accordance with the requirements of the Labor Law of the People's Republic of China, with the aim of promoting the shared development of employees and the enterprise. As at 31 December 2025, the Group had 1,724 employees (as at 31 December 2024: 1,714), all of whom were full-time employees. Among which, male account for 60% of senior management, while female account for 40%. Among the entire workforce (excluding senior management), 83.71% is male and 16.29% is female. During the reporting period, the Group's employee employment rate was 8.47% and the overall turnover rate was 7.71%. The Company actively recruits fresh university graduates to help alleviate employment pressure in society. At the same time, this practice could build a pipeline of new talent for the Company, strengthen talent succession planning, and promote the Company's sustainable development.

## Total Employees

	Total Employees	By Gender		By Age			By Region	
		Male	Female	30 and below	Between 31 to 50	51 and above	Mainland China	Areas outside China
Number	1,724	1,442	282	115	960	649	1,712	12
Proportion	100%	83.64%	16.36%	6.67%	55.68%	37.65%	99.30%	0.70%

## Employee Turnover Rate and Employment Rate

	Total	By Gender		By Age			By Region	
		Male	Female	30 and below	Between 31 to 50	51 and above	Mainland China	Areas outside China
Turnover Rate (%)	7.71%	6.74%	0.99%	0.81%	3.07%	3.83%	7.77%	—
Employment Rate (%)	8.47%	7.66%	0.81%	1.68%	4.41%	2.38%	8.24%	0.23%

Notes:

1. Turnover rate = total departed employees in this category during the reporting period ÷ total number of employees in this category at the end of the reporting period. The calculation of employee departures takes into consideration voluntary resignation, dismissal, non-renewal upon expiry of labour contracts, retirement and other similar circumstances.
2. During the reporting period, the high-purity iron segment enhanced its workforce composition by cutting down high-age employees, resulting in a higher number of employee departures for the period.

## ◎ Compensation and Benefits Management Framework and Policies

The Human Resources Department of the mining company systematically advanced the optimization of the job grade and benchmark position framework during the year. Phased results were achieved in four areas: position assessment, compensation survey, optimization of job grade standards, and the review of benchmark positions.

### ✦ Position assessment: strengthening the foundation of the “three determinations” and precisely evaluating position effectiveness

To strengthen the management foundation of “position setting, staffing levels, and headcount”, the Company launched a special annual position assessment interview initiative at the beginning of 2025. Based on the 264 position survey forms submitted by each department, a scientific workload saturation assessment system was established; In the second quarter, the Company completed face-to-face interviews in phases and batches with 105 frontline and mid-level managers as well as key business and technical personnel. The interviews were conducted strictly on the basis of the job responsibility list, using quantitative analysis of such dimensions as the “importance, time required, and cycle” of each task to accurately assess the theoretical work efficiency and core value of each position. This initiative provided strong data support for the Company’s efforts to scientifically define positions and reasonably allocate headcount, laying a solid foundation for subsequent job grading and compensation optimization.

### ✦ Market Compensation Survey: Benchmarking Against Industry Leaders to Position Compensation Competitiveness

To accurately assess the competitiveness of the Company’s pay levels in the market, the Company launched a dedicated 2025 annual compensation survey in the first quarter. Through a systematic review of 45 departments and 283 positions, the Company commissioned the professional platform Zhaopin to conduct an in-depth analysis benchmarked against sample data from more than 200 leading mining enterprises, ultimately obtaining an authoritative industry compensation survey report that clearly reveals the market percentile compensation levels for each position. This survey provided an objective and reliable market basis for adjusting the Company’s compensation strategy and enhancing its ability to attract key talent.

### ✦ Job Grade System Optimization: Rebuilding Career Paths and Unlocking Talent Effectiveness

To support the Company’s business development, the Company upgraded its job grade system, optimizing it from the original 12 bands 22 levels to a new system with 16 bands 21 levels. With more refined level and salary band design, the new system achieves three core objectives: first, enhancing compensation competitiveness by adding dedicated technical grades for new business areas to ensure that pay for key positions is aligned with the market; Second, establish clear career development pathways by creating a dual-track promotion mechanism for technical and management roles and clarifying how each job level corresponds to the others; Third, strengthen internal equity by recalibrating the median pay for each grade based on job evaluation results and market compensation data, thereby effectively narrowing long-standing internal pay gaps.

### ✦ Benchmark role review: unify management language and strengthen the foundation for standardization

To address inconsistent internal and external job titles and fragmented management standards, the Company systematically conducted a benchmark role review, standardizing and systematizing job management and providing a unified, standardized management language and foundation for recruitment, training, compensation, and employee development.

#### Remuneration policy: performance-based, fostering shared value creation



The Group’s remuneration policy follows the principle of “more pay for more work” and is determined based on a comprehensive assessment of employees’ individual contributions and performance. Through various forms of remuneration, including basic salary, performance pay, overtime pay, bonuses, allowances, and share award schemes, we recognize and incentivize the contributions of key management personnel and core employees. General employees are paid on a monthly salary basis, comprising basic salary and overtime pay; Sales staff compensation of High-Purity Iron segment consists of a base salary and commission, and is evaluated based on sales payment collection performance. Compensation levels are adjusted dynamically based on factors such as the Company’s operating performance, the value of each position, individual capability and performance, and the broader level of social development, with the aim of continuously enhancing employees’ motivation and initiative. The Company advocates linking employee compensation closely to operating results and is committed to building an attractive platform to attract and retain outstanding talent to grow together with the Company.

## Restricted Share Award Scheme



The Company adopted the Restricted Share Award Scheme in August 2019, with a validity period of 10 years. The remaining term of the scheme is approximately 3 years. The purposes and objectives of the scheme are (i) to recognize and incentivize the contributions of the Group's key management personnel and core employees; (ii) to help the Group retain and attract selected participants in order to achieve the Company's long-term business objectives; and (iii) to further align the interests of selected participants directly with those of the shareholders through share ownership.

According to the plan, after considering various factors, the Board may, from time to time and at its absolute discretion, determine such eligible participants as it considers appropriate, and determine the number of shares and the grant price of the award shares to be granted to each selected participant. Eligible participants include directors, senior management and core employees of the Group. When determining the grant price for each selected participant, the Board shall consider relevant factors, including but not limited to the selected participant's duties, experience, length of service, performance and contribution to the Group, as well as the market price of the shares.

## Benefits and Protection: Comprehensive Coverage, Care for Employees

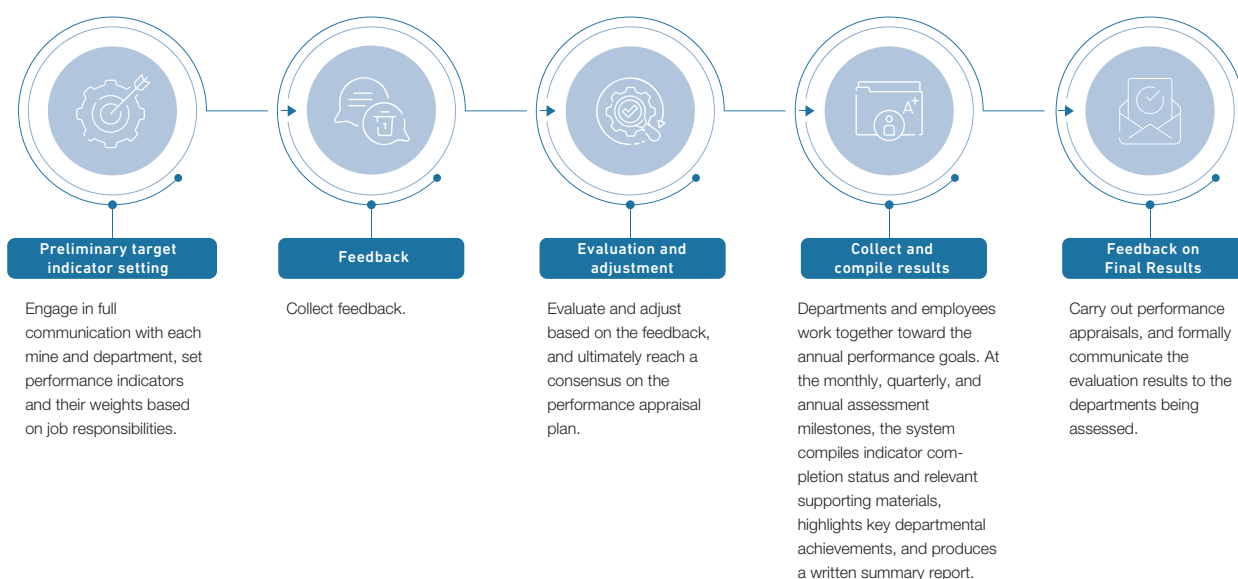


The Group has established a comprehensive benefits and protection system. In addition to making contributions to the five social insurances and one housing fund for employees in accordance with legal and regulatory requirements, we also provide a wide range of benefits, including a supplementary housing provident fund, transportation subsidies, communication subsidies, accommodation subsidies and home-visit travel allowances for non-local employees, lunch subsidies, holiday benefits, wedding benefits, relief payments for injury or illness, employee birthday benefits, and summer heat-relief subsidies. The Company's pension insurance contribution rate is 100%, effectively safeguarding employees' lawful rights and interests and quality of life.

## ◎ Performance Feedback and Appeals

The Company has formulated the Employee Performance Evaluation Management Measures, established a performance evaluation and feedback system, and reinforced fairness, impartiality, and transparency throughout the performance evaluation process. For performance-related issues that arise at any time among employees and departments, the Performance Office and Committee will continue to collect them and provide timely explanations or make adjustments based on the feedback.

### How Employee Performance Feedback Works



## I How Performance Appeals Work: Turning ‘Objections’ into ‘Patches’

Establish appeal channels. Employees who wish to appeal must first communicate with their direct supervisor so that objections can be resolved wherever possible. If the department head is unable to resolve the issue, the department should compile its employees’ appeal requests, and the Performance Appraisal Committee will conduct an investigation through interviews and provide a resolution. Explain the investigation process, the basis for the ruling, and the recommendations to employees. If the issue stems from flaws in the system, revise the indicators or scoring criteria to create a ‘system patch’.

### © Employee Satisfaction Survey

The Company regularly conducts multidimensional employee satisfaction surveys covering key areas closely tied to employees’ day-to-day work, including the fairness of performance evaluations, the timeliness of materials procurement, dining experience, and network response efficiency. However, we are fully aware that the core of a satisfaction survey does not lie in simply issuing questionnaires and going through the motions, but in establishing a complete closed loop of problem identification, root cause analysis, improvement measures, accountability assignment, and verified rectification.

