

JCHX Mining Management Co., Ltd.

Environmental, Social and Governance Report



2025



Chairman's Message

Using ESG as our brush, we paint a new picture of sustainable development.

Looking back at 2025, JCHX has left solid footprints across every dimension of Environmental, Social, and Governance (ESG). This year, we not only successfully concluded our "5th Five-Year Strategy" but also deeply integrated the ESG philosophy into the very DNA of our corporate development, adding both warmth and substance to our "Dual-Wheel Drive" growth momentum. From an environmental perspective, the leapfrog development of our resource development sector stands as a vivid practice of our "Eco-Mine" vision. The efficient production launch of the Dikulushi Copper Mine in the DRC, the steady achievement of production capacity at the Lonshi Copper Mine, and the revitalization and upgrade of the Lubambe Copper Mine in Zambia represent not only breakthroughs in production capacity but also our steadfast commitment to green mining and the efficient utilization of resources. Furthermore, our future plans, led by intelligent mine construction, deeply bind technological empowerment with environmental protection, transforming sustainable development from a concept into tangible actions.

On the social front, our day-and-night endeavors embody the dedication of every JCHX employee and reflect our profound responsibilities toward our staff, the industry, and society at large. From the ultra-deep shafts that have refreshed industry records to our mining service projects spanning the globe, we have not only contributed corporate strength to the national Five-Year Plan but also, with our original aspiration of "cultivating fertile cultural soil," ensured that every striver shares in the fruits of our development. This cohesion serves as the most solid foundation for our practice of social responsibility.

In terms of corporate governance, the implementation of the "Two Main, Three Auxiliary Integrated Synergy" strategy and the promotion of the Mining Management 4.0 transformation demonstrate our determination to pursue refined and systematic management. From standardized operations since our listing to forward-looking layouts that closely follow national strategies, we have always regarded transparent and efficient governance as the cornerstone of our steady and long-term growth. It is this continuous optimization of our governance system that enables us to maintain the resolve for high-quality development amidst complex market environments.

As 2026 arrives, the horn for the "6th Five-Year Strategy" has already sounded. Standing at this new starting point, JCHX will continue to be guided by ESG: pursuing green intelligence in the environment, fulfilling responsibilities in society, and upholding compliance and transparency in governance. Let us transform the ESG philosophy into an inexhaustible driving force for the company with a pioneering spirit, an innovative drive, and a pragmatic work ethic, writing an even more magnificent chapter on the path of sustainable development!



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About

Report Preparation Notes

This report constitutes the third Environmental, Social and Governance (ESG) Report of JCHX Mining Management Co., Ltd., disclosing the Company's ESG governance philosophy, management methodologies, operational practices, and performance outcomes in business operations to all stakeholders.

Scope of the Report

This report covers JCHX Mining Management Co., Ltd. and its subsidiaries (hereinafter referred to as "JCHX" or the "Company"). Unless otherwise specified, the scope aligns with the consolidated financial statements of the Company (stock code: 603979.SH) for the reporting period.

Reporting Period

January 1, 2025 - December 31, 2025, All data presented herein pertain to this period unless otherwise stated.

Preparation Basis

This report is prepared in accordance with the Shanghai Stock Exchange's Self-Regulatory Guideline No. 14 for Listed Companies – Sustainability Report (Trial) (hereinafter referred to as the "Guideline"), and with reference to the Environmental, Social and Governance Reporting Guide of the Hong Kong Stock Exchange.

Data Disclaimer

All data and case studies originate from formal operational records of the Company; Financial figures are denominated in CNY; In case of discrepancies between this report and the annual financial statements, the latter shall prevail.

Report Accessibility

Electronic versions are available through: Mandatory disclosure platforms designated by stock exchanges & Company official website: www.jchxmc.com

Stakeholder Engagement

Feedback and inquiries may be addressed to:

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Report Preparation Principles

• Sustainability Context

The company has identified key sustainability issues of concern to stakeholders that are material to its operations as the focus of this report. While addressing these material topics, the report also reflects the characteristics of the company's industry and business operations. The process and outcomes of materiality assessments are detailed in relevant chapters of this report.

• Accuracy

This report strives to ensure information accuracy. Quantitative data includes clear explanations of data scope, calculation methodologies, and assumptions to minimize interpretive errors. The Board of Directors verifies the report's content, ensuring no material misstatements, omissions, or misleading representations.

• Balance

The report objectively presents factual information, impartially disclosing both positive and negative developments related to the company. No material negative events that should have been disclosed during the reporting period were omitted.

• Clarity

Published in Simplified Chinese, the report incorporates tables, diagrams, and glossaries of technical terms to enhance readability. A table of contents and an ESG standard alignment index table are provided to facilitate stakeholder navigation and understanding.

• Quantifiability

Key quantitative disclosures are prioritized, with historical data included where feasible.

• Comparability

Consistent methodologies and disclosures are applied to comparable metrics across reporting periods. Adjustments for changes in data collection, measurement, or calculation methods are retrospectively applied and explained in notes to enable meaningful trend analysis.

• Completeness

The scope of disclosure in this report is consistent with the scope of the company's consolidated financial statements.

• Timeliness

This annual report covers the period from January 1, 2025, to December 31, 2025. It is published concurrently with the annual financial report to provide stakeholders with timely decision-making insights.

• Verifiability

Case studies and data are derived from verifiable internal records or financial reports, with traceable sources and methodologies.

2025 ESG Highlights

Economic Benefits



Annual Revenue 13,893.97 mil
+39.74% YoY



Net Profit Attributable to the Company's Shareholders 2,338.70 mil
+47.66% YoY



Tax Paid
1,580.26 mil.

Social Benefits

R&D	Personnel: 436 dedicated R&D professionals, 3.09% of total workforce Expenditure: 142.47 mil., 1.03% of annual revenue
Health & Safety	Cumulative Safety Training: 32,236 person-times; Total Training Duration: 244,525.50 hours; Social Insurance Coverage Rate: 100% ; Certified to GB/T 45001-2020/ISO 45001:2018 Occupational Health and Safety Management System (OH&S MS)
Diversity	Ethnic Minority Employees: 503 , Percentage of Foreign/Local Employees: 57.97%
Employee Training and Development	Total Training Sessions: 2,652 , Average Training Hours per Employee: 7.59 Hours
Public Welfare and Philanthropy	Total Social Welfare Investment: 41.77 mil.

ENV Benefits



Environmental Protection Investment: **89.52** mil.



Certified to GB/T 24001-2016/ISO 14001:2015 Environmental Management Systems



Key Honors and Achievements During the Reporting Period

National Design Award

China Engineering & Consulting Association

Ministerial Science & Technology Award (Second Prize)

China Gold Association

Scientific & Technological Achievement Award

China National Association for Non-Ferrous Metals Industries Construction

- Mobile Paste Fill Test Platform
- Underground Metering and Man-Machine Isolation Safety Assistance System
- Research and Application of Intelligent Regulation and Control System for Stope Group

Ministerial Design Award

China National Association for Non-Ferrous Metals Industries Construction

- Sichuan Development Tianrui Mining Co., Ltd. Filling System Construction Project (Third Prize)
- Inner Mongolia Guocheng Industrial Co., Ltd. Zhuozhi County Dasuji Molybdenum Mine Expansion and Processing Project (Third Prize)

Ministerial Consulting Award

China National Association for Non-Ferrous Metals Industries Construction

- Zhuangsheng Mineral Resources Group Co., Ltd. Peru Mariela Iron Ore Mining and Processing Project Feasibility Study (First Prize)
- Malawi Kangankunde Rare Earth Mine Phase I 440,000 t/a Ore Dressing Project (First Prize)
- Jinxing Vassa Co., Ltd. Ghana Father Project (First Prize)
- Kazakhstan Almaty Region "Astana-Karagaire" Mining Area Middle Ore Section Tin Polymetallic Mining and Processing Project (First Prize)
- Zambia Lubambe Copper Mine Mining and Processing Project Feasibility Study (Second Prize)
- Sichuan Provincial Mining Investment Group Co., Ltd. Nuoyinda Lamu Mining Area Feasibility Study (Second Prize)
- Sichuan Provincial Mining Investment Group Co., Ltd. Inner Mongolia Investment Project Feasibility Study (Second Prize)
- Shandong Dan'e Mining Technology Co., Ltd. Yangzhuang Iron Ore Underground Mining Expansion Feasibility Study (Second Prize)
- Luoyang Luanchuan Molybdenum Industry Group Co., Ltd. TFM West Zone Underground Mining Scheme Design (Second Prize)
- Guizhou Zhijin County Xinhua Phosphate Mining Area Guohua Ore Section Phosphate Ore 1.5 Million Tons/Year Mining and Processing Project Proposal (Second Prize)
- Guizhou Songtao County Daotuo Manganese Mine Mining and Processing Project Feasibility Study Report (Second Prize)
- DRC (Congo-Kinshasa) Lonshi Copper Mine Deep Part Phase II Mining and Processing Project Feasibility Study (Second Prize)
- Republic of South Africa MUKULU Manganese Mine ATOB Ore Body Open-pit Mining Project Feasibility Study (Third Prize)

Ministerial-level New Technology Application in Engineering Construction

China National Association for Non-Ferrous Metals Industries Construction

- Liangchahe Mining Section (South Section) 800,000 t/a Phosphate Mining Project
- Laizhou Jinsheng Mining Investment Co., Ltd. Zhuguolijia Main Shaft Sinking and Lining Project

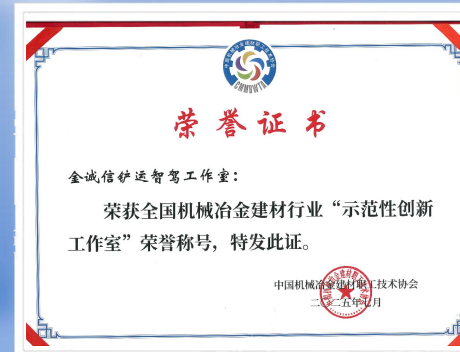
Ministerial-level Quality Engineering Award

China Non-Ferrous Metals Industry Association

- DRC Lonshi Copper Mine Mining, Processing and Metallurgy Project
- Laizhou Huijin Mining Investment Co., Ltd. Shaling Gold Mine Auxiliary Shaft Sinking and Lining Project



Research and Application of High-Reliability Transportation System and Intelligent Control Technology for Deep Shaft Backfilling



JCHX LHD Autonomous Driving Studio Awarded the Honorary Title of "Demonstration Innovation Studio" in the National Machinery, Metallurgy and Building Materials Industry



JCHX Mining Management Co., Ltd. Recognized as a Top Case of Deep Integration of Industry, Academia and Research in China

Company Overview



The company is a group-oriented mining enterprise primarily focused on mining services and resource development. Anchored by mine construction and mining operation management, the company's mining service business continuously extends across the upstream and downstream of the mining industry chain. This has established an integrated, comprehensive mining service capability encompassing mine design and technology R&D, mine construction, mining operation management, and mining machinery manufacturing. Our services cater to large and medium-sized non-coal underground solid mines, covering a wide range of mineral resources including copper, lead, zinc, iron, nickel, cobalt, gold, silver, phosphorus, and potassium. The company's mineral resource development business mainly involves the exploration, mining, processing, metallurgy, and sales of mineral products such as copper and phosphorus. Currently, the company operates over 40 subsidiaries and branches both in China and overseas. We boast a high-quality, highly skilled team of professional and managerial talent, with a workforce of over 14,000 Chinese and expatriate employees.

Since its inception, the company has remained dedicated to the development services of non-coal underground solid mines. Over the years, it has established a leading position in the fields of mine construction and mining operation management. The company holds a Grade I qualification for General Contracting of Mine Construction Engineering, a Grade II qualification for Professional Contracting of Tunnel Engineering, and a Grade I qualification for Blasting Operations. Its wholly-owned subsidiary, Yunnan JCHX, holds a Grade I qualification for General Contracting of Mine Construction Engineering; JCHX Technology, a wholly-owned subsidiary, holds a Grade II qualification for General Contracting of Mine Construction Engineering; and JCHX Design Institute, another wholly-owned subsidiary, holds a Grade II qualification for General Contracting of Mine Construction Engineering, as well as a Grade A qualification for professional engineering design in the metallurgical industry (metallurgical mining engineering). The company is now equipped with comprehensive service capabilities integrating mine construction, mining operation management, mine design and technology R&D, and mining equipment manufacturing, positioning itself as one of the high-end development service providers capable of delivering comprehensive mining solutions.

The company's traditional core business encompasses mining services, including mine construction, mining operation management, mine design and technology R&D, and mining machinery manufacturing. In recent years, leveraging its traditional strengths, years of accumulated management experience, technological expertise, and brand reputation, the company has actively expanded into the field of resource development. It has gradually pioneered a distinctive "Service + Resources" business model. Driven by the dual engines of "Mining Services" and "Resource Development," the company is comprehensively transforming from a single-service mining enterprise into a group-oriented international mining corporation. The company's resource development business now covers the entire spectrum of mining resource acquisition, exploration, construction, mining, processing, metallurgy, and product sales. It currently operates five mining assets: the Liangchahe Phosphate Mine, the DRC Dikulushi Copper Mine, the DRC Lonshi Copper Mine, the Zambia Lubambe Copper Mine, and the Colombia San Matias Copper-Gold-Silver Mine. Among these, four projects are currently in production, with primary products including copper and phosphate ore.



2025 Annual Milestones

Jan.



From January 15 to 17, JCHX convened its 2025 Work Conference and the 9th Session of the 3rd Workers' Congress. The meeting mobilized all employees to seize the momentum, unite as one, and strive with determination to achieve the established goals of the "5th Five-Year Strategy," paving the way for a new chapter in the "6th Five-Year Strategy."



Feb.



In February, CSI Index Co., Ltd. announced that JCHX Mining Management Co., Ltd. has been selected as a constituent of the CSI A500 Index. This inclusion serves as a strong recognition of JCHX's industry standing, comprehensive strength, and robust market capitalization performance, marking the company's entry into a new stage of high-quality development in the capital market.



Mar.



On March 3, the Headquarters, in collaboration with the Technology Innovation Division and the Resource Development Division, convened a special meeting themed "Striving to be Pioneers, Building Consensus, and Deepening the Improvement of Work Style at Headquarters."

Representatives from the Headquarters who were honored as the 2024 Outstanding Management Teams and Outstanding Individuals shared their practical experiences and insights from their respective professional fields. They discussed how they continuously enhance their professional capabilities, innovate work methods, and fulfill their responsibilities. Their sharing fully demonstrated a pioneering and enterprising spirit characterized by dedication, a down-to-earth attitude, the courage to face challenges, and the pursuit of excellence.



In March, JCHX was awarded the infrastructure construction and infrastructure support works at the Mufulira Mine in Zambia.

In March, the Ministry of Natural Resources announced the list of experts for the "Review Expert Pool for Mineral Resource Development and Utilization Plans." All 8 experts recommended by JCHX, including Ding Jingang, Gong Qingtian, and Li Honghui, were successfully selected. To date, the total number of JCHX experts in this expert pool has reached 12.

From March 4 to 15, Wang Xiancheng, Chairman of the Group, conducted an in-depth inspection and provided guidance at JCHX's Serbian subsidiaries, including Jinse, Bor, Cukaru Peki, and Vasa project companies. During the visit, he put forward specific requirements regarding project safety, production, operational management, employee welfare, team building, talent development, and market expansion, and warmly visited and extended his regards to the frontline Chinese and expatriate employees.



2025 Annual Milestones

Apr.



In April, Lubambe Copper Mine was awarded the "Best Facility for Assisting the Industry in Improving Management Practices" by the Zambia Environmental Management Agency (ZEMA).



On April 11, the Lonshi Border infrastructure and supporting facilities, funded and built by JCHX, were officially handed over to the Zambian government and put into use. Zambian Minister of Home Affairs Jack Mwiimbu, Permanent Secretary of the Ministry of Home Affairs Dickson Matembo, the Director General of the Department of Immigration, the Governor of Copperbelt Province, and other government officials attended the handover ceremony, where they unveiled the plaque for the project and delivered speeches.



In April, the four classrooms at the local Golden Eagle School, funded and built by JCHX's Lubambe Copper Mine, were successfully completed on schedule. Paul Kabuswe, Zambia's Minister of Mines and Mineral Development and Member of Parliament for the Chililabombwe Constituency, attended the handover ceremony. He expressed his sincere gratitude to Lubambe Copper Mine for actively supporting the vision of universal quality free education championed by President Hakainde Hichilema and his government, and for its continued commitment to giving back to the community and supporting local education.



On April 25, Neil Bush, Chairman of the George H.W. Bush Foundation for U.S.-China Relations, and his delegation visited JCHX Headquarters by invitation, where they were warmly received by Wang Xiancheng, Chairman of JCHX Group, and President Peng Huaisheng.



May



In May, JCHX's wholly-owned subsidiary, JCHX Botswana Mining Construction Co., Ltd., signed a service contract with Khoemacau Copper Mining Proprietary Limited for underground mining operations at the Khoemacau Copper Mine. With a total contract value of approximately USD 805 million, this deal marks a significant expansion of the company's mining development services in Africa into a new country.



On May 28, as International Children's Day approached, representatives from JCHX's Sabwe Company visited the Lonshi Village School in the Kambove District of Lubumbashi, Haut-Katanga Province, DRC. Through a warm and vibrant charity donation event, they extended festive greetings to the children, using the light of education to illuminate the path of sustainable development for the overseas project community.



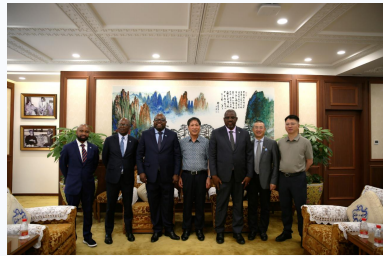
On May 30, a grand groundbreaking ceremony was held for the deep-level project at JCHX's Lubambe Copper Mine. Over 2,000 attendees witnessed this significant milestone, including Zambian President Hakainde Hichilema, ministers from the Zambian ministries of Mines, Commerce, Trade and Industry, Transport, and Information, as well as the Governor of Copperbelt Province. Also in attendance were China's Ambassador to Zambia Han Jing and Commercial Counselor Jin Jun from the Economic and Commercial Office of the Chinese Embassy in Zambia. Key representatives from JCHX, including Chairman Wang Qinghai, President Huang Haigen, Vice President and Lubambe Copper Mine Chairman Wang Youcheng, and Lubambe Copper Mine General Manager Wu Shuanjun, joined mine management, Chinese and Zambian employees, local industry associations, business representatives, Zambian media, and the general public for the ceremony.



2025 Annual Milestones

Jun.

On June 17, Dr. Lemogang Kwape, Minister of Foreign Affairs of Botswana, and H.E. Batlang Serema, Ambassador of Botswana to China, led a delegation to visit JCHX. They were warmly received by Wang Xiancheng, Chairman of JCHX Group, Wang Qinghai, Chairman of JCHX Co., Ltd., and President Huang Haigen.



In June, to mark the 24th national "Work Safety Month," JCHX's domestic and international units actively responded to the corporate headquarters' call. Centering on the theme "Everyone talks about safety, everyone knows how to respond to emergencies — Identify safety hazards around you," all units combined reverence for the principle that "safety is no small matter" with the pragmatic approach of "constant action." Tailored to the actual conditions of each project, they carried out risk identification, hazard troubleshooting, and emergency drills. These efforts collectively fostered a strong atmosphere of solidifying safety concepts, enforcing safety responsibilities, and integrating safety awareness into daily routines and actions.



From June 24 to 29, Wang Xiancheng, Chairman of the Group, visited the Laos Kaiyuan Project for inspection and guidance. He meticulously inspected key areas on-site, inquired in detail about production efficiency improvements and engineering quality control, and gained an in-depth understanding of the project's operational progress. He also provided systematic guidance and improvement requirements addressing the project's key challenges and difficulties, and extended his regards to the frontline Chinese and Lao employees.



On June 27, the inaugural meeting of the drafting committee and the review session for the working outline (draft) of the national standard, Safety Technical Specification for Ultra-Deep Shaft Construction in Metal and Non-Metal Mines, were held at the company headquarters. Led and primarily drafted by our company, the event was attended by experts and representatives from seven renowned domestic non-coal mine design, construction, and equipment manufacturing units, including the Mine Construction Subcommittee of the Mine Safety Industry Standardization Technical Committee and China ENFI Engineering Corporation.