After each survey, we systematically review employee feedback, identify the root cause of each issue, develop improvement measures, assign the responsible department and individual, and set clear deadlines for completing rectification. Through this mechanism, every employee suggestion is translated into tangible improvement actions, ensuring that satisfaction surveys truly serve as an internal driving force for the organization’s continuous development.

### © Supporting employees facing difficulties

During the reporting period, the Company continued to strengthen its employee care system, effectively enhancing employees’ sense of fulfillment and belonging through multi-level, multi-dimensional support and comfort giving mechanisms:

#### Medical mutual aid coverage

Medical mutual aid subsidies totaling RMB113,000 were secured for 31 employees, effectively easing their medical burden and strengthening health protection.

#### Targeted assistance and support visits

During the “Delivering Warmth” campaign, more than RMB20,000 in targeted assistance was provided to 7 employees facing difficulties, delivering care to those who needed it most.

### © Corporate Culture Development

The Company has consistently treated corporate culture development as an important vehicle for building team consensus and energizing the organization. With senior Group leadership setting the example and organizations at all levels working in concert, we have focused on three priorities—humanistic care, capability development, and value co-creation—to build a comprehensive, multi-tiered system for employee care and growth.

#### ❖ Leadership by Example, Organizational Execution

The president of the mining company led the management team in deep involvement in corporate culture development, setting the standard by participating in themed initiatives such as green mine volunteer activities, World Earth Day, Energy Conservation Publicity Week, and National Low-Carbon Day, and communicating the Company’s cultural values through concrete actions. The vice president in charge is responsible for the overall planning and guidance of corporate culture initiatives, while the Party-Mass and Administrative Department of each company serves as the implementing body, ensuring that all cultural activities are planned, carried out, and effective, thereby creating a closed-loop management mechanism of “top-level leadership - coordinated oversight - bottom level implementation”.

#### ❖ Heartwarming initiatives woven into everyday life

**Making holiday care a regular practice:** During traditional festivals such as the Spring Festival, Dragon Boat Festival, and Mid-Autumn Festival, the Company provides employees with generous benefits such as rice, flour, grain, and cooking oil; on March 8, International Women’s Day, special gifts are distributed to all female employees. Managers at all levels consistently go to the front lines and extend sincere greetings to employees who remain at their posts during holidays.

**Cool relief in summer, warmth in winter:** Every summer, the labor unions of each company continue to carry out the “Summer Cooling” campaign, delivering heat-relief supplies to frontline employees and safeguarding the health of those working in high temperatures. In 2025, heat-relief care packages worth a total of RMB32,600 were distributed.

**Comprehensive health coverage:** The Company organizes free annual health checkups for all employees and pays for employee mutual medical insurance. In 2025, the union disbursed a total of RMB43,450 from the Caring Fund (including support for employees' marriages and childbirth, condolences for the illness or death of immediate family members, and assistance for employees in need), and also secured a special allowance of RMB5,600 from the higher-level union for employees in need working in high-temperature positions.

**Sports and cultural facilities upgrading:** Each business segment is equipped with a large, fully featured employee activity center, with dedicated areas for reading, fitness, leisure, and entertainment. In 2025, the Company refurbished the staff activity room, providing employees with a higher-quality space for relaxation, learning, and socializing after work; The staff library is open regularly, with reading resources continuously enriched to support employees' self-improvement.

#### ✦ Multi-dimensional Empowerment, All-round Development

**Professional Competency Enhancement:** Focusing on job-specific skills, the Company organized multiple vocational skills competitions; Employees were encouraged to innovate and improve performance in their roles. Throughout the year, a total of 32 entries were collected under the categories of "small inventions, small creations, small innovations, small designs, and small suggestions", winning 11 municipal-level awards and 18 county-level awards.

**Physical and mental well-being:** Organize special lectures on lung nodule prevention and treatment, traditional Chinese medicine wellness, mental health, and other topics, and carry out the employee mental wellness initiative "Set Sail from the Heart, Energize the Mind" to support employees' physical and mental well-being.

**Safety and legal awareness education:** Organize fire emergency drills and conduct awareness campaigns on avoiding predatory online loans to enhance employees' safety awareness and their sense of discipline and law.

#### ✦ Strengthen team cohesion and give back to society

**Team cohesion:** Regularly organize employee trips, team-building activities, fun sports meets, athletic competitions, and social events to foster a positive atmosphere of "full participation and striving for excellence". Hanking Australia embraces a multicultural environment and organizes cultural and recreational activities each year, including Christmas and Chinese New Year gatherings, Australian Indigenous cultural festivals, and Easter celebrations, to foster exchange and integration among Chinese and international employees.

**Social contribution:** Actively organizes employees to participate in public welfare initiatives such as voluntary blood donation and tree planting, fulfilling corporate citizenship responsibilities through concrete actions.



"Welcoming July 1" Party-building activity



"Setting Sail from the Heart, Energizing from Within"  
Employee mental health training



International Women's Day Event



"Striving Through a Century, Embarking on a New Journey"  
Sand Table Team-Building Activity



Spring Festival Fun Fair



Employee Volunteer Activity for Building Green Mines

## Working Hours and Leave

The Group strictly complies with the statutory working hour limits and leave requirements in the places where its businesses operate. Administrative office staff at the Group headquarters work a five-day, eight-hour schedule, while production departments adopt a shift rotation system based on actual production conditions. The Company offers various types of leave, including personal leave, annual leave, marriage leave, bereavement leave, sick leave, maternity leave, nursing leave, prenatal check-up leave, childcare leave, work-related injury leave, and parental care leave. National statutory holidays and public holidays are not counted toward annual leave, making it easier for employees to achieve work-life balance. In 2025, the number of female employees who returned to work after childcare leave was 4, and the number of male employees who returned to work after nursing leave was 6.

## Trade Union Membership and Collective Bargaining Agreements

All legal entities of the Group at all levels have established trade union organizations as required, and employees may choose voluntarily whether to join them. And entered into the Special Collective Contract on the Protection of Female Employees' Labor Rights and Interests with female employees. Any interference, in whatever form, with the establishment, operation, or management of workers' organizations or collective bargaining is prohibited, and employees' rights to join, form, or not join trade unions are respected. In 2025, the iron ore segment and the high-purity iron segment had 1,688 trade union members, 100% of whom signed collective contracts, and no incidents involving risks related to freedom of association or collective bargaining occurred.

Aoni Mining conducted equitable consultations on matters including employee compensation, occupational safety and health, and the protection of female employees' rights and interests, reached consensus, and entered into the Aoni Mining special collective contracts on wages, labor safety and health, and the protection of female employees' rights and interests. Aoni Mining held the Workers' Representative Congress, at which the above three collective contracts were considered and approved, and submitted them to the Fushun County Human Resources and Social Security Bureau.

For the year ended 31 December 2025, the Group's total remuneration expenses and other employee benefit expenses amounted to RMB231,620,000 (2024: RMB207,997,000). Employee costs include basic remuneration, performance-based wages, housing allowances, social pension insurance, medical insurance, work-related injury insurance and other insurance prescribed by the State. According to the Company's remuneration policy, employees' income is linked to their work performance and the Company's economic results. Through the implementation of performance appraisals, employee motivation is enhanced and the Company's operational efficiency is improved.

During the reporting period, the Group did not record any cases of non-compliance with relevant laws and regulations relating to remuneration and benefits, working hours and holidays, anti-discrimination, or other rights and benefits.

# Occupational Health and Safety

## Governance

The Group has established health and safety organizations at all levels, from the Board to production workshops across its various business segments, which are responsible for implementing and overseeing health and safety work, thereby forming a multi-tiered health and safety management system with corresponding organizational structures and staffing.

### Company-wide Workplace Safety Accountability System

The Company strictly follows the principle of comprehensive coverage at every level and has established and improved a robust workplace safety accountability system covering all employees, ensuring that every position and every employee has clearly defined safety responsibilities, with no individual or post left uncovered. At the same time, through systematic training and education, it advances the effective implementation of dual accountability for each position, embedding safety management into every aspect of daily operations.



### Accountability is reinforced and passed down at every level

Each year, the mining company's headquarters sets annual objectives for safety and environmental protection and signs Safety Production Target Responsibility Agreements with the senior executives responsible for each area at successive levels. Through the cascading execution of these responsibility agreements, safety production accountability and targets are effectively communicated to every Management level and business unit, creating a clear chain of responsibility in which each level takes charge of the next and implementation is ensured at every level.

### Rigorous enforcement of performance assessment and incentives

The Company directly links safety performance to employees' financial interests, promotion opportunities, and merit evaluations, and fully enforces a one-vote veto system for safety production. Units and individuals that fully implement safety responsibilities and achieve outstanding results shall be rewarded; Where a liability accident occurs or safety targets are not met, penalties shall be strictly enforced, truly linking responsibility with benefits and performance with evaluation, and using firm constraints to drive a safety culture deep into employees' minds and hearts.

## Mining Company Responsibility System for Production Safety for All Employees

 <p><b>Highest Management Authority</b></p>	<p>Production Safety Committee</p>	<p>Chaired by the President, with the Chief Safety Officer serving as Deputy Chair; members include the heads of all relevant headquarters departments and the general managers of each mine</p>
 <p><b>Administrative Unit</b></p>	<p>Production Safety Committee</p>	<p>Chaired by the Head of Safety and Environmental Protection Department; members include dedicated executives of that department for safety and environmental protection</p>

## Daily Work Safety Management Structure



The Group strictly complies with the Law of the People’s Republic of China on the Prevention and Control of Occupational Diseases, the Work Safety Law of the People’s Republic of China, the Labor Law of the People’s Republic of China, the Regulations of the People’s Republic of China on the Prevention and Control of Pneumoconiosis, the Special Provisions on Labor Protection for Female Employees, the Safety Regulations for Metal and Non-metal Mines, the Safety Regulations for Tailings Ponds, the Provisions on the Supervision and Administration of Labor Protection Supplies, and the Standards for the Provision of Labor Protective Environment. The occupational health and safety management system for the Australia Gold Mine Business has been established and implemented in accordance with Australia’s Work Health and Safety Act and Mining Work Health and Safety Regulations. In accordance with the requirements of the above laws and regulations, occupational hazard assessments have been strengthened and occupational health monitoring in the workplace has been carried out to provide a scientific basis for the effective prevention and control of occupational diseases.

During the reporting period, in light of adjustments to the Company’s organizational structure and relevant regulations, the All-staff Work Safety Responsibility System, Work Safety Management System, and Job Operation Safety Rules were revised, further improving the Company’s workplace safety management framework and ensuring that safety responsibilities are implemented, safety systems are in place, and safe operations are properly guided, thereby providing institutional support for the sustained and stable advancement of the Company’s safety and environmental protection efforts.

### Occupational Health and Safety Management System Certificate

The Company has consistently regarded employee occupational health management as a vital cornerstone of sustainable development. Focusing on four dimensions—physical health, mental health, institutional safeguards, and health benefits—it has established a comprehensive health protection system that covers all employees and runs throughout the entire process. The Company successfully completed the renewal of its Occupational Health and Safety Management System Certificate. The new certificate remains valid until June 2028, and the Company undergoes annual surveillance audits as required to ensure ongoing compliance with the requirements of ISO 45001:2018.

#### Body Health: Scientific Prevention and Control, Risk Mitigation at the Source

The Company strictly implements the Law of the People’s Republic of China on the Prevention and Control of Occupational Diseases and related regulatory requirements, operates an ISO 45001 Occupational Health and Safety Management System, and applies closed-loop management to occupational health throughout the entire process.

**Prevention and Control at the Source:** Construction is carried out in accordance with the design requirements for occupational disease protection facilities, protective facility management is strengthened, and manual operations are continuously replaced through technological upgrades and mechanization to reduce exposure to occupational hazard factors at the source.

**Process monitoring:** Regular occupational hazard assessments and monitoring are conducted for all production systems, including dust, noise, high temperatures, and other factors.

Staggered work schedules are implemented for relevant positions, personal protection requirements are fully enforced, and personnel exposed to occupational hazards are provided with high-quality protective equipment that meets national standards.

**Health examinations:** Annual health examinations are organized for all employees, and specialized occupational health examinations are conducted for personnel in positions exposed to hazards such as dust and toxic substances. Throughout the year, occupational health checkups were completed for 291 employees exposed to dust and toxic substances, ensuring “early prevention, early detection, and early intervention”.



### ◇ Mental Health: Start from the Mind, Recharge with Energy

The Company places great importance on employees' mental health and has incorporated it into its occupational health management system. Through regular psychological and behavioral training, stress-relief seminars, and team-building activities, the Company helps employees ease work and life pressures while strengthening psychological resilience and team cohesion.

### ◇ Institutional safeguards: clear accountability and closed-loop management

The Company has established and refined occupational health management systems and operating procedures, and fully implements standardized safety management. By implementing a workplace safety accountability system for all employees, the Company breaks down occupational health responsibilities across every level and position, ensuring that every protective measure is assigned and overseen by dedicated personnel. At the same time, it conducts regular occupational health and safety education and training to strengthen employees' self-protection awareness and emergency response capabilities.

### ◇ Health benefits: balanced nutrition for sustained vitality

The Company is committed to creating a healthy and comfortable work-life environment for employees:

1	Nutritious meals	2	Recreational facilities	3	Medical coverage
	An employee cafeteria provides balanced meals every day to support employees' health.		A recreation center is available, equipped with fitness and sports facilities, a library and reading area, and more, providing employees with a quality space to relax and exercise in their free time.		All employees are enrolled in medical insurance, providing solid health protection.



### “Setting Sail from the Heart, Energizing from Within” — Employee Psychological and Behavioral Training

To strengthen team cohesion, ease employees' work and life pressures, and enhance psychological resilience and work efficiency, the Company organized the “Setting Sail from the Heart, Energizing from Within” employee psychological and behavioral training program.

For this program, the Company specially invited provincial-level experts in psychological and behavioral training to serve as instructors. Centered on the theme of “Breakthrough Through Collaboration”, the program used a series of carefully designed interactive sessions to help employees relieve stress, build trust, and strengthen teamwork through hands-on participation. From the efficient teamwork of ‘Emergency Assembly’ to the relaxed ice-breaking of the ‘Bubble Gum Game’; from the creative spark of ‘Team Building’ to the emotional resonance of the ‘Energy Game’, and then to the trust challenge of ‘Blind Item Pickup’—every activity guided employees to feel the power of teamwork through interaction and achieve personal breakthroughs through collaboration.

After the event, employees all said: ‘When everyone shares the same goal and trusts one another, even seemingly difficult tasks become possible’. This psychological and behavioral training not only effectively relieved employees' psychological stress, but also enhanced cross-departmental communication and mutual understanding, injecting fresh energy into fostering a positive and highly resilient organizational culture.



## Risk Management

the Group has always adhered to the policy of putting safety first and prioritizing prevention, and has equipped itself with comprehensive production safety protective equipment, established relevant systems and operating procedures, and strengthened safety awareness to safeguard employees' health and ensure safe production through various measures such as health and safety protection, safety supervision and assessment, and funding support.

### Health and Safety Training

To enhance employees' health and safety awareness, the Group organizes annual safety training and conducts targeted emergency first-aid training and disease prevention talks to strengthen employee care. We regularly convene safety meetings, provide daily pre-shift safety reminders, and require construction personnel to complete mandatory safety training before starting work. Through initiatives such as Safety Activity Month, safety talks, safety knowledge competitions, and practical skills competitions for key trades, as well as through safety and health bulletin boards, safety warning signs, and banners, we continuously enhance employees' safety awareness and risk prevention capabilities.

The workplace is equipped with comprehensive safety protection facilities, and all employees entering work areas wear the required personal protective equipment, mainly including safety helmets, miners' lamps, self-rescuers, insulating boots, protective goggles, earplugs, specialized workwear, gas masks, and acid-resistant gloves. For positions exposed to dust, noise, and high temperatures, measures such as rotating shifts are adopted to protect employees' health; Soundproof enclosures are installed for noise-generating equipment to proactively control occupational hazards at the source. Each plant is staffed with dedicated safety officers who continuously inspect the safety conditions of equipment and personnel, with particular attention to safety in gas-related operations.

#### Hanking Australia Gold Mine Business:

The Company has established corresponding management systems in accordance with the requirements of local laws and regulations. All employees and contractors are required to fully understand and fulfill their roles and responsibilities in occupational health, safety, environment, and social responsibility (HSE & ESG), including complying with internal rules and regulations, understanding applicable laws and regulations, identifying the potential impacts their work may have, and identifying, assessing, and controlling relevant risks in accordance with established procedures.

The Company has implemented the following key safety management measures:



- During the screening of contractors and contract workers, their past safety performance and insurance claims records are assessed;
- All construction personnel must complete the required safety training before starting work;
- Ensure that personnel correctly wear and use the necessary personal protective equipment during construction;
- Conduct regular safety inspections and testing of construction and operating equipment;
- During drilling operations, strictly monitor employees' physical and mental health to prevent work under fatigue or illness, and promptly identify and eliminate potential safety hazards;
- Install clear, standardized safety signs and warning notices in the mining area;
- Establish a safety hazard reporting mechanism to ensure that any potential risks are reported promptly and corrective measures are taken.

During the reporting period, all employees participated in various safety training programs, with average safety training time per employee reaching 30.1 hours. The training covered the Work Safety Law, company rules and regulations, notification of hazards in production areas, operating procedures, and accident case studies. All 'three-category personnel' obtained the qualification certificates, ensuring that the rate of working with valid certification reached 100%. Throughout the year, 52 weekly educational bulletins on workplace safety accidents nationwide were issued and communicated to every employee through team safety activities, regular safety meetings, and other channels, using accident cases at all times to alert all staff and continuously strengthen safety awareness and prevention.

		Unit	Total
<b>Safety Education (Internal Training)</b>	Three-Level Safety Education for New Employees	person-times	215
	Safety Refresher Education	person-times	1,181
	Routine Safety Education and Training	person-times	11,662
<b>Safety Management Personnel</b>	Initial Training	person-times	15
<b>Safety Management Personnel</b>	Recertification	person-times	148
<b>Special Operations Personnel</b>	Initial Training	person-times	37
	Recertification	person-times	243
<b>Safety Training Hours</b>		hours	48,502
<b>Participants in Safety Training</b>		person	1,609
<b>Average safety training hours per person</b>		hours/person	30.1



## Work Safety Month themed activities — Everyone talks about safety, everyone can respond to emergencies — Identifying safety hazards around us

The Company has consistently adhered to the principle of ‘safety first, prevention foremost’, continuously strengthening all employees’ awareness of safety boundaries and tightening and solidifying work safety responsibilities at every level. To effectively improve the quality of risk and hazard identification and remediation, and enhance employees’ safety awareness as well as their ability to avoid danger and escape, the Company organized Work Safety Month themed activities. Through this initiative, the Company has further implemented the workplace safety accountability system for all employees, reinforced workplace safety awareness, enhanced employees’ safety skills, effectively addressed weak links in production safety, and laid a solid foundation for building a safe, harmonious, and green mine.

Leadership Group for the “Safety Production Month” campaign: the president of the mining company serves as group leader, and members include the heads of all departments; An office has been established under the Leadership Group to fully advance and oversee the Safety Production Month campaign;

### ❖ Communications

Centered on the theme of “Work Safety Month”, the Mining Headquarters and all mine sites carried out a series of awareness activities through multiple online and offline channels, fostering a safety culture of company-wide participation:

Mining Headquarters

Used the LED display screens to continuously show the Work Safety Month theme, shared content online, and organized all employees to watch the “Work Safety Month Promotional Video”;

Maogong Iron Mine

Hung 24 promotional banners, posted more than 50 posters, and organized screenings of the “Work Safety Month Campaign Video”. Through safety meetings, special-topic meetings, and pre-shift meetings, employees are organized to watch collectively, while multimedia large screens are used to continuously play safety awareness and educational videos;

Shangma Iron Mine and Aoni Iron Mine

In the office building lobby, LED display screens continuously play safety-themed promotional films and warning education films, and safety publicity boards are set up in each workshop and the content is updated regularly. Through document distribution, meeting briefings, and other means, the Safety Month theme is communicated to every employee, while safety banners are hung in prominent locations to reinforce visual warnings and raise safety awareness.

### ❖ Training

Mining Headquarters

Organized fire safety education and training and special-topic training on the “Eight Hard Measures”, while also distributing online the promotional video for the 2025 “Safe Production Month” campaign theme and accident warning education videos, with a cumulative total of 792 participants trained.

Maogong Iron Mine

Each production system organized study sessions on standards and regulations such as the Criteria for Identifying Major Accident Hazards in Metal and Non-metal Mines, the Safety Regulations for Metal and Non-metal Mines, and the Safety Regulations for Tailings Ponds; Conducted centralized warning education activities and organized all staff to watch educational films featuring typical accident cases; Organized activities such as the “2025 Ankang Cup Safety Knowledge Competition”, the “2025 Emergency Rescue Skills Competition”, the “6th Ankang Cup Safety Knowledge Competition”, and the “3rd Prize Safety Knowledge Q&A Fun Sports Meet”.

Shangma Iron Mine and Aoni Iron Mine

conducted 4 safety education and training sessions, organized employees to take part in on-site instruction on the use of self-rescuers and fire extinguishers, and organized employees to attend training on the three-year campaign to tackle root causes and strengthen foundational measures.