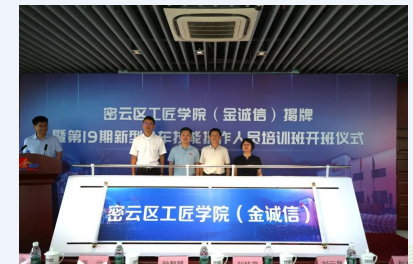


Jul.

From July 14 to 15, the company held its 2025 Mid-Year Work Conference at the headquarters. The meeting comprehensively deployed key tasks for the second half of the year, aiming to unify thinking and action, strengthen confidence, and inspire fighting spirit to secure a decisive victory for the conclusion of the "5th Five-Year" strategy and lay a solid foundation for the "6th Five-Year" strategy.



On July 25, the Miyun District Craftsman Academy (JCHX Academy) was officially unveiled. Leaders from JCHX Co., Ltd., Miyun District, the Beijing Federation of Trade Unions Staff Service Center, and the Zhongguancun Science Park Administrative Committee attended the unveiling ceremony.



2025 Annual Milestones

Aug.

On August 4, a donation ceremony was held at the Miyun District People's Congress Conference Room, where JCHX Co., Ltd. donated funds to support flood control and disaster relief efforts in Miyun District. The ceremony was presided over by leaders from the District People's Congress Standing Committee, with senior executives from both JCHX Group and Miyun District in attendance.



From August 1 to 11, the 2025 JCHX Fresh Graduate Onboarding Training was successfully held at the CASS Miyun Base. Centered around the inspiring theme "Fearless Youth, Living Up to the Encounter," the event marked a vibrant start for the company's newest talents.



In August, Wang Youcheng, Vice President of JCHX Co., Ltd. and General Manager of the Overseas Business Division, visited the Khoemacau Project in Botswana for inspection and guidance.



On August 29, the signing ceremony for JCHX's High-end Intelligent Heavy-duty Mining Equipment Manufacturing Project was grandly held at the Daye Municipal Government Office Building. The launch of this major industrial project not only marks a solid step forward for JCHX Equipment in building a modern mining construction system and establishing a highland for intelligent mining equipment manufacturing, but also stands as a key initiative for government-enterprise collaboration to advance the upgrading of the high-end equipment manufacturing industry.



Sept.

In September, the water well project sponsored by Lubambe Copper Mines Limited (LCM) was officially handed over to the New Konkola School in Chililabombwe, Zambia, benefiting over 2,500 teachers and students. Officials from the Chililabombwe municipal government, along with school staff, students, and community representatives, gathered to witness the handover ceremony.



In September, Wang Xiancheng, Chairman of JCHX Group, visited the global mining equipment manufacturer Sandvik Group in Stockholm, Sweden, upon invitation. During the visit, he represented JCHX Co., Ltd. in signing an underground trackless equipment procurement agreement with Sandvik.



Oct.

In October, the teaching facilities of the vocational training school—meticulously planned, designed, and built over the course of a year by JCHX Sabwe — were officially inaugurated, accompanied by the opening ceremony of the first training session. This milestone marks a solid new step for the company's overseas resource development projects in terms of comprehensive, multi-level local talent cultivation and the fulfillment of corporate social responsibility.



In October, the company received the 2025 Industry Innovation Achievement Award certificates issued by the China Machinery, Metallurgy and Building Materials Workers' Technology Association. JCHX's EPC General Contracting Management Department and the LHD Intelligent Driving Studio were awarded the title of "Demonstration Innovation Studio" in the national machinery, metallurgy, and building materials industry. Beijing JCHX Institute of Mining Technology Co., Ltd. and Yunnan JCHX Mining Management Co., Ltd. were honored as "Advanced Units in Union Economic and Technical Work." Additionally, Yuan Pingyong (Deputy General Manager of the DRC Company), Liu Weitao (Executive Director of the Paste Backfill Laboratory), and Fu Xianjie (Deputy Manager of the R&D Department at JCHX (Hubei) Intelligent Equipment Co., Ltd.) were awarded the title of "Industry Craftsman."

2025 Annual Milestones

Nov.



In November, a research and exchange visit by a delegation from the Saudi Arabian Mining Company (Ma'aden) to JCHX was successfully held. This event was part of the "Connecting the World, Investing in Beijing, Sharing the Future" series, organized by the China Council for the Promotion of International Trade Beijing (CCPIT Beijing).



In November, a delegation from Epiroc Group, led by President and CEO Helena Hedblom, CEO Senior Assistant Mayelin Axelsson, and President of Greater China Wei Wuxian, visited our company's headquarters. They were warmly received by Wang Xiancheng, Chairman of JCHX Group, and Wang Cicheng, Executive Vice President of JCHX Co., Ltd.



On November 11, the company convened a management diagnosis presentation conference to unify thinking and build consensus for the upcoming "Sixth Five-Year" strategic period. The diagnosis report was systematically presented to all employees across domestic and overseas branches. Wang Xiancheng, Chairman of the Group, personally presided over the meeting and delivered important directives.



From November 8 to 12, Wang Qinghai, Chairman of JCHX Co., Ltd., visited the Kaiyuan Project for inspection and supervision. He went deep into key on-site areas to conduct field inspections of critical operational links, including production organization, quality control, equipment management, and cost reduction and efficiency enhancement. During the visit, he provided directives on further promoting the comprehensive integration of "Mining Management 4.0" with daily operations, emphasizing the full application of its concepts and methodologies to advance key initiatives.



Dec.



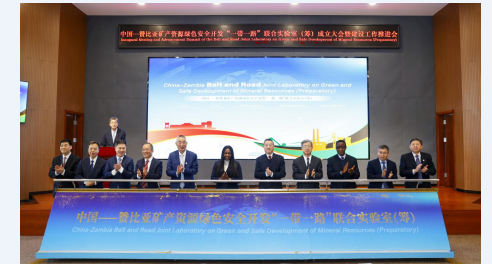
On December 8, a delegation led by Isaac Tandoh, CEO of the Ghana Minerals Commission, and including Chen Zhiyong, Vice President of Chifeng Gold Group and Chairman of Golden Star (Wassa), visited the JCHX headquarters in Beijing. They were warmly received by Wang Xiancheng, Chairman of JCHX Group, and Huang Haigen, President of JCHX Co., Ltd.



In December, the results of the 2025 (11th) Ghana Mining Industry Awards were announced. JCHX's Ghana-based subsidiary, Setters Investment Limited Company, stood out among numerous contenders to secure 3rd place in the "Best Performer in Contract Mining" category. As the only Chinese enterprise to receive this professional award this year, it reflects the high recognition from the local authoritative industry body regarding JCHX's comprehensive strength in safety management, quality control, compliant operations, production organization, and technological innovation.



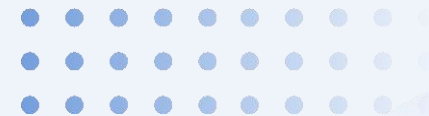
In December, Wang Qinghai, Chairman of JCHX Co., Ltd., recently attended the advancement summit for the construction of the China-Zambia Belt and Road Joint Laboratory, a national-level technological innovation platform.



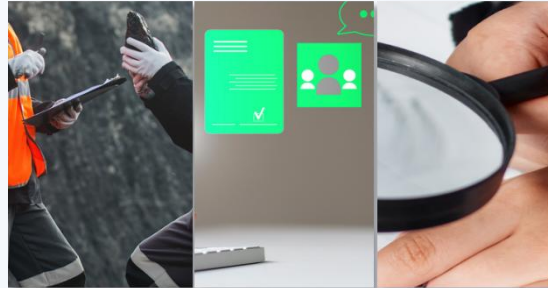
In December, the company and JD Technology held a project kick-off meeting to jointly build the JCHX AI Application Platform. Both parties conducted in-depth discussions on leveraging JD's intelligent integrated platform to deeply integrate AI technology with specific business scenarios, including human resources management, material management, and financial management. The goal is to facilitate the transition from experience-driven to data-driven operations and empower lean management with artificial intelligence.

Materiality Assessment

As a leading enterprise in mine construction, operation, and development, the Company fully recognizes the critical importance of sustainable development to the long-term growth of the industry. In accordance with the Self-Regulatory Guidelines for Listed Companies on the Shanghai Stock Exchange No. 14 - Sustainability Reporting (Trial), the Company has established and continuously refines its processes for identifying, assessing, and managing sustainability-related impacts, risks, and opportunities. We are deeply committed to integrating the philosophy of sustainable development into our strategic decision-making and daily operations.



Double Materiality Assessment



I. Identification and Assessment Methodology

(1) Multi-dimensional Risk Identification System

The Company adopts a risk identification approach that combines "top-down" and "bottom-up" perspectives, building a sustainable development risk identification network that covers the entire value chain:

1. Data-driven Internal Scanning

Production and Operation Data Monitoring: Sensors and IoT devices deployed across mining sites collect key data metrics, providing a solid foundation for risk identification.

Employee Feedback Mechanism: Frontline employees are encouraged to report potential risk hazards, ensuring timely handling and resolution.

Internal Audit Findings: Regular special audits are conducted to generate risk registers and track rectification progress.

2. External Environment Monitoring

Policy and Regulation Tracking: A dedicated policy research team is established to dynamically monitor changes in domestic and international mining-related laws, regulations, and the latest requirements.

Stakeholder Engagement: A normalized communication mechanism has been established to maintain regular dialogue with local governments, community residents, environmental organizations, industry associations, and other relevant parties.

Industry Benchmarking: Active participation in relevant industry organizations allows the Company to learn best practices and identify areas for improvement.

3. Application of Professional Identification Tools

Scenario Analysis: To address climate change risks, the Company constructs various future scenarios to assess the potential impacts of different climate pathways on its assets, operating costs, and market demand.

"Energy Source + Comprehensive Factor" Dual Hazard Identification System: For key areas, the Company employs the Energy Hazard Identification Method. In daily operations, the Company comprehensively promotes the Hazard Factor Identification Method. Based on the "Man, Machine, Material, Method, and Environment" (5M) model, the Company organizes all employees to conduct job-specific risk identification.



Double Materiality Assessment

(2) Quantitative Assessment Model

Building upon the identification of various risks and opportunities relevant to the Company, we adopt a combined quantitative and qualitative assessment approach to scientifically evaluate the likelihood and impact of each risk/opportunity:

1. Risk Assessment Matrix

A 5x5 risk assessment matrix is established to score issues based on two dimensions: "Likelihood" (Very Low, Low, Medium, High, Very High) and "Impact Severity" (Insignificant, Minor, Moderate, Major, Catastrophic), clearly defining the topics to be included in the analysis scope. For example:

Tailings Dam Failure Risk: The likelihood is rated as "Low" (based on historical data and engineering measures), but the impact severity is "Catastrophic," resulting in an overall "High" risk rating.

Community Conflict Risk: In some newly developed mining areas, the likelihood is rated as "Medium," and the impact severity is "Major," resulting in an overall "Medium-High" risk rating.

2. Impact Materiality Assessment

For environmental and social impacts, professional assessment tools are employed. For example:

Ecological Footprint Analysis: Evaluating the impact of mining development on local biodiversity and ecosystem service functions.

Social Impact Assessment (SIA): Prior to project initiation, evaluating impacts on local employment, infrastructure, cultural heritage, and other aspects.

3. Financial Materiality Assessment

For quantifiable risks and opportunities, the Company's finance department collaborates with business units to calculate financial impacts. For example:

Resource Efficiency Gains: Assessing the payback period and economic returns of water-saving and energy-saving technological retrofits.

Reputation Loss Estimation: Drawing on industry cases to estimate indirect costs such as potential market value depreciation and increased financing costs that could result from major environmental incidents.

II. Prioritization and Ranking Criteria

Adhering to the "Double Materiality" principle, the Company has constructed a scientific materiality assessment matrix for topics. We not only focus on the financial materiality of sustainability topics regarding the Company's financial position, operating results, and cash flows, but also place high importance on the impact materiality of the Company's operations on the external environment, society, and stakeholders. Through independent assessment and integrated analysis, we determine the priority management topics for the reporting period.

1. Assessment Dimensions and Standard System

Scoring is conducted from both the "Impact Perspective" and the "Financial Perspective," followed by an integration of the results.

(1) Impact Materiality Assessment: Evaluating the magnitude, scale, irreversibility, and salience of actual or potential positive/negative impacts generated by the Company's activities on the economy, environment, and people (including upstream and downstream in the value chain).

(2) Financial Materiality Assessment: Evaluating the extent to which sustainability-related risks and opportunities generate actual or potential impacts on the Company's enterprise value (including revenue, costs, assets, liabilities, access to capital, and reputation).

2. Integrated Assessment and Prioritization Process

The Company integrates the assessment results from the two dimensions above into a "Double Materiality Matrix" for analysis. The specific steps are as follows:

Step 1: Independent Scoring. Led by the ESG Committee, in conjunction with finance, production, safety & environment, legal departments, and external stakeholders, initial topics are scored separately for "Impact Materiality" and "Financial Materiality."

Step 2: Matrix Mapping. Each topic is mapped into a four-quadrant matrix:

Quadrant I (Dual High Zone): High Impact Materiality + High Financial Materiality.

Quadrant II (Impact-Led Zone): High Impact Materiality + Low Financial Materiality (Short-term).

Quadrant III (Finance-Led Zone): Low Impact Materiality + High Financial Materiality.

Quadrant IV (Dual Low Zone): Low Impact Materiality + Low Financial Materiality.

Step 3: Confirming Topic Priorities.

Highly Important Topics: Topics falling into Quadrant I.

Important Topics: Topics falling into Quadrant II or III.

Less Important Topics: Topics falling into Quadrant IV. These are incorporated into daily compliance management and are either briefly mentioned in the report or not disclosed separately.

LOW



Double Materiality Assessment

3. Dynamic Adjustment Mechanism for Ranking Results

The Company recognizes that material topics are not static. We have established an annual reassessment mechanism. Furthermore, a temporary assessment will be triggered immediately to adjust priorities when the following situations occur:

Sudden Regulatory Changes: For instance, the sudden introduction of stricter national regulations on tailings pond management or carbon tax policies.

Major Emergencies: Such as major safety accidents within the industry or significant environmental public opinion crises involving the Company.

Strategic Goal Adjustments: Including the acquisition of new mines or entry into new metal sectors.

Drastic Shifts in Stakeholder Demands: For example, when major investors or clients introduce new mandatory ESG requirements.

III. Monitoring and Management Mechanism

(1) Organizational Structure Assurance

The Company has established a four-tier sustainable development governance structure: "Board of Directors — Strategy and Sustainability Committee — ESG Working Group — Executive Departments."

Board of Directors: Bears ultimate responsibility for major sustainable development issues and conducts a thematic review of the ESG work report annually.

Strategy and Sustainability Committee: Supervises the Company's ESG work, regularly inspects the implementation and progress of ESG management activities, assesses risks, and formulates response plans.

ESG Working Group: Organizes and drives ESG management activities and the achievement of management objectives; identifies and assesses ESG-related risks in daily management and proposes specific response measures.

Executive Departments: Implements ESG-related management measures and annual work plans; assists in the statistics and collection of relevant ESG indicator information and key initiatives.

(2) Specific Monitoring Process

Real-time monitoring and early warning systems are in place. Key matters or indicators, such as environmental monitoring, workplace safety, and community public sentiment, are monitored in real-time, with this monitoring incorporated into the daily tasks of each executive department.

Due Diligence

I. Overview of Due Diligence

The Company places high importance on due diligence in the field of sustainable development, regarding it as a core mechanism for identifying, preventing, mitigating, and accounting for sustainability-related negative impacts. During the reporting period, the Company strictly adhered to relevant national laws, regulations, and internal control systems to establish a due diligence system that covers the entire chain. Adhering to the principles of "risk-oriented, full-process coverage, and dynamic management," the Company conducted systematic screening and response to potential risks such as environmental destruction, human rights violations, community conflicts, and corruption.

II. Organizational Structure and Responsible Entities for Due Diligence

To ensure the independence and professionalism of due diligence, the Company has built a multi-level execution framework:

Leading Body: The Strategy and Sustainability Committee of the Board of Directors is responsible for reviewing investigation reports and rectification plans regarding major risk issues.

Leading Department: As a permanent executive body, the ESG Working Group is responsible for formulating investigation standards, organizing on-site audits, and tracking the rectification loop to closure.

Implementing Entities:

(1) **Internal Special Task Force:** Composed of internal experts with backgrounds in geology, environmental protection, safety, and law.

(2) **Stakeholder Representatives:** In certain community impact investigations, local community or union representatives are invited to participate in joint investigations to ensure objective perspectives.

III. Scope and Coverage of Due Diligence

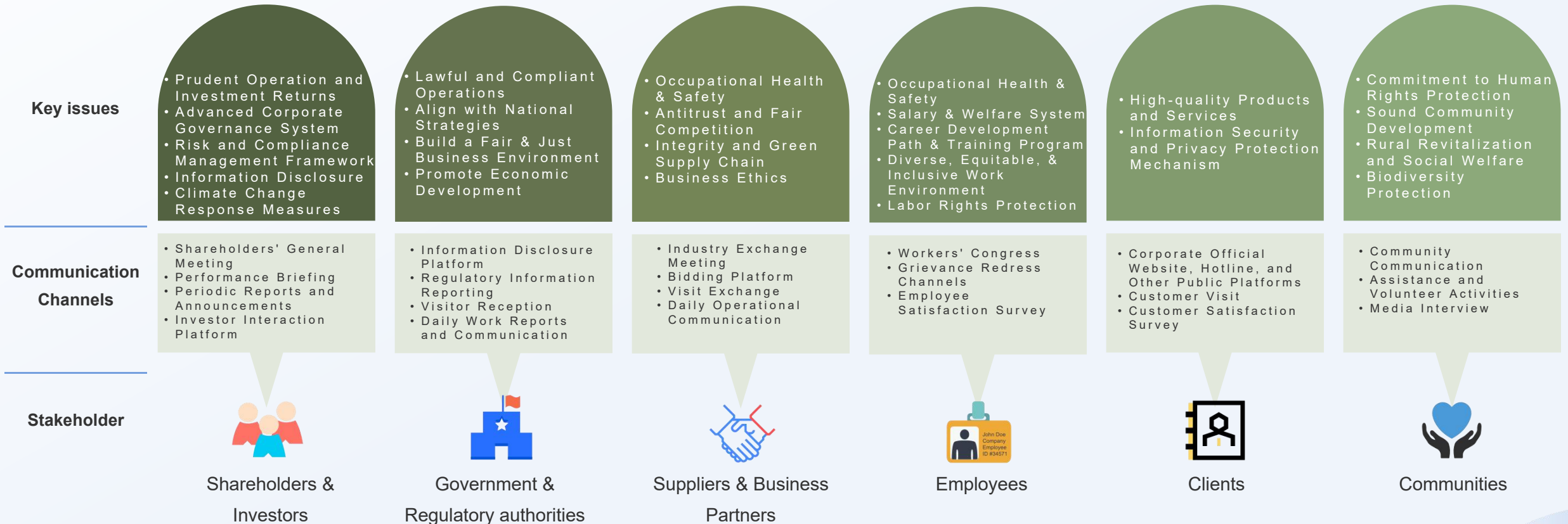
During the reporting period, the scope of the Company's due diligence has extended from "core operations" to the "entire value chain," covering employees, customers, suppliers, governments, and communities.

IV. Identification Procedures and Methods

The Company adopts a four-in-one identification procedure consisting of "Document Review + On-site Verification + Stakeholder Interviews + Data Monitoring."

Stakeholder Engagement

The Company is committed to maintaining close communication with both internal and external stakeholders. By establishing diverse communication channels, we gain a comprehensive understanding of stakeholders' expectations and concerns, respond in a timely manner, and continuously adjust our sustainable development strategies and ESG material topics. This ensures the effective participation of stakeholders in JCHX's ESG management practices, fostering collaborative development. During the reporting period, guided by the Shanghai Stock Exchange Self-Regulatory Guidelines for Listed Companies No. 14 - Sustainability Reporting (Trial), and with reference to the HKEX ESG Reporting Guide, the GRI Sustainability Reporting Standards, and the UN Sustainable Development Goals (SDGs), we identified key stakeholder groups, documented and addressed their concerns, and continuously improved our stakeholder communication mechanisms.