## ❖ Hazard Inspection

### Mining Headquarters

organized a company-wide hazard identification campaign. Through all employees identifying safety hazards in their surroundings, a total of 9 general hazards were identified, with no major accident hazards found, and all have been rectified;



### Maogong Iron Mine

organized all departments to carry out the "Identify Safety Hazards Around You" campaign. The No. 2 Mining Area and the processing plant participated by team, while the General Section and the Production Technology Section participated by department. In addition, the general manager organized safety and technical personnel to conduct a comprehensive inspection of hazards in their surroundings. The campaign identified a total of 145 hazard issues, with no major accident hazards found, and all have been closed out in accordance with the "Four Lists" closed-loop management requirements;

### Shangma Iron Mine, Aoni Iron Mine

organized a special campaign to "identify safety hazards around us". All employees, based on the actual circumstances of their respective positions, identified accident hazards around them. During the campaign, 48 general hazards and 56 risk warnings were identified. No major accident hazards were found, and all items have been closed out under closed-loop management in accordance with the "Four Lists".

## ❖ Emergency drills

### Mining Headquarters

conducted 1 fire evacuation emergency drill and 1 emergency drill for lifting injury accidents;



### Maogong Iron Mine

Organized an activity to prepare evacuation route maps, with each department having employees mark the evacuation route for their respective posts on the floor plan, ensuring that all employees are familiar with the evacuation routes in their work areas; conducted blindfolded self-rescuer wearing drills and underground emergency shutdown and personnel evacuation drills; the processing plant organized earthquake evacuation drills and fire evacuation drills; the Hongji Project Department organized an office building fire escape drill;

### Shangma Iron Mine, Aoni Iron Mine

conducted a practical emergency drill simulating an employee falling from height in Mining Area No. 5;

### Aoni Iron Mine

conducted a fire evacuation drill in the office area of the No. 2 Concentrator.

## Safety Supervision and Assessment

During the year, the mines underwent 42 various safety and environmental protection inspections by higher-level authorities, including 35 safety production inspections and 7 environmental protection inspections. During the year, Maogong Iron Mine received 2 inspections from the National Mine Safety Administration (Beijing) and 6 inspections from provincial-level safety supervision and inspection authorities. All issues and hidden hazards identified during inspections have been rectified, achieving closed-loop management.

The Mining Headquarters and all mines strictly implement management systems such as the Hidden Hazard Inspection and Remediation System, the Safety Inspection System, and the Safety Risk Classification Control System. The mining company headquarters and all mines regularly conduct risk identification, update the dual prevention mechanism based on the results, and use this system as a key framework to rigorously carry out safety risk identification and hidden hazard inspection and remediation. The general managers of each mine organize and conduct a monthly self-inspection of major accident hazards, and the mining company headquarters organizes and conducts a quarterly special inspection of major accident hazards. Over the course of the year, the Company's Safety Committee identified 65 safety hazards and completed rectification of 65 items, achieving a hazard rectification rate of 100%. All accident hazards identified through self-inspections at each mine have been fully rectified, achieving a hazard rectification rate of 100%. In addition, in accordance with the requirements set out in the relevant work safety and accident warning documents issued by the competent authorities at all levels, all mines carried out thorough special inspections of outsourced construction teams, ventilation, roof conditions, and other key areas. Production, technical, and management personnel conducted daily safety patrols, and any hazards identified were rectified immediately, ensuring that all types of accident hazards were promptly detected and eliminated.

## Emergency Plans and Drills

In line with the filed emergency plans, a total of 133 drills were completed, including comprehensive drills, specialized drills, and on-site response plan drills were completed, and three-prevention drills related to precursor chemicals and precursor explosives.

### Advance the mine's "four modernizations" initiative and strive to achieve intelligent control and management for safe production.

The safety and environmental protection management module of the Company's intelligent management platform has been operating well, and the mine has continued to advance mechanization and intelligent upgrade projects, as well as upgrades enabling unattended operation at fixed posts, further enhancing the Company's automation and intelligent management capabilities. During the year, Maogong Iron Mine successively completed projects including the remote-control retrofit of the No. 1 fan at Dongfeng Shaft, 5 central equipment remote-control upgrades, supervisory control system retrofits, and optimization of remote control for the 7 central water pump. In the second half of the year, we will also fully advance six major system upgrade and renovation projects, transforming the original underground gigabit network into a 10-gigabit backbone ring industrial Ethernet network. Leveraging the new 10-gigabit ring network and underground integrated stations, we will introduce Wi-Fi 6 wireless networking to achieve full network coverage of the main roadways in each mining section, upgrade the original personnel positioning system to a UWB precise positioning system for accurate personnel location tracking, and add 128 high-performance video recorders to the video surveillance system, enabling comprehensive visual monitoring of underground operations and providing intuitive image support for operational dispatch and abnormal incident handling. Through the continued advancement of smart mine development, the Company's safety management standards will reach a new level.

## Indicators and Targets

By continuously strengthening health and safety risk management and control, the Group has achieved zero fatalities, zero serious injuries, zero fires, and zero environmental pollution for nine consecutive years. During the reporting period, the Company recorded no work-related injury accidents.

Indicator	Unit	2025	2024	2023
Number of employee fatalities	person	0	0	0
Number of minor injuries	person	0	3	0
Number of workdays lost due to work-related injuries	day	0	21	0
Lost Time Injury Rate per million working hours LTIR	/	0	0.87	0
Total Recordable Injury Rate per million working hours TRIR	/	0	0.87	0

Note: Lost Time Injury Rate per million working hours LTIR= Number of lost-time injuries ÷ Total working hours × 1,000,000  
 Total Recordable Injury Rate per million working hours TRIR= Number of recordable injury cases ÷ Total working hours × 1,000,000

100%

Potential accident hazards Rectification rate	Safety directives Implementation rate	New employee onboarding Three-level safety education Training rate	Three-level safety education training rate for all employees	Certification rate for special operations On-post rate
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The Company regularly arranges occupational health examinations for employees in positions exposed to occupational hazards and strengthens occupational disease screening for personnel exposed to dust and toxic substances. In 2025, the Group organized health check-ups for all employees and arranged 1,307 occupational health examinations.

### Safety measures expenses

The Company has consistently maintained a dedicated account for safety measures expenses and ensured that the funds are earmarked exclusively for their designated purposes, mainly for improving mine safety production conditions; installing, upgrading, and maintaining safety and environmental protection equipment and facilities; intelligent upgrading and transformation of mines; purchasing labor protection supplies; inspection of special equipment; mine environmental management; and work safety publicity and education, among other related expenditures. During the reporting period, the Group invested a total of approximately RMB45,380,000 in safety measures and conducted 190 special equipment inspections.

## Development and Training

The Group encourages employees at all levels to acquire professional knowledge. We have established a comprehensive employee training system and, based on different job grades and position requirements, developed training programs covering corporate management, management skills, professional conduct, and technical skills. The Group has formulated and implemented the Training Management System. By organizing training activities with rich content and diverse formats, we help employees enhance their professional conduct and job skills, foster team awareness, and promote the shared development of employees and the enterprise.

Training across the Group is provided to all employees and is centrally planned and coordinated by the Human Resources Department at headquarters and at each subsidiary. Dedicated training supervisors are assigned within the Human Resources Departments of each business segment to develop training plans and organize their implementation; in addition, the Safety and Environmental Protection Department is responsible for safety education and training for all employees. Each year, the Human Resources Department at headquarters conducts an annual training needs survey among employees. After carefully analyzing the feedback, the results are used as an important basis for developing the training plan for the following year. Taking into account the Company's resources, it formulates the annual training plan, sets performance targets, conducts mid-year reviews and year-end evaluations, and uses performance as an important reference for salary adjustments and employee excellence assessments.

### Training for Directors and Management

the Company attaches great importance to training for directors and Management, and guides directors in self-study of training materials such as the Guide on Directors' Responsibilities issued by the Hong Kong Companies Registry, the Hong Kong Stock Exchange's Listed Issuer Regulation Newsletter, review reports on issuers' compliance with the Corporate Governance Code, and the anti-fraud awareness and training materials issued by the Company. Lawyers are invited to provide all directors with specialized training on the Board and Directors' Corporate Governance Guidelines, and the Company Secretary undertakes no less than 15 hours of professional training each year.

### Employee Training

#### © Group Headquarters

The Company introduced the Yun Classroom online learning platform and, by integrating digital learning resources, enabled employees to engage in self-directed and flexible learning. Since the platform was launched, cumulative learning time has reached 306 hours, helping foster a learning-oriented organizational culture. In addition, a special training program, "AI Empowering the Workplace", was conducted to improve employees' digital skills through expert lectures and practical exercises, reaching a total of 48 participants.



AI Empowering the Workplace Specialized Training

#### © Iron Ore Segment

In line with the annual training plan, the Company focuses on strengthening the theoretical foundation and practical skills of professional and technical personnel to enhance technological R&D and innovation capabilities. Drawing on its extensive mine management experience, the Company has defined training responsibilities in accordance with the Training Management System. Supported by the training framework of the Hanking Mining Academy, it adopts a diversified training model that integrates online and offline learning. Course content covers mine management, geological surveying, mining and mineral processing technologies, mechanical fundamentals, electrical technology, workplace safety, production technology, automation, and other areas. The Company also regularly organizes internal instructors and frontline key personnel to attend train-the-trainer development programs, in order to improve their teaching capabilities across various professional fields.



To further strengthen team-level safety culture, the Human Resources Department carried out a comprehensive upgrade of the “Hanking Mini Classroom” project in 2025. We not only significantly increased the frequency of courses, but also introduced a new hands-on course, “Work Injury Knowledge and On-site Evidence Collection”, to the curriculum. Through in-depth analysis of typical accident images, this course empowers employees in an intuitive and precise way, effectively enhancing the practical impact of the training. During the reporting period, 29 team training sessions were successfully conducted, reaching a cumulative total of 342 attendees, up significantly by 93.22% year on year.

In light of the characteristics of mining enterprises, the Company places great importance on building its internal instructor team and has adopted a training model led primarily by internal instructors and supported by external instructors. Instructors are selected through a combination of voluntary applications from employees across departments and appointments by department heads. They are primarily drawn from the Company’s engineers, technical experts, middle and senior management personnel, and key professional staff in fields such as geology, surveying, mining, mineral processing, and machinery.