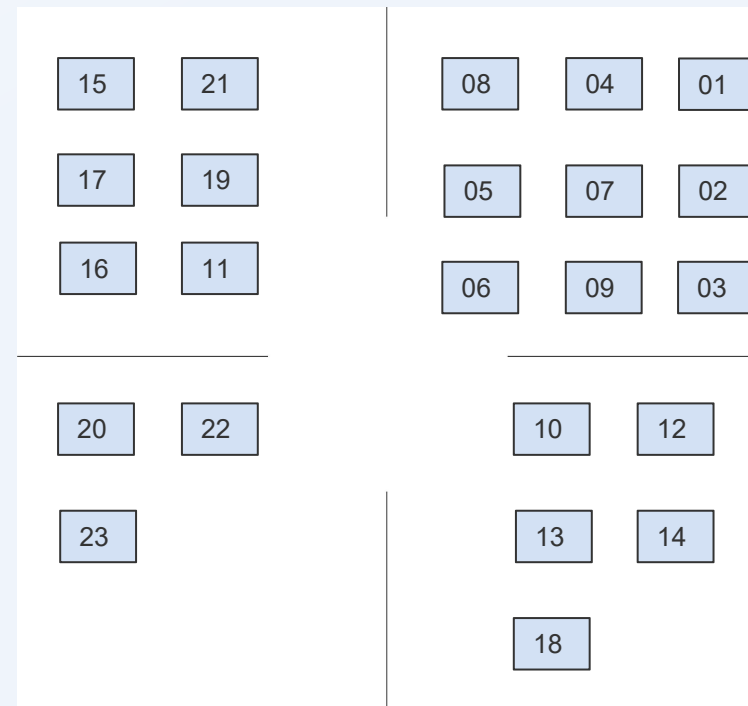
Materiality Assessment Conclusion

During the reporting period, the Company conducted a materiality analysis through a structured process of identification, assessment, and validation. This process was based on national macro-policy orientations, research on domestic and international social responsibility standards, and industry benchmarking, while also taking into account the Company's business development strategy, operational management context, and key stakeholder concerns. Drawing on the actual performance of key topics from the previous year, the Company selected its 2025 ESG material topics to actively respond to stakeholder expectations. By integrating the results of "impact materiality" and "financial materiality", the Company ranked the ESG material topics in order of priority. This ranking helps to determine the key focus areas and priorities for the current year's sustainable development management.

During the reporting period, in accordance with the Shanghai Stock Exchange Self-Regulatory Guidelines for Listed Companies No. 14 - Sustainability Reporting (Trial), and with reference to the HKEX ESG Reporting Guide, we identified and defined our material topics, ultimately identifying a total of 9 highly important topics.

Very High Priority	High Priority	Medium Priority
1. Product and Service Safety and Quality	10. Climate Change Response	20. Fair Treatment of SMEs
2. Environmental Compliance Management	11. Innovation-driven Development	22. Technology Ethics
3. Occupational Health and Safety	12. Data Security and Customer Privacy Protection	23. Rural Revitalization
4. Anti-Commercial Bribery and Anti-Corruption	13. Pollutant Emissions	
5. Anti-Unfair Competition	14. Waste Management	
6. Employee Employment and Rights	15. Social Contribution	
7. Tailings Management	16. Circular Economy	
8. Employee Training and Development	17. Supply Chain Security	
9. Corporate Governance	18. Ecosystem and Biodiversity Conservation	
	19. Energy Utilization	
	21. Water Resource Utilization	

Impact Materiality



Financial Materiality

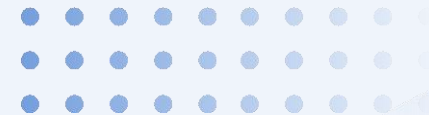




ESG Governance Framework & Sustainable Development Management

Grounded in the principle of law-based corporate governance, the Company is committed to building a transparent, fair, and efficient governance system. We ensure that all decisions and operations not only strictly comply with laws and regulations but also fully consider the core interests of shareholders and other stakeholders.

The Company deeply integrates ESG concepts into its top-level governance architecture to holistically drive the implementation of its sustainable development strategy. By establishing and improving ESG information disclosure mechanisms, the Company safeguards robust operations through excellent governance efficiency. This promotes the harmonious unification of economic, social, and ecological benefits, ultimately achieving high-quality sustainable development and long-term value creation.

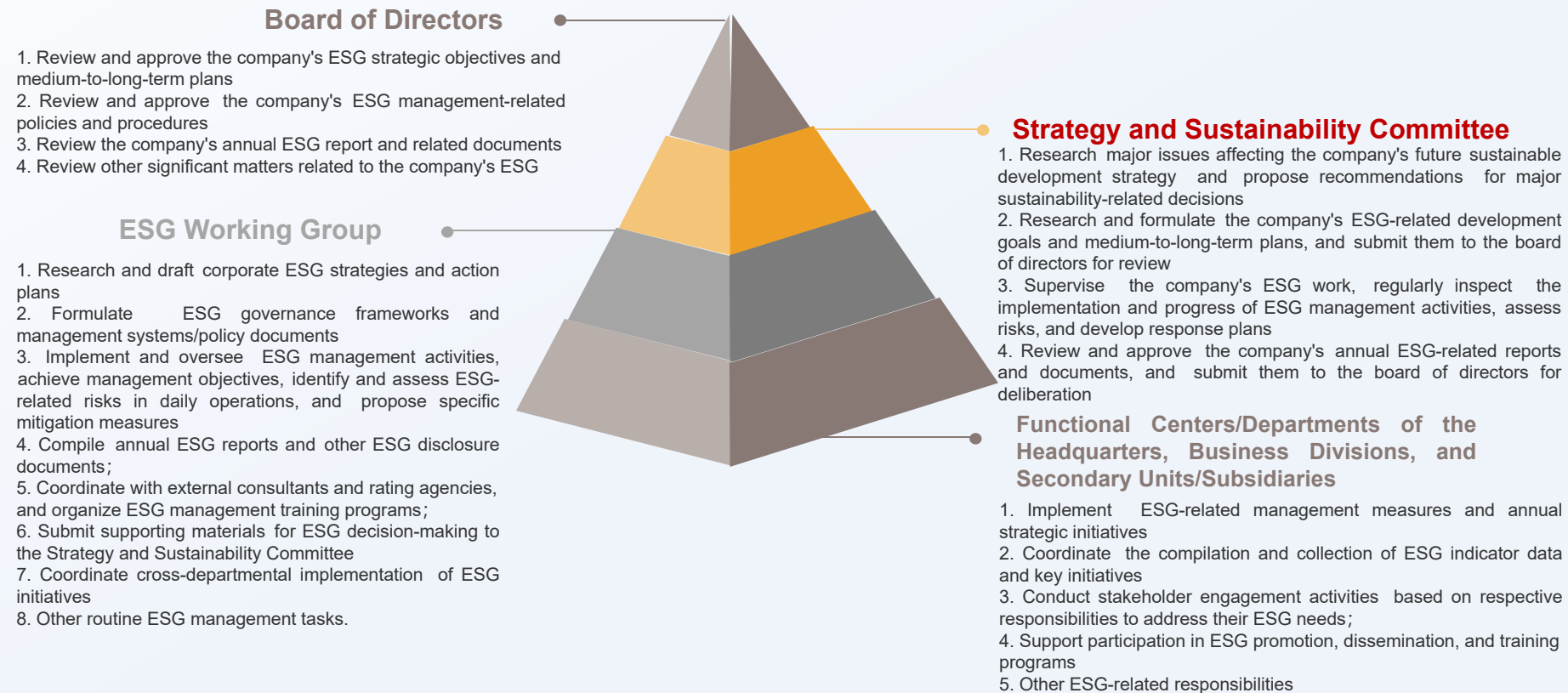


ESG Governance Framework

Amidst the global wave of ESG development, as an international mining company, JCHX deeply recognizes that ESG has evolved from an external expectation into an essential requirement and core competency for sustainable development. JCHX is committed to fully integrating ESG concepts into every stage of strategy formulation and operational execution. We strive to promote sustainable value creation through a higher-standard governance system, actively respond to stakeholder expectations, and shape a responsible corporate image.

Governance Structure

During the reporting period, building on the previous year's efforts to refine the ESG management plan and establish an organizational system spanning from the Board of Directors and management to various functional departments and business units, JCHX further detailed its ESG supervision and management structure. The Company designated specific ESG contact personnel within each functional center and business department, effectively extending and cascading down ESG management practices.



● ESG Management Training

To enhance the understanding of ESG development among middle and senior management, and to elevate the Company's overall ESG management level in terms of both awareness and professional capability, JCHX organized ESG training sessions for all middle and senior managers during the reporting period. By introducing the latest industry ESG concepts and practical case studies, and aligning them with the Company's actual conditions, the training clearly defined the direction for future improvements and key work priorities.



ESG Governance Framework

Reporting Mechanism

In 2025, building upon the implementation of a real-time reporting system for major ESG information, JCHX introduced a regular reporting mechanism for all departments and branches, designating the relevant persons in charge as the responsible parties for information reporting within their respective units.



Real-time Reporting

In the event of material ESG-related matters (including occurrences, incidents, or imminent developments), designated reporting personnel shall promptly submit written reports to the Board of Directors' Office, with such reports requiring authentication via signatures from the unit head.

When the primary responsible person is unable to perform material ESG-related matters reporting obligations, designated personnel authorized by the unit head shall undertake the reporting duties, with subsequent authentication via signatures from that unit head.

In urgent situations, all units may first report via telephone and submit written reports afterward.

Within two months after the end of each fiscal year, relevant personnel with reporting obligations from all departments, branches, and subsidiaries are required to collect and collate ESG information based on the ESG data checklist prepared by the ESG working group, and subsequently submit the relevant data and reports.