In 2025, new internal trainer training content was introduced

No.	Training Title	Internal Trainer Level	Class Hours per Session	Number of Participants
1	<b>How to Apply the Pyramid Principle to Design a Course Outline</b>	Junior	1	38
2	<b>6 Common Learning Activities</b>	Junior	1	38



Employee Mutual Aid Protection Training



Specialized Skills Training

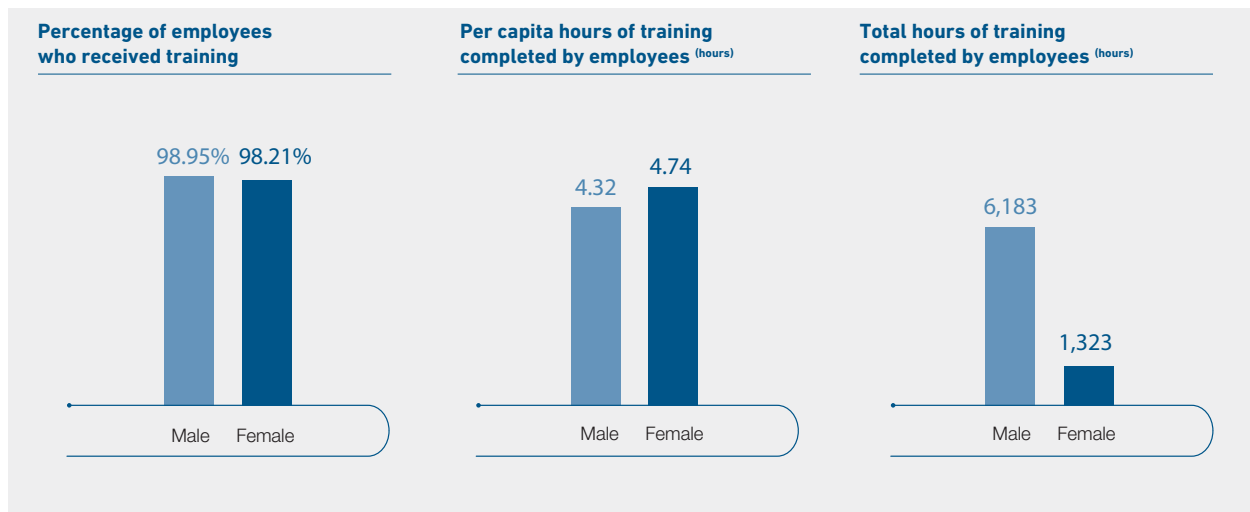


Hanking Micro Classroom – Work Injury Knowledge Training



Hanking Micro Classroom – Fire Safety Knowledge Training

## The Group's employee training participants and proportions in 2025 are as follows



Employee category	Gender	Number	Trained Number	Percentage	Average training hours (hours)	Total training hours (hours)
Senior Management	Male	3	3	100.00%	4.72	14
	Female	2	2	100.00%	7.50	15
Middle Management	Male	53	50	94.34%	6.90	345
	Female	14	13	92.86%	10.69	139
Technical and Operations Staff	Male	523	521	99.62%	8.00	4,184
	Female	47	47	100.00%	11.13	523
Regular employees	Male	851	841	98.82%	1.93	1,640
	Female	216	212	98.15%	2.99	646
Total	Male	1,430	1,415	98.95%	4.32	6,183
	Female	279	274	98.21%	4.74	1,323

### Notes:

1. The average training hours per employee is calculated as: total training hours completed by employees in the relevant category divided by the total headcount of employees in that category.
2. The percentage of employees receiving training is calculated as: trained number of employees in the relevant category divided by the total headcount of employees in that category.

## Labour Standards

The Group complies with the relevant provisions of the Labor Law of the People's Republic of China, the Labor Contract Law, the Law of the People's Republic of China on the Protection of Minors, and the Provisions on the Prohibition of Child Labor, follows the relevant rules of International Labour Standards (ILS), has established standardized onboarding procedures and unified onboarding management, and effectively safeguards labor rights and interests.

We respect workers' right to freely choose their occupations, regulate labor and employment management, prohibit forced labor and the recruitment and employment of child labor, safeguard employees' health and safety, and improve occupational health management. The Group's headquarters and all subordinate legal entities at various levels have established their own human resources departments, which are responsible for regularly reviewing and complying with labor standards. If any violation of labor standards is identified, the human resources department of the subsidiary shall handle it promptly and report the handling results to the human resources department of the headquarters. In the event of major operational changes or other circumstances that may have an adverse effect on employees, the Company will notify employees in advance to minimize such negative impact. During the reporting period, the Group did not identify any cases of child labor recruitment or employment, or any instances of forced labor.

# Supply Chain Management

The Group attaches great importance to managing and controlling environmental and social risks in the supply chain, and promptly collects and updates national laws, regulations, and related requirements. Relevant supply chain management practices have been adjusted in line with the latest national requirements to ensure compliance with current national laws, regulations, and related provisions.

## Governance

The Company has established a supply chain governance framework featuring unified policies, tiered management, and dedicated accountability to ensure that procurement and supply chain management activities are compliant, efficient, and transparent. Through a governance framework with clearly defined powers and responsibilities, the Company assigns supply chain management responsibilities at every level to ensure that procurement activities are standardized and carried out under effective oversight.

The Company has developed and implemented the Procurement Control Regulations and the Procurement Management System to provide unified standards and operational guidance for end-to-end supply chain management. Each business segment has established a dedicated supply chain management department, with the head of the segment assuming overall responsibility and a clearly designated body responsible for execution:

**Iron ore segment:** The Director of Supply and Sales is responsible for overall coordination of supply chain management, and the Procurement Department is responsible for specific execution.

**High-purity iron segment:** The General Manager assumes overall responsibility, the Deputy General Manager in charge oversees daily supervision and management, and the Supply Department is responsible for specific execution.

Suppliers must undergo investigation (including on-site inspections), evidence collection, evaluation, and approval before they may be included in the shortlisted supplier directory. The legal department and the Audit Department participate in oversight to ensure a fair selection process.

 <p><b>Supplier Investigation</b></p>	<p>For products used over the long term and supplied periodically, key equipment and spare parts with high technical content, and products with large quantities and high value, relevant professional and technical personnel, end users, and procurement personnel from the supply department should conduct on-site inspections of new suppliers and carry out a comprehensive assessment from both technical and economic perspectives.</p> <p>For products of low value that will not affect production, suppliers may be evaluated by telephone, fax, internet, or other means.</p>
 <p><b>Supplier Qualification Verification</b></p>	<ul style="list-style-type: none"> <li>• Original or copy of the Three-in-One Business License</li> <li>• Production permit, special industry production permit, work safety permit, hazardous chemicals production/operation permit, etc. (required for special industries)</li> <li>• Documents such as a company profile, operating status, and business performance</li> <li>• Check the Company's credit file in the "National Enterprise Credit Information Publicity System" to review its overall credit standing</li> </ul>
 <p><b>Supplier Onboarding Assessment</b></p>	<ul style="list-style-type: none"> <li>• The product manufacturer has obtained ISO9001 quality management system certification, ISO14001 environmental management system certification, and ISO45001 occupational health and safety management system certification</li> <li>• Staffed with professional technical personnel, with product R&amp;D capabilities and a well-established after-sales service system</li> <li>• Suppliers offering significantly better cost performance than at present</li> <li>• A complete range of product specifications, including core products, to meet our company's diverse needs</li> <li>• Company scale</li> <li>• Manufacturer at the place of origin or a first-tier brand agent</li> <li>• Leading domestic supplier</li> </ul>
 <p><b>Supplier Approval</b></p>	<p>The Supply Department submits a supplier approval application, which is reviewed by the relevant professional departments. Suppliers that meet the approval standards are added to the shortlisted supplier directory upon approval by the Deputy General Manager of Supply/ Director of Supply and Marketing. The Supply Department archives the supplier's relevant documents and information.</p>

In accordance with the Materials Procurement Management System, each business segment carries out centralized procurement and unified warehousing and allocation management for the materials it requires. All purchases are governed by contracts, with strict oversight of contract performance and control over the disbursement of funds. Each business segment maintains a supplier directory and evaluates and updates it regularly, conducts real-time analysis of material inventory levels, procurement categories, and material consumption, and generally adopts three methods for procuring materials based on the production departments' material requirements plans and material types: tendering, inquiry and price comparison, and designated procurement.

## Risk Management

In accordance with the Procurement Control Provisions and the Procurement Business Management System, the Company has established an ESG Risk Management system that covers the entire process of supplier access, evaluation, oversight, and exit, ensuring a compliant, secure, and sustainable supply chain.

**Access management:** During supplier onboarding, the Company conducts a comprehensive evaluation of candidate entities' quality assurance capabilities, qualifications and reputation, performance, and environmental and safety management standards. We place particular emphasis on reviewing suppliers' ISO related management system certifications, give priority to environmentally friendly products and services, and ensure that the products and services procured comply with current national environmental protection policy requirements, thereby preventing ESG risks at the source.

**Ongoing evaluation:** After suppliers complete warehouse entry, the Company establishes a regular evaluation mechanism and continuously monitors their environmental and social risk performance. Through public channels, the Company continuously tracks suppliers' compliance with national laws and regulations, focusing on compliance indicators such as administrative penalties and labor disputes, to ensure early identification and early intervention of supply chain risks.

**Integrity requirements:** The Company sets clear standards for suppliers' business ethics. The Procurement Business Management System clearly stipulates how corrupt practices such as commercial bribery, bid rigging, and collusive bidding are to be handled, and the policy document is distributed to suppliers' business contacts via email, WeChat, and other channels to ensure that compliance requirements are properly communicated and fully understood.

**Exit mechanism:** If a supplier engages in serious violations such as commercial bribery, major quality problems leading to major accidents, or falsification of qualification documents, the Company will promptly initiate communication and intervention procedures. If a supplier fails to implement effective corrective actions, the Company will resolutely terminate all business dealings with it and remove it from the supplier roster.

## Indicators and Targets

In 2025, the Group's 583 suppliers were located in China and Australia, with a local procurement rate of 100%.

	Number of suppliers	Bidding and tendering	Inquiry and price comparison	Designated procurement	Other
China	538	64	293	18	163
Australia	45	—	12	33	—
<b>Total</b>	<b>583</b>	<b>64</b>	<b>305</b>	<b>51</b>	<b>163</b>

During the reporting period, the Company did not identify any suppliers with significant negative impacts on the environment or society.

# Product Responsibility

The Company has always regarded product quality as its lifeline, strictly complying with the Product Quality Law of the People's Republic of China, the Advertising Law of the People's Republic of China, and other relevant laws and regulations, and has established a quality control system covering the entire process from production and inspection to sales to ensure that its products and services meet national standards and customer expectations.

**Institutional support:** The Company has formulated and implemented internal management systems such as the Quality Inspection and Management Measures and the Production and Service Provision Regulations, and conducts systematic planning and controlled management of production and service processes that directly affect product quality. Through clear operating procedures and control checkpoints, the Company ensures that the production process consistently operates in a standardized and stable manner, thereby ensuring the stability and traceability of product quality at the source.