Target Setting, Process Integration & Dynamic Monitoring

Based on its specific conditions, JCHX establishes ESG management objectives and integrates them into core management processes such as strategic planning, investment decision-making, operational management, and performance evaluation, while closely monitoring execution progress.

1. Target Setting and Decomposition

- Long-term Objective: To internalize ESG management as an essential requirement and core competency for corporate development.
- Annual Objectives: Long-term objectives are broken down into specific annual KPIs, such as setting safety and environmental baselines of "zero work-related fatalities, an injury frequency rate per 1,000 employees of $\leq 7.0\%$, zero new occupational disease cases, and zero environmental incidents."
- Hierarchical Decomposition: Annual objectives are cascaded down to branch companies and project departments at all levels. Responsibility agreements are signed to ensure that "every individual carries specific targets."

2. Integration into Management Processes

- Strategic Decision-making: Sustainable development management is listed as a key priority in the Company's "14th Five-Year Plan" strategic planning.
- Investment Management: ESG impact assessments are mandatory for all new projects.
- Operational Management: ESG metric statistics are incorporated into the production system.
- Performance Evaluation: ESG indicators are included in the performance appraisal system for middle and senior management.

3. Monitoring Progress towards Objectives

- A dynamic monitoring mechanism of "weekly bulletins, timely analysis and correction, and annual summaries" has been established.
- Ledgers are created for all tasks, and units with lagging progress are required to implement corrective actions within a specified deadline.



Management Signing of the Annual Safety and Environmental Management Responsibility Statement

Internal Control and Oversight

The Company has deeply embedded sustainable development requirements into its internal control system, establishing a comprehensive set of institutional standards and norms that cover the entire business process.

Top-level Institutional Design

JCHX Environmental, Social, and Governance (ESG) Management Measures, which defines the governance structure, division of responsibilities, and management principles.

Specialized Management Systems

Tailored to the characteristics of the mining industry, JCHX has established and revised a series of specialized policies, as well as declarations and commitments, covering environmental, social, and governance aspects.

Supervision Procedures & Measures

JCHX has established a "trinity" supervision mechanism combining "Internal Audit + Special Inspections + Whistleblowing Feedback" to ensure the effective implementation of its systems:
 Internal Audit: The internal audit department conducts regular thematic audits.
 Safety Inspections: The safety production management department carries out periodic safety inspections to promptly identify and eliminate potential hazards.
 Whistleblowing Channels: Hotlines, email addresses, and mini-programs have been launched, allowing employees and suppliers to anonymously report hazards, violations, or misconduct.

Sustainable Development Management

JCHX strictly complies with relevant laws and regulations, including the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Code of Corporate Governance for Listed Companies, and the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange. The Company has established a corporate governance framework centered on the Shareholders' Meeting, the Board of Directors, and Senior Management. This framework effectively establishes a mechanism where the authority, decision-making, supervisory, and executive bodies have clear rights and responsibilities, coordinate with each other, and maintain checks and balances. This ensures a governance structure that is clearly defined, closely coordinated, and highly efficient. During the reporting period, in light of the adjustments to its governance structure and the revision of the Articles of Association, JCHX no longer maintains a Board of Supervisors. The original obligations and responsibilities of the Board of Supervisors have been adaptively transferred to the Audit and Risk Management Committee. Additionally, the "General Meeting of Shareholders" has been officially renamed the "Shareholders' Meeting".



Shareholders and Meetings of Shareholders

The Shareholders' Meeting serves as the highest authority of the Company. JCHX has established clear responsibilities and well-defined rules of procedure for the Shareholders' Meeting, which are strictly implemented in practice. During the reporting period, the Company convened one Annual Shareholders' Meeting and three Extraordinary Shareholders' Meetings, all of which adopted a voting method combining on-site and online voting. The convocation and convening procedures of the Shareholders' Meetings strictly complied with the Articles of Association, the Company's Rules of Procedure for the Shareholders' Meeting, and the Rules for Shareholders' Meetings of Listed Companies of the Shanghai Stock Exchange. Separate vote counting was conducted for all proposals to reflect the votes of small and medium-sized shareholders, ensuring that all shareholders—particularly small and medium-sized ones—enjoy equal rights and can fully exercise their voting rights.

The Company maintains complete independence from its controlling shareholder in terms of personnel, assets, and finances, and operates its institutions and business independently. The controlling shareholder strictly exercises its shareholder rights in accordance with the Company Law, the Articles of Association, and other relevant regulations. Furthermore, the controlling shareholder strictly adheres to its commitment to avoid horizontal competition (non-competition) with the Company. During the reporting period, there were no instances where the controlling shareholder used its dominant position to encroach upon or harm the interests of the listed company and other shareholders.

Directors and Board of Directors

The Board of Directors is the company's supreme decision-making body. The Board comprises 9 members, with independent directors accounting for approximately 33.33%. The Board's responsibilities are clearly defined, and all directors diligently and responsibly fulfill their duties. During the reporting period, the company convened 12 Board meetings with a 100% attendance rate. The convening and holding procedures of Board meetings strictly complied with the Articles of Association, Directors' Meeting Rules, and Independent Directors' Working System. The Board rigorously implemented the review procedures for matters within its authorized scope as stipulated in the Articles of Association.

	2023	2024	2025
Number of Board Members	9	9	9
By Gender	Male	8	8
	Female	1	1
By Type	Independent	3	3
	Non-independent	6	6

During the reporting period, in response to the needs of the governance structure adjustment, the Company adaptively transferred the original obligations and responsibilities of the Board of Supervisors to the Board's Audit and Risk Management Committee.

JCHX's Board of Directors features a diversified management system and has established five specialized committees: the Strategy and Sustainable Development Committee, the Nomination Committee, the Audit and Risk Management Committee, the Remuneration and Appraisal Committee, and the Technology Committee. The Company has formulated rules of procedure for these committees, clearly defining their composition, responsibilities, and meeting protocols.

During the reporting period, each specialized committee faithfully fulfilled its duties with a serious, responsible, diligent, and honest attitude, in accordance with the Company's actual situation and their respective rules of procedure. They played an active role in corporate governance, strategic planning, compensation system management, technical guidance, internal control system construction, the preparation of periodic reports, and the review of related-party transactions, effectively promoting the standardized operation and scientific decision-making of the Board of Directors.

Specialized Committees	Number of meetings convened		
	2023	2024	2025
Strategy and Sustainability Committee	1	1	3
Audit and Risk Management Committee	6	6	7
Nomination Committee	1	1	2
Remuneration and Assessment Committee	2	2	4

Independent directors deliver annual reports to the Board of Directors, presenting statements on their performance over the past year. Meanwhile, the Board conducts self-assessments on the independence of these directors, and publicly discloses the aforementioned performance and self-assessment results. During the reporting period, all of the Company's independent directors maintained their independence and diligently fulfilled their respective duties in relevant fields.

Additionally, the Audit and Risk Management Committee submits an annual report on its performance as required. Throughout the reporting period, the Committee acted with diligence and responsibility, earnestly carrying out all of its mandated duties. The Board of Directors evaluates the effectiveness of the Company's internal control annually and discloses the results externally. During the reporting period, the Company maintained effective internal control in all material respects, achieving its internal control objectives, which has been validated by third-party audit assurance.

Sustainable Development Management

Risk Management and Internal Control

A sound and efficient risk management and internal control system serves as the core guarantee for an enterprise's steady operation and high-quality development. JCHX has built an internal control system that comprehensively covers the five major elements: internal environment, risk assessment, control activities, information and communication, and internal supervision.

Strictly adhering to regulatory requirements such as the Basic Standard for Enterprise Internal Control and the Application Guidelines for Enterprise Internal Control, the Company has systematically established and improved its internal control policies. It has compiled an Internal Control Manual to provide a standardized basis for the establishment, execution, evaluation, and continuous optimization of the system. Furthermore, targeting diversified business scenarios and potential risks, the Company has formulated a series of specialized management policies, including the Internal Reporting System for Material Information, the Emergency Response System, the Legal Affairs Management Measures, the Anti-Fraud and Anti-Commercial Bribery Management System, the Public Opinion Management System, and the Futures and Derivatives Trading Management System. These measures effectively strengthen the Company's ability to identify and prevent risks in advance, while enhancing the efficiency of responding to and handling emergencies.

In terms of organizational assurance, the Board of Directors has established an Audit and Risk Management Committee. In accordance with the Rules of Procedure for the Audit and Risk Management Committee of the Board of Directors, this committee is fully responsible for coordinating, supervising, and verifying both internal and external audit work. Under the committee, an Audit and Supervision Center has been set up, staffed with a professional audit team. This team continuously conducts independent supervision and assessment of the soundness and execution effectiveness of the Company's internal control system, the quality of financial information, and relevant business activities, effectively driving the improvement of internal control mechanisms, management efficiency, and operational performance.