**Process control:** The Company has established a rigorous quality inspection mechanism and carries out quality monitoring throughout the entire process, from raw material receipt to finished product dispatch. All products must undergo inspection and testing in accordance with prescribed procedures to ensure that delivered products comply with national standards and customer requirements.

**Organizational implementation:** The principal person in charge of each business segment bears direct responsibility for product quality. In the iron ore segment, the General Manager of the respective mine and Deputy Chief Engineer of the respective mining company oversee product quality inspection and testing, while the R&D Quality Inspection Department and the laboratories in the production workshops of each branch and subsidiary carry out daily sampling and testing to ensure that quality data is timely and accurate, providing a scientific basis for production control and quality improvement. For high-purity iron segment, the Technical Quality Department is responsible for sampling and sample preparation, and the laboratory is responsible for analysis.

## Product Quality Control Procedure for High-purity Iron Segment



### Raw Material Inspection

The Supply Department verifies the quantity against the supplier's 'Delivery Note', notifies the Technical Quality Department to carry out sampling, and submits the samples to the laboratory for analysis:

- ✓ The raw material administrator places the raw materials in the designated raw material storage area, hangs a pending-inspection identification tag at an appropriate location, and makes the relevant records;
- ✓ The Technical Quality Department shall conduct sampling in accordance with relevant standards or technical agreements, and the laboratory shall perform the inspection and properly complete the "Raw Material Incoming Inspection Record";
- ✓ For materials that pass inspection, the quality inspector shall stamp "Inspection Passed" on the original identification tag of the raw material and, at the same time, enter "Inspection Passed" in the relevant field on the "Delivery Note"; For materials that fail inspection, the quality inspector shall stamp "Inspection Failed" on the original identification tag of the raw material and handle them in accordance with the "Control Procedure for Nonconforming Products".



### Semi-finished Product Inspection

The Company's semi-finished products are sinter and pellets. The Technical Quality Department shall conduct sampling and sample preparation in accordance with the semi-finished product inspection requirements, and the laboratory shall conduct testing



### Finished Product Inspection

Finished iron shall be inspected by sampling each furnace. The Technical Quality Department shall conduct sampling and sample preparation in accordance with the finished iron inspection requirements, and the laboratory shall conduct testing:

- ✓ If all indicators meet the standard requirements, it shall be determined as conforming;
- ✓ A product dispatch note may be issued only when all activities specified in the "Inspection Plan" or documented procedures have been satisfactorily completed, and the relevant result data and documents are complete and approved by authorized personnel;
- ✓ Nonconforming products shall be handled in accordance with the "Control Procedure for Nonconforming Products".

In addition, the Technical Quality Department shall inspect on-site compliance with process discipline and promptly correct any problems identified. In the event of any abnormal situation, the cause shall be promptly identified and corrective action shall be taken. Any non-conforming finished iron products found shall be promptly isolated and stored separately. Non-conforming products shall not be delivered to customers.

### ◇ Customer Service and Satisfaction

The Company attaches great importance to customer feedback, strictly follows the complaint handling procedures, and ensures that customer requests are responded to promptly and resolved effectively. The Sales Department is responsible for after-sales service. It conducts telephone follow-up on products delivered to customers' warehouses, confirms that the products meet quality standards, and regularly carries out customer satisfaction surveys to continuously improve service quality.

To further ensure product quality, the Group signs quality assurance agreements with customers and operates its quality management system in strict accordance with the ISO 9001:2015 standard, ensuring the continuous and consistent supply of qualified products to customers. The Company has obtained third-party certification certificates and submitted copies to the customer's quality management department for record-keeping. In accordance with relevant national standards, the Group regularly conducts product performance and reliability testing at qualified statutory testing institutions, and provides the test reports to customers for record-keeping. When products, raw materials, or processes are changed, the Company strictly follows change control procedures, obtains the customer's written approval, and submits PPAP (Production Part Approval Process) or full-dimension and full performance inspection reports to ensure process transparency and transparent information sharing. The Company has obtained the ISO 9001:2015 Quality Management System Certification, valid until August 2028, and undergoes annual surveillance audits.



In its Iron Ore Business, the Group applies strict measurement and quality inspection controls to the ore output and transportation stages of products sold, ensuring that quantity and quality are consistent with customer requirements. In the event of significant discrepancies, the Company proactively consults with customers to address them; if no agreement can be reached, an authoritative third-party institution will conduct a review and arbitration to ensure fair and impartial results.

### ◇ Customer Privacy and Information Protection

The Company places great importance on protecting customer data and trade secrets and implements a dedicated account manager system for each customer. Each customer is assigned a designated representative as the primary point of contact. All representatives strictly comply with confidentiality agreements, manage customer data by category, maintain separate files, and may not provide or disclose any customer information to external parties without authorization.

To date, the Group has not been involved in any major violations of laws and regulations related to product liability, nor has it received any complaints regarding its products or services. None of the products sold or delivered required a recall due to safety or health issues, fully demonstrating the Company's firm commitment to product quality and the protection of customer rights and interests.

### ◇ Observation and protection of intellectual property rights

The Company has established a comprehensive intellectual property management system, in which clearly defined management responsibilities across all business segments and standardized the implementation of intellectual property observing and protecting measures, thereby providing a strong foundation for the Company's technological innovation and sustainable development.



# Community

The Group upholds the business philosophy of ‘self-fulfillment and giving back to society’ and actively leverages its own resources to work together with the communities in which it operates and all sectors of society to generate a positive social impact, give back through concrete actions, strengthen cohesion between the enterprise and the community, and pursue coordinated development with society. The Company’s community-related work is overseen by the vice president and carried out by the Administrative Department. The Company has clarified, through a designated system, the scope of work for coordinating with the local community and assigned dedicated personnel to handle day-to-day communications, at a frequency of at least 1 time per week.

## Public Welfare and Charity

In 2019, the Company established the “Deshan Caring Fund” under the Fushun Loving Education Foundation, mainly for student aid, poverty alleviation, and other public welfare projects. By the end of 2025, cumulative donations had reached RMB6,000,000. In 2020, the Company established the “Deshan AiXin Fund” under the Fushun Charity Federation for special public welfare projects such as poverty alleviation, student aid, and hardship assistance. By the end of 2025, cumulative donations had reached RMB2,500,000.

◎ **In 2025, the total donations amounted to RMB975,000, which was used to support education and public welfare for women and children. This educational assistance activities for the year benefited 300 person-times.**

- ✦ At Nankouqian Primary School in Qingyuan County, a New Year meet-and-greet was organized for 100 disadvantaged students, and educational grants were distributed. Each semester, it covers all school expenses for 100 disadvantaged students.
- ✦ The “Dandelion Action” educational support program was carried out at Dabian’gou Primary School in Qingyuan County and Pingdingshan Nine-Year School in Xinbin County. In October 2025, the unveiling ceremony for the Fushun City art subject “Teaching Support to the Countryside” and “Dandelion Action” base school for the first semester of the 2025-2026 academic year was grandly launched, injecting new vitality in aesthetic education into rural education. Representatives of the Hanking Deshan AiXin Fund donated art supplies to the students. Box after box of supplies, filled with care, served not only as the “armor” helping children explore art, but also as the “wings” carrying their dreams, contributing to the practice of aesthetic education in rural areas.
- ✦ The “Dandelion Action” was launched at Yushubianwai Primary School, a school with only three fifth-grade students, where even in a three-student classroom, aesthetic education is never absent.

◎ **“Bringing Warmth Through Tireless Journeys, Showing Responsibility Through Loving Support for Education”— the “Deshan AiXin Fund” shares warmth with students in Qingyuan’s mountain areas**

In November 2025, representatives of the Hanking Deshan AiXin Fund traveled deep into remote villages in Nanshancheng Town, Caoshi Town, Daguja Town, and other mountainous areas in eastern Qingyuan County to carry out a charitable educational assistance initiative, bringing care and hope to 6 outstanding students in Caoshi Town who excel in both character and academics. This event demonstrated the Company’s sense of responsibility through concrete actions: working tirelessly to show love and care without asking for anything in return, and bringing warmth to people’s hearts.

◎ **Participated in the Fushun Red Cross Society’s “Aid at Your Side” charity donation event**

## Participated in community-building initiatives

Through the Northern Territory’s environmental authorities, the Company conducted multiple rounds of public consultations and surveys with the community and nearby residents on matters related to the project development, and introduced the project development process and its potential impacts to relevant stakeholders. To date, no objections have been received, and the project has received strong support from certain government departments.

RMB **975,000**  
Total donations

**300** person-times  
benefited through the educational  
assistance activities

In community development and employment, the Company provides job opportunities to qualified local residents and upholds the principle of giving priority to local residents of the Northern Territory in hiring, while actively participating in and supporting community-building efforts. At the same time, the Company also gives priority to qualified local suppliers during procurement and service selection.

To date, more than 30 local suppliers from the Northern Territory, along with over 120 contractors and local workers, have participated in the project's development and early-stage construction, effectively promoting local employment and regional economic development.

In addition, the Company has consistently maintained sound, ongoing, and effective communication mechanisms with Indigenous protection agencies, the Northern Territory Government, and local communities, and is committed to fully respecting local culture and community concerns as projects advance, while building long-term, trust-based cooperative relationships.

In 2025, the Company provided sponsorship support to the Yilgarn community and also extended support and funding to local Indigenous organizations.

This support is intended to promote community development, strengthen cooperative relationships with local communities and Indigenous groups, and demonstrate the Company's ongoing commitment to community engagement and social responsibility.

◎ **More than 70 members of the Hanking Green Mine volunteer team took part in a tree painting activity, applying protective anti-rot and pest-control coating to thousands of trees**



◎ **The Company organized 12 colleagues to form a team for the Fushun County employees' tug-of-war competition, where they won the championship**

◎ **Dispatched 2 loaders to participate in snow removal activities in Shiwen Town and Aoni Village**

◎ **Earth Day environmental protection activity**

22 April 2025 marks the 56th Earth Day. To commemorate this milestone, the global organizer EARTHDAY.ORG joined with one billion supporters across 192 countries in collective action, setting this year's global theme as: Our Energy, Our Planet! And calling for an accelerated transition to renewable energy.

The Company actively fulfills its environmental and ecological protection responsibilities and organized a range of environmental initiatives on Earth Day: all employees learned about the latest renewable energy developments, gained an understanding of the Company's current use of renewable energy, and took part in a solar-powered Mars rover assembly competition to deepen their understanding of renewable energy through fun, interactive activities; at the same time, the Company will gradually increase its use of renewable energy.

### ◇ Presentation on Renewable Energy Knowledge

The Company organized all employees to learn about renewable energy through centralized study sessions, posted slogans, distributed leaflets, and other means to promote renewable energy awareness among employees, and introduced the Company's current use of renewable energy.

### ◇ Renewable Energy Model Competition

Employees assembled "solar-powered Mars rover" models by hand and held a small competition, gaining firsthand, intuitive insight into the efficient conversion and low-carbon value of renewable energy through practical experience.



### Learn from Lei Feng Through Action · Donate Blood and Share Love

For many consecutive years, the Youth League Committee of Aoni Mining has organized the "Learn from Lei Feng, Show Love through Voluntary Blood Donation" activity. This not only reflects our Company's commitment to social welfare, but also inspires employees' compassion and spirit of selfless dedication, promotes the spirit of Lei Feng, and spreads positive social energy. A total of 42 people participated in this year's voluntary blood donation activity.



### Indigenous Rights

The Mt Bundy Gold Project in Australia's Northern Territory has completed multiple archaeological surveys during its development and, in accordance with the law, has applied for and obtained the relevant Indigenous cultural heritage protection certificates to confirm that there are no identified Indigenous cultural sites within the project area. During the project planning and implementation stages, the Company fully respects the legitimate concerns of Indigenous peoples regarding project participation and the protection of their rights and interests, and incorporates the relevant requirements into its project management and communication mechanisms.

At the same time, the Cygnet Gold Project in Western Australia is also actively advancing work related to Indigenous participation. By attending meetings of Indigenous communities and relevant organizations, the Company maintains communication with local Indigenous groups and provides support wherever possible to promote mutual understanding and cooperation.

During the reporting period, the Company was not involved in any incidents that infringed upon or harmed the lawful rights of Indigenous peoples. It also continued, in compliance with applicable laws and regulations, to maintain constructive and ongoing communication with Indigenous-related institutions and communities, supporting the compliant advancement of projects and their long-term sustainable development.

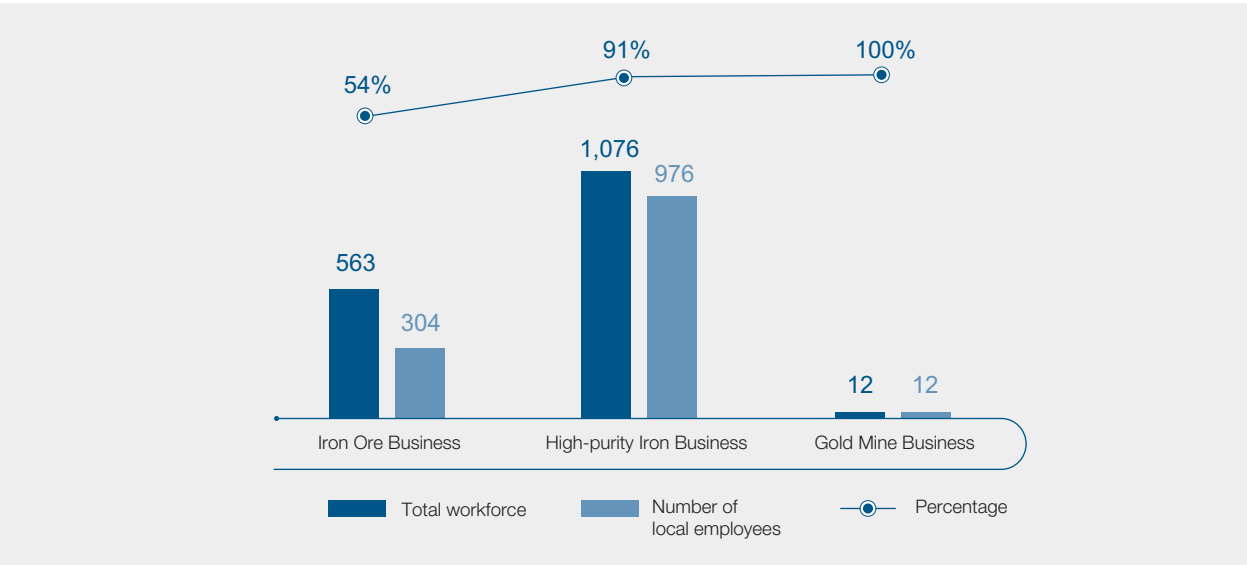
### Labor Demand

Creating employment and business opportunities in project locations is an important way for the Group to share the benefits of economic development with local communities. The Group gives priority to recruiting the employees it needs from the communities where it operates and provides opportunities for Indigenous peoples to participate in project construction. This not only helps address local employment needs and increase the income of Indigenous peoples, but also contributes to fostering a positive relationship in which villages and enterprises function like one family.

**Iron Ore and High-purity Iron Businesses:** We actively implement a localized hiring policy, giving priority to local residents, and are committed to promoting community economic development and creating employment opportunities. This initiative not only reflects our commitment to the “social” dimension of the environmental, social, and governance (ESG) principles, but also indirectly reduces carbon emissions by lowering employees’ commuting needs, thereby supporting the sustainable development goals of the “environmental” dimension. At the same time, local hiring policies strengthened ties between the Company and the community, enhanced employees’ sense of belonging, and further advanced sound practices in the “Governance” dimension.

**Gold Mine Business:** Hanking Australia provides employment opportunities to qualified local residents and, under the principle of giving priority to Northern Territory residents in hiring, actively participates in community development. The Company also gives priority to qualified local suppliers. To date, more than 30 Northern Territory suppliers and more than 120 contractors and local workers have participated in the project’s development and early-stage construction.

As shown in the figure below, the Iron Ore Business, High-purity Iron Business, and Gold Mine Business all hire most of their employees locally, with local employees accounting for an average of more than 78% of the total workforce.



### Artisanal and Small-Scale Mining (ASM)

By improving the economic and educational environment in local communities, we promote local employment and business opportunities, foster community development, and strive to eliminate the underlying community factors that contribute to illegal artisanal mining.

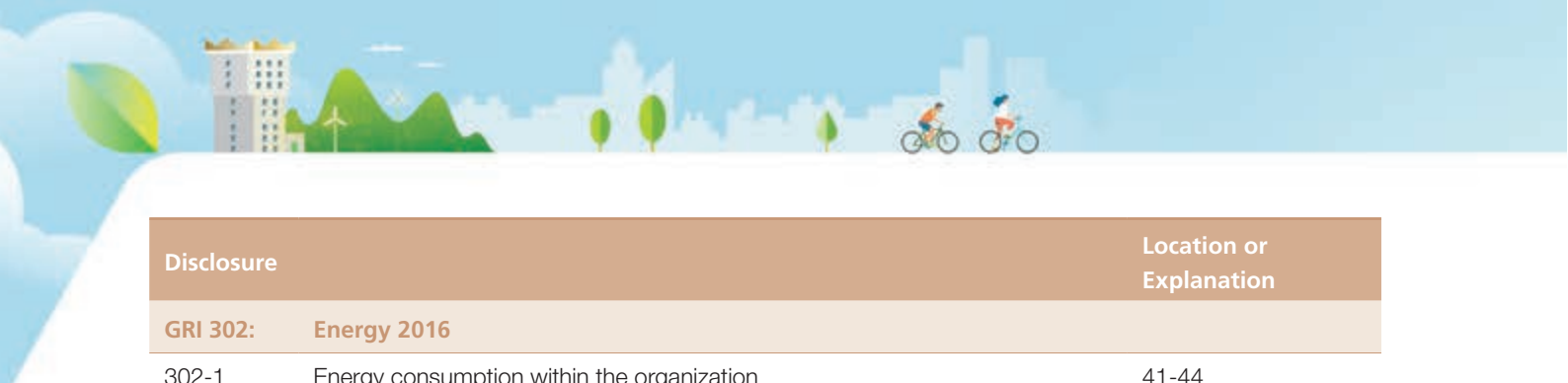
## Indicators Index

### GRI index

<b>Statement of use</b>	Hanking Gold International Limited has reported the information cited in this GRI content index for the period 1 January 2025 – 31 December 2025 with reference to the GRI Standards.
<b>GRI 1 used</b>	GRI 1: Foundation 2021

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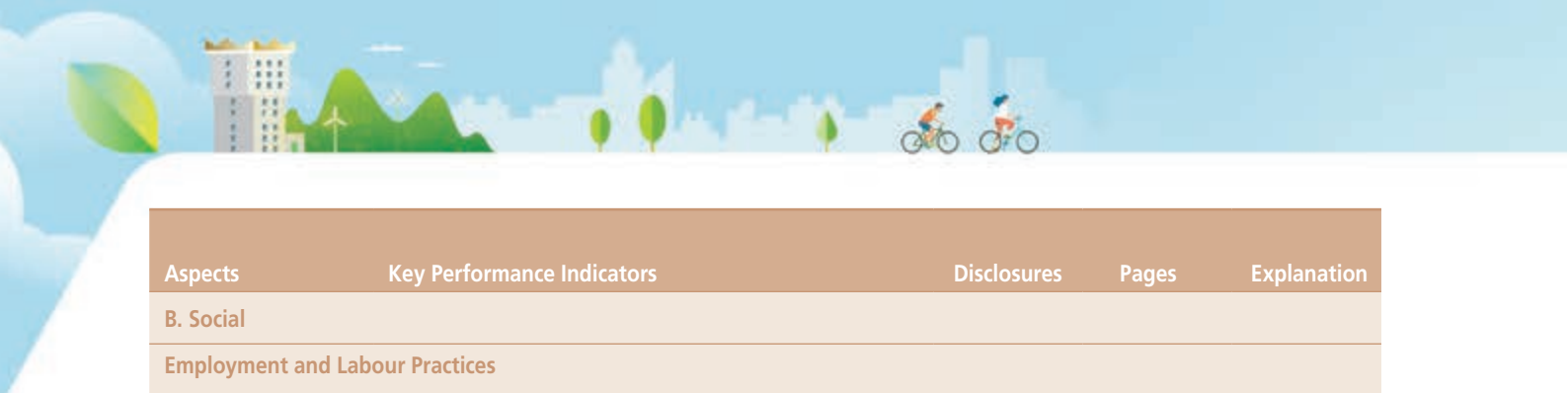
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<b>GRI 409: Forced or Compulsory Labor 2016</b>	
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor 73
<b>GRI 410: Security Practices 2016</b>	
410-1	Security personnel trained in human rights policies or procedures Nil



Disclosure		Location or Explanation
<b>GRI 411: Rights of Indigenous Peoples 2016</b>		
411-1	Incidents of violations involving rights of indigenous peoples	80-81
<b>GRI 413: Local Communities 2016</b>		
413-1	Operations with local community engagement, impact assessments, and development programs	78-81
413-2	Operations with significant actual and potential negative impacts on local communities	78-81
<b>GRI 414: Supplier Social Assessment 2016</b>		
414-1	New suppliers that were screened using social criteria	74-75
414-2	Negative social impacts in the supply chain and actions taken	75
<b>GRI 415: Public Policy 2016</b>		
415-1	Political contributions	Nil
<b>GRI 416: Customer Health and Safety 2016</b>		
416-1	Assessment of the health and safety impacts of product and service categories	76-77
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	77
<b>GRI 417: Marketing and Labeling 2016</b>		
417-1	Requirements for product and service information and labeling	Not disclosed
417-2	Incidents of non-compliance concerning product and service information and labeling	No incidents of non-compliance during the report period
417-3	Incidents of non-compliance concerning marketing communications	No incidents of non-compliance during the report period
<b>GRI 418: Customer Privacy 2016</b>		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	77