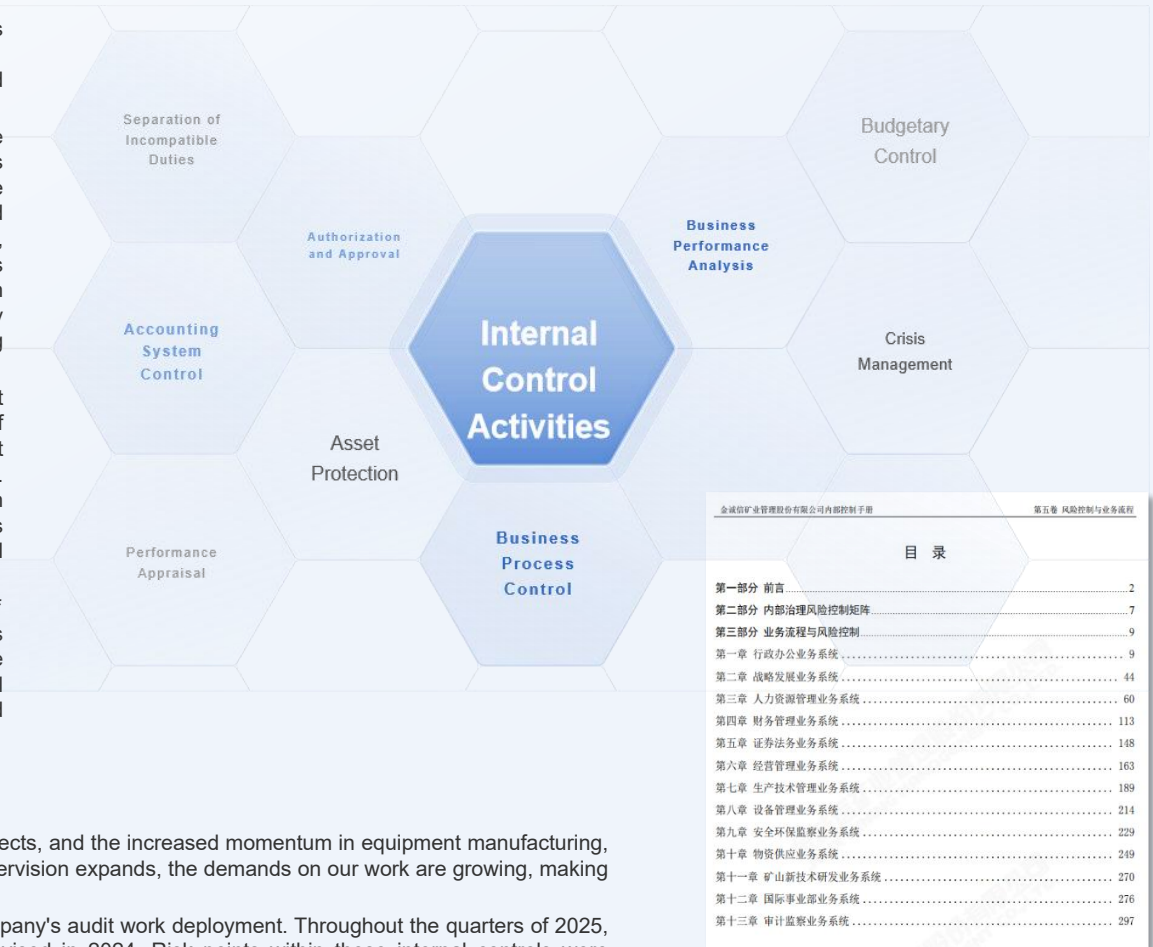
During the reporting period, based on actual business development, the Company has deeply advanced the initiative of "institutionalizing work, streamlining business processes, and standardizing procedures" to continuously optimize its internal control system. Strictly following the enterprise internal control standard system and relevant regulations, the Company has maintained effective operations in all material respects of both financial reporting and non-financial reporting internal controls. This ensures the authenticity and accuracy of financial information, the legality and compliance of business activities, and the comprehensive achievement of established internal control objectives.

Internal Audit

With the rapid development of the Company's five major business sectors, the gradual commissioning of resource projects, and the increased momentum in equipment manufacturing, trading, and technological innovation, our organizational structure continues to optimize. As the scope of audit and supervision expands, the demands on our work are growing, making the responsibility and significance of effective audit supervision even more profound.

In 2025, in line with the Board of Directors' requirements, the Audit and Supervision Center fully implemented the Company's audit work deployment. Throughout the quarters of 2025, the Center engaged in in-depth communication with various departments regarding the internal control policies revised in 2024. Risk points within these internal controls were confirmed by the respective departments and became key focal points during the audit process and internal control walkthrough tests.

During the reporting period, the Audit and Supervision Center completed on-site audits for 21 domestic project departments, 4 functional centers, 2 branches/subsidiaries, 13 overseas project companies, and 4 proprietary resource projects. Based on the on-site audit findings, audit rectification requirements were issued for all identified issues. These requirements specified rectification measures, deadlines, and responsible personnel. Upon expiration of the deadlines, rectification results were uploaded for review and verification, ensuring that every audit issue was resolved from start to finish, achieving a 100% rectification completion rate.



Sustainable Development Management

Risk Management Culture Cultivation

During the reporting period, the Company continued to advance the development of a risk management culture. Relying on a risk control mechanism characterized by full participation and comprehensive coverage across all processes, JCHX has further solidified its internal control system, elevated the level of compliant operations, and strengthened its capacity for risk prevention and mitigation. This provides a solid guarantee for the Company's high-quality development.

• Training for Middle and Senior Management

From June to November 2025, the Audit and Supervision Center conducted five training sessions for the middle and senior management personnel of the Company's three cohorts. The training covered the Company's risk management system, internal control policies, the internal audit and supervision framework, as well as audit work strategies, integrity and self-discipline, and risk control.



• Risk Management and Compliance Training for Key Departments and Positions

In February and October 2025, the Company conducted targeted training for personnel in key departments and positions at the joint-stock company. The sessions covered risk prevention and related case studies, as well as the JCHX Mining Management Co., Ltd. Anti-Fraud and Anti-Commercial Bribery Management System.



Tax Management

During the reporting period, the Company systematically advanced its tax management work, strictly fulfilled tax payment obligations in accordance with the law, standardized tax operation procedures, and effectively controlled tax risks. Overseas branches, while implementing these measures, simultaneously comply with the laws and regulations of their respective jurisdictions.

The Company adheres to the principle of "unified leadership and hierarchical management." Under the overall coordination of the Chief Financial Officer (CFO), the Financial Management Center is fully responsible for the tax affairs of the Company and all its subordinate institutions. Each secondary unit bears the responsibility for tax management within its own unit and the projects under its jurisdiction. The Overseas Business Division and Overseas Resource Company focus on researching tax policies, designing solutions, and conducting daily management and supervision in their respective countries. Each project department is responsible for implementing tax plans and completing operations such as tax filing and payment, reporting to its respective secondary unit according to authority, while major issues are reported directly to the headquarters.

The Company has standardized the entire tax management process, covering tax payment methods, registration, accounting, declaration review, invoice management, reporting and analysis, supervision and inspection, training and education, and archive management. Specifically, each secondary unit must conduct at least one annual tax self-inspection for the units under its jurisdiction and submit a report, while the Company simultaneously organizes company-wide special inspections. The Financial Management Center conducts company-wide tax policy training at least once a year and provides learning materials, requiring all units to carry out diverse internal training tailored to their actual situations.

In terms of tax risk management, the Company systematically advances its work around five key links: "responsibility identification, enhanced learning, prior communication, timely rectification, and strict inspection." The headquarters has established a response mechanism for special tax matters, comprehensively sorting out risk points, standardizing handling procedures, formulating special plans for identified issues, and tracking their implementation. Tax queries or potential risks reported by subordinate units are promptly evaluated, responded to, and supervised, with external professional institutions brought in to collaboratively resolve complex matters. During the reporting period, the supervision and inspection of the implementation of special tax plans achieved 100% coverage.



Sustainable Development Management

Investor Relations Management

To standardize the Company's information disclosure practices, strengthen communication with investors, further improve corporate governance, and effectively protect the legitimate rights and interests of investors—particularly public investors—JCHX has formulated the Information Disclosure Management System, the Investor Relations Management System, the Management Measures for Investor Reception, and the Market Value Management System. These policies were developed based on the Company's actual situation and in accordance with the Company Law, the Securities Law, the Administrative Measures for Information Disclosure by Listed Companies, the Shanghai Stock Exchange Stock Listing Rules, as well as other relevant laws, regulations, and the Articles of Association. During the reporting period, the Company strictly complied with and implemented the aforementioned rules. Adhering to the principles of "fairness, impartiality, and openness," the Company conducts investor communication and information disclosure in an objective, truthful, accurate, and complete manner. This approach enhances market trust and investor confidence. The Company values investors' opinions and suggestions, actively responds to their concerns, and strives to achieve mutual growth in both company value and investor interests. Furthermore, the Company regularly organizes training on investor relations for senior executives and heads of relevant departments.

During the reporting period, in response to updated regulatory requirements from the China Securities Regulatory Commission (CSRC)—including the Guidelines for the Articles of Association of Listed Companies, the Administrative Measures for Information Disclosure by Listed Companies, and the Provisions on the Deferral and Exemption of Information Disclosure by Listed Companies—as well as the updated Shanghai Stock Exchange Stock Listing Rules, various self-regulatory guidelines, and business guides, the Company synchronized adjustments to its relevant internal policies to ensure full compliance. Additionally, in accordance with the CSRC's Guidelines for the Articles of Association of Listed Companies, the Company formulated the Management System for Director Resignation.

Investor Communication Channels

During the reporting period, the Company actively engaged with investors through various channels, including conference calls, on-site research exchanges, and roadshows. We utilized multiple platforms such as "SSE e-Interaction," investor research meetings, dedicated hotlines, and email to answer investor inquiries, thereby establishing an equitable and smooth communication platform.

The Company regularly held earnings briefings for specialized discussions and actively participated in the online collective reception days organized within its jurisdiction. Additionally, we conducted dedicated investor exchange meetings and tracked changes in major shareholders to maintain open lines of communication. Through these measures, the Company has effectively enhanced investors' understanding and recognition of the business, safeguarded their legitimate rights and interests, and fostered a long-term, stable, and positive relationship with the investment community.

	2025
Announcements Release	106
SSE e-Service for Listed Company Announcements	15
Investor Communication Frequency	47
Investor Reception Counts	270
Investor Inquiry Response Rate	100%
Performance Briefing Sessions	4
Shareholders' Meeting	4
Shareholder Attendance	51.00%

Shareholders' Meeting

Company executives provided comprehensive responses to questions raised by minority shareholders attending the meeting. They also attentively listened to their opinions, ensuring that the interests of minority shareholders were fully respected and reflected.



Sustainable Development Management

Anti-Commercial Bribery and Anti-Corruption

The Company strictly complies with the Criminal Law of the People's Republic of China, the Anti-Unfair Competition Law of the People's Republic of China, the Company Law of the People's Republic of China, the Regulations on the Implementation of the Audit Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Basic Standard for Enterprise Internal Control, the Shanghai Stock Exchange Self-Regulatory Guidelines for Listed Companies No. 1 - Standardized Operation (Revised in December 2023), the Shanghai Stock Exchange Self-Regulatory Guidelines for Listed Companies No. 14 - Sustainability Report (Trial), as well as other applicable laws, regulations, judicial interpretations, and normative documents related to anti-fraud, anti-commercial bribery, and enterprise internal control. Furthermore, the Company adheres to international conventions such as the United Nations Convention against Corruption and the relevant laws applicable to the localities of its overseas subsidiaries. This ensures a unified global standard, with strict compliance to the laws and regulations of all operating countries as well as international standards. During the reporting period, there were no lawsuits or cases involving corruption, bribery, extortion, or fraud against the Company or its employees.