## Hong Kong Stock Exchange ESG Reporting Guide Index

Aspects	Key Performance Indicators	Disclosures	Pages	Explanation
<b>A. Environmental</b>				
<b>A1 Emissions</b>	<b>General Disclosure</b> Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	●	<b>35</b>	
KPI A1.1	The types of emissions and respective emissions data.	●	36-38	
KPI A1.3	Total non-hazardous waste produced (in metric tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	●	38	
KPI A1.4	Description of emission target(s) set and steps taken to achieve them.	●	35-37	
KPI A1.5	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	●	35-37	
<b>A2 Use of Resources</b>	<b>General Disclosure</b> Policies on the efficient use of resources, including energy, water and other raw materials.	●	<b>41-44</b>	
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	●	43	
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	●	47	
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	●	42-43, 47	
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	●	47	
KPI A2.5	Total packaging material used for finished products (in tons) and, if applicable, with reference to per unit produced.	○	N/A	(No packaging is needed for the products of the Company)
<b>A3 The Environment and Natural Resources</b>	<b>General Disclosure</b> Policies on minimising the issuer's significant impacts on the environment and natural resources.	●	<b>31</b>	
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	●	31-34	



Aspects	Key Performance Indicators	Disclosures	Pages	Explanation
<b>B. Social</b>				
<b>Employment and Labour Practices</b>				
<b>B1 Employment</b>	<b>General Disclosure</b> Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	●	<b>57-61</b>	
KPI B1.1	Total workforce by gender, employment type (for example, full or part-time), age group and geographical region.	●	58	
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	●	58	
<b>B2 Health and Safety</b>	<b>General Disclosure</b> Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	●	<b>64-70</b>	
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	●	70	
KPI B2.2	Lost days due to work injury.	●	70	
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	●	67-70	
<b>B3 Development and Training</b>	<b>General Disclosure</b> Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	●	<b>71-72</b>	
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	●	73	
KPI B3.2	The average training hours completed per employee by gender and employee category.	●	73	
<b>B4 Labour Standards</b>	<b>General Disclosure</b> Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	●	<b>73</b>	
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	●	73	
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	●	73	

Aspects	Key Performance Indicators	Disclosures	Pages	Explanation
<b>B. Social</b>				
<b>Operating Practices</b>				
<b>B5 Supply Chain Management</b>	<b>General Disclosure</b> Policies on managing environmental and social risks of the supply chain.	●	<b>74</b>	
KPI B5.1	Number of suppliers by geographical region.	●	75	
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	●	74-75	
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	●	74-75	
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	●	74-75	
<b>B6 Product Responsibility</b>	<b>General Disclosure</b> Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	●	<b>76</b>	
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	●	76	
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	●	76	
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	●	76	
KPI B6.4	Description of quality assurance process and recall procedures.	●	76	
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	●	76	
<b>B7 Anti-corruption</b>	<b>General Disclosure</b> Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	●	<b>21-25</b>	
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	●	25	
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	●	24	
KPI B7.3	Description of anti-corruption training provided to directors and staff.	●	23	
<b>Community</b>				
<b>B8 Community Investment</b>	<b>General Disclosure</b> Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	●	<b>78-79</b>	
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	●	78-81	
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	●	78-81	



Aspects		Key Performance Indicators		Disclosures	Pages	Explanation
<b>D. Climate-Related Disclosures</b>						
(I)	Governance	19 (a) Consultation with relevant management	Information regarding the governance body (e.g. board of directors, specialised committee) or individuals responsible for oversight of climate-related risks and opportunities.	●	19-20, 48	
		19 (b) Management's role	Management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities.	●	19-20, 48	
(II)	Strategy	20 Climate-related risks and opportunities	Description of climate-related risks and opportunities reasonably expected to affect the Company's financial prospects over the short, medium or long term, and definition of the relevant time horizons.	●	48	
		21 Business model and value chain	Description of the current and anticipated effects of climate-related risks and opportunities on the business model and value chain, as well as the regions or assets where risks are concentrated.	●	49	
		22-23 Strategy and decision-making	Disclosure of the Company's strategies to manage climate-related risks and opportunities, resource allocation plans, and progress in implementing transition plans.	●	49	
		24-25 Financial position, financial performance, and cash flows	Disclosure of the effects of climate-related risks and opportunities on current and anticipated financial position, financial performance, and cash flows (qualitative and quantitative).	○	—	
		26 Climate resilience	Disclosure of the assessment of the resilience of the Company's strategy and business model to climate-related uncertainties, and the application of climate-related scenario analysis.	○	—	
(III)	Risk Management	27 (a)-(b) Risk identification and assessment process	Disclosure of the processes and policies used to identify, assess, prioritise, and monitor climate-related risks and opportunities.	●	49-50	
		27 (c) Integration into risk management	Disclosure of the extent to which processes for identifying, assessing, prioritising, and monitoring climate-related risks and opportunities are integrated into the overall risk management process.	○	—	
(IV)	Metrics and Targets	28-29 Greenhouse gas emissions	Disclosure of the absolute gross greenhouse gas emissions for Scope 1, Scope 2, and Scope 3, as well as the measurement approach, input data, and assumptions used.	●	50-51	
		30-32 Risks and opportunities-related assets	Disclosure of the amount and percentage of assets or business activities vulnerable to climate-related physical and transition risks, or associated with climate-related opportunities.	○	—	
		33 Capital deployment	Disclose the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.	○	—	
		34 Internal carbon pricing	Explanation of whether and how the Company applies carbon pricing in decision-making (e.g. investment decisions, scenario analysis), or an appropriate negative statement.	○	—	
		35 Remuneration policy	Disclosure of whether and how climate-related considerations are factored into the Company's remuneration policy, or an appropriate negative statement.	○	—	
		36 Industry-based metrics	Encouraged disclosure of relevant industry-based metrics associated with the business model (referencing frameworks such as the International Sustainability Standards Board (ISSB)).	●	43, 47, 50-51	
37-40 Climate-related targets	Disclosure of qualitative and quantitative targets (including greenhouse gas emissions targets) set to monitor progress towards strategic goals, along with the base period, accounting approach, and performance trends.	○	—			

## IFRS S2 - Climate-Related Disclosures Index

Disclosure	Location or Explanation	
Governance	Governance body(s) or individual(s) responsible for oversight of climate-related risks and opportunities	19-20, 48
	Management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities	19-20, 48
Strategy	Climate-related risks and opportunities	48
	Business model and value chain	49
	Strategy and decision-making	49
	Financial position, financial performance and cash flows	—
	Climate resilience	—
Risk management	The processes and related policies the entity uses to identify, assess, prioritise and monitor climate-related risks	49-50
	The processes the entity uses to identify, assess, prioritise and monitor climate-related opportunities	49-50
	The extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the entity's overall risk management process	—
Metrics and targets	Climate-related metrics	50-51
	Industry metrics	43, 47, 50-51
	Climate-related targets	—



# Explanation of Undisclosed Climate-Related Disclosures

Hanking Gold International Limited (the “Company”) has prepared the “Climate Change” related content of its ESG report in accordance with the climate-related disclosure requirements set out in Part D of the Hong Kong Stock Exchange’s “Environmental, Social and Governance Reporting Code”. During the preparation of the report, due to the current stage of internal system development and data collection and calculation capabilities, the Company is temporarily unable to complete the disclosure of certain provisions. The explanations are as follows:

## (I) Climate-Related Financial Quantitative Information – No Effective Data Available for Disclosure

For mining and steel smelting enterprises, future carbon price fluctuations, the scale costs of low-carbon smelting technologies and the potential impact of extreme weather events on continuous production facilities are highly unpredictable. The Company currently finds it difficult to isolate from its financial statements the specific financial impact amounts solely attributable to “climate-related risks”. Therefore, the Company is unable to make the required disclosures. The corresponding provisions and content are as follows:

Paragraph 21(b): where in the business model and value chain such risks and opportunities are concentrated;

Paragraph 24-25: financial position, financial performance and cash flows;

Paragraph 30: the amount and percentage of assets or business activities vulnerable to climate-related transition risks;

Paragraph 31: the amount and percentage of assets or business activities vulnerable to climate-related physical risks;

Paragraph 32: the amount and percentage of assets or business activities aligned with climate-related opportunities;

Paragraph 33: the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities;

Paragraph 34: internal carbon prices.

## (II) Climate-Related Strategic Planning Information – No Specific Provisions Available for Disclosure

The Company is currently conducting in-depth research and formulating strategic plans in response to climate-related issues, taking into account industry development trends, national policies and regulatory requirements, as well as its own production capacity, business model and value chain characteristics. Formal dedicated plans or transition plans have not yet been finalised. Therefore, the Company is temporarily unable to disclose the specific content as required. The corresponding provisions and content are as follows:

Paragraph 22(a)(iii): any climate-related transition plan and the key assumptions used in developing its transition plan, and dependencies on which the transition plan relies;

Paragraph 22(b): the company’s current and future specific plans for resourcing actions to address climate-related risks and opportunities;

Paragraph 26: a company shall use climate-related scenario analysis to assess its climate resilience;

Paragraph 27(a): the processes and related policies it uses to identify, assess, prioritise and monitor climate-related risks;

Paragraph 27(b): the processes and related policies the company uses to identify, assess, prioritise and monitor climate related opportunities;

Paragraph 27(c): how, and the extent to which, the processes for identifying, assessing climate-related risks and opportunities are integrated into the company’s overall risk management process;

Paragraph 35: a company shall disclose how climate-related considerations are factored into remuneration policy, and related implementation details;

Paragraph 37: an issuer shall disclose (a) the qualitative and quantitative climate-related targets the issuer has set to monitor progress towards achieving its strategic goals; and (b) any targets the issuer is required to meet by law or regulation, including any greenhouse gas emissions targets;

Paragraph 38: an issuer shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target;

Paragraph 39: an issuer shall disclose information about its performance against each climate-related target and an analysis of trends or changes in the issuer’s performance.

The Company attaches great importance to the Hong Kong Stock Exchange’s climate-related disclosure requirements. The Company will progressively improve its data collection, model development and governance processes in stages, on the premise of ensuring that information is true, accurate and not misleading, and strives to achieve full disclosure in future reporting periods.