- During the reporting period, in accordance with relevant laws, regulations, judicial interpretations, and normative documents, and combined with the Articles of Association and the Company's actual situation, JCHX formulated the JCHX Anti-Fraud and Anti-Commercial Bribery Management System and the JCHX Discipline Inspection and Supervision Work System. The Company also issued the JCHX Mining Management Co., Ltd. Business Ethics Management Policy Statement and mandatorily embedded anti-corruption clauses in all business contracts. These clauses explicitly stipulate that any confirmed act of bribery will result in the immediate termination of the contract and the pursuit of liability for breach.
- The Company's anti-commercial bribery and anti-corruption efforts are conducted under the supervision of the Board of Directors, directly managed by the Chairman, and implemented layer by layer throughout the organization.

Audit and Risk Management Committee

The leading and primary responsible institutions for anti-fraud and anti-commercial bribery work are responsible for guiding the company's anti-fraud and anti-commercial bribery practices, formulating relevant institutional documents, and conducting ongoing supervision over these efforts.

Audit and Inspection Center

The Anti-Fraud and Anti-Commercial Bribery Oversight and Compliance Department, as the professional department representing the company to receive and handle employee appeals, reports, and complaints, is responsible for accepting reports and complaints from employees and affiliated entities regarding violations of company policies, safety regulations, operational directives, abuse of authority for personal gain, and other actions harming company interests or damaging corporate culture by management personnel at all levels.



Heads of Subordinate Units

The Primary Responsible Person and Liaison for anti-fraud and anti-commercial bribery work within the unit, responsible for conducting anti-fraud and anti-commercial bribery initiatives.

Legal Department

Provide legal support for the cases of anti-fraud and anti-commercial bribery work

Whistleblowing Procedures and Whistleblower Protection System

- JCHX supports and encourages all employees, as well as related parties such as clients, contractors, and suppliers, to report any misconduct or dereliction of duty. The Company has established multiple reporting channels, including dedicated email addresses, hotlines, physical suggestion boxes at various project sites, and QR codes accessible via Feishu and WeChat. The Audit and Supervision Center strictly protects the confidentiality of whistleblowers and safeguards their legitimate rights and interests, ensuring they can safely and lawfully disclose any concerns they believe to be true. Any audit or supervision personnel found leaking whistleblower information or case details will be disciplined in accordance with the Company's internal control policies; in cases causing serious consequences, the matter will be referred to judicial authorities.

Sustainable Development Management

Anti-Commercial Bribery and Anti-Corruption

Identification of Impacts, Risks, and Opportunities Related to Anti-Commercial Bribery and Anti-Corruption: The Company strictly complies with the Criminal Law of the People's Republic of China, the Anti-Unfair Competition Law, and international anti-corruption conventions (such as the United Nations Convention against Corruption). Combining these with the specific characteristics of the mining industry—covering key links such as mining right acquisition, bulk material procurement, product sales, and community relations maintenance—the Company has systematically identified the impacts, risks, and opportunities related to anti-commercial bribery and anti-corruption faced during the reporting period and in the future.

Category	Specific Matters / Risk Points	Time Horizon	Impact Severity	Potential Impacts
Risk (Procurement & Supply Chain)	Supplier bid-rigging, collusion, and kickback risks (Involving large equipment procurement, infrastructure outsourcing, spare parts & consumables supply)	Short - Medium Term	High	Financial: Inflated procurement costs eroding profits; risk of contract invalidity and capital loss. Legal: Criminal liability for responsible persons; penalty risks for the company. Reputational: Blacklisting by government/large SOEs; supply chain disruption.
Risk (Sales & Marketing)	Customer bribery and non-compliant commission risks (Involving mineral pricing, long-term agreements, logistics)	Short - Medium Term	Medium-High	Financial: Fines from anti-monopoly investigations; confiscation of illegal gains. Strategic: Loss of trust from core customers; hindrance to export business.
Risk (Admin & Community)	Gov't approval rent-seeking & community "protection fee" risks (Involving mining license renewal, EIA/safety approvals, land acquisition, donations)	Long Term	Extremely High	Legal: Arrest of core executives; revocation of mining licenses; forced project suspension. Strategic: Major public opinion crises; stock price crash; blocked financing channels.
Risk (Internal Encroachment)	Asset theft, false reimbursement, and tunneling (Involving metal inventory, waste disposal, related-party transactions)	Continuous	Medium	Financial: Direct asset loss; distortion of financial statements. Management: Undermines internal fairness; talent drain; failure of internal controls.
Opportunity (Clean Brand)	"Clean Mine" construction and compliance certification	Long Term	High	Strategic: Priority procurement from high-end global clients; improved ESG ratings; reduced financing costs (green/sustainability-linked loans). Management: Optimized processes; reduced hidden costs; enhanced operational efficiency.
Opportunity (Digital Risk Control)	Big data anti-corruption and transparent management	Medium - Long Term	Medium	Management: Full-process traceability via digital means; reduced room for human manipulation; enhanced scientific decision-making.

Strategic Response and Management Strategy: In response to the risks and opportunities identified above, the company has established an anti-corruption strategy centered on "safeguarding healthy corporate development through rigorous audit and supervision, while strictly preventing internal management risks." By strengthening oversight and disciplinary enforcement, and deepening education and guidance, the company has built a comprehensive, multi-dimensional prevention and control system.



Reporting Channels

The company has established an integrated reporting platform combining letters, visits, online submissions, and phone calls, with strict protection of whistleblowers' privacy.



Special Inspection

Conduct special inspections on an annual basis.



Strict Accountability

Adhere to the "dual investigation" principle, holding both the individuals directly involved and their leaders accountable for management failures.



Tiered Training

Integrity education is provided to frontline employees upon onboarding. For middle-level management and above, a minimum of two integrity awareness training sessions are conducted annually (achieving 100% training coverage for directors, management, and employees).



Cultural Activities

Activities such as watching educational documentaries and visiting anti-corruption bases are organized to foster a culture that "takes pride in integrity and regards corruption as shameful."

- The company's operations in the Democratic Republic of Congo (Dikulushi, Lonshi), Zambia (Lubambe), and Colombia (Alacran) are all national-level members of the Extractive Industries Transparency Initiative (EITI). Launched by former UK Prime Minister Tony Blair, the EITI aims to enhance fiscal transparency and accountability in the oil, gas, and mining sectors, addressing corruption and poverty in resource-rich nations caused by mismanagement.

Business Ethics and Integrity Training for Subsidiary Personnel

In December 2025, the Audit and Supervision Center conducted business ethics and integrity training for employees of secondary units (subsidiaries) using a hybrid online and offline approach.

Sustainable Development Management

Anti-Unfair Competition

In its production and business operations, JCHX strictly adheres to national laws, regulations, and relevant standards, such as the Anti-Unfair Competition Law of the People's Republic of China and the Model Provisions on the Protection against Unfair Competition. Upholding the baseline of business ethics, the company firmly rejects behaviors that damage the goodwill and reputation of other enterprises, undermine their credibility or public trust, or mislead the public. JCHX is actively committed to creating and maintaining a fair, just, and orderly market competition environment. The company's anti-unfair competition initiatives are advanced under the unified leadership of the Board of Directors, overseen by the Secretary of the Board. The Compliance Management Department is specifically responsible for anti-monopoly and anti-unfair competition compliance duties. These responsibilities include tracking and interpreting legal and regulatory updates, building institutional systems, identifying and assessing compliance risks, as well as conducting compliance reviews and specialized training. Combining updates in laws and regulations with the characteristics of its business models and changes in the external environment, the company systematically conducts compliance risk assessments, clarifies its compliance obligations, and formulates targeted improvement and implementation measures to ensure the effectiveness and forward-looking nature of its compliance management. During the reporting period, the company officially released the JCHX Mining Management Co., Ltd. Business Ethics Management Policy Statement, the JCHX Mining Management Co., Ltd. Data Management Policy Statement, and the JCHX Mining Management Co., Ltd. Supplier Management Policy Statement. These documents clearly articulate the company's firm opposition to monopolies and any form of unfair competition. Requirements such as regulating market transaction behaviors and strengthening the protection of intellectual property and trade secrets have been fully integrated into the compliance management system, continuously improving the institutional mechanisms against unfair competition. During the reporting period, the company was not involved in any litigation cases arising from unfair competition behaviors, nor did it receive any major administrative penalties.

» The company strictly adheres to the Anti-Unfair Competition Law of the People's Republic of China, the Advertising Law, and internationally recognized business standards. Taking into full account the specific characteristics of the mining industry — namely its strong resource dependence, long industrial chain, high customer concentration, and intense international competition—the company has systematically identified the impacts, risks, and opportunities in the field of anti-unfair competition.

- The company prevents unfair competition through a combination of measures, including establishing sound systems, optimizing processes, conducting risk management, promoting business ethics, providing education and training, and maintaining open reporting channels.



Category	Specific Matters/Risk Points	Time Range of Impact	Impact Severity Assessment	Potential Impacts
Risk Trade Secret Leakage	Core information such as exploration data, mineral processing parameters, customer procurement strategies, and cost structures is stolen or leaked by departing employees.	Long-term	Very High	Competition: Loss of technological advantage, targeted price suppression by competitors; Financial: Failure in bidding for major projects; Strategic: Depreciation of core value;
Risk Commercial Defamation	Malicious dissemination of false information; malicious炒作 (hype) on social media.	Short-term	High	Reputation: Triggers community protests, government intervention investigations; Operations: Project approval delays, production suspension for rectification; Financial: Significant stock price volatility, increased cost of capital;
Opportunity Integrity Brand Premium	Establish a "Credible Mining" image through true and transparent product information disclosure (e.g., carbon footprint labels, responsible mineral sourcing).	Long-term	High	Secure contracts with high-end customers, brand premium, improvement in ESG ratings
Opportunity Industry Standard Leadership	Lead the formulation of green mineral product certification standards and data disclosure norms to grasp industry discourse power.	Medium-to-Long-term	High	Reduce the industry-wide risk of "bad money driving out good," consolidate market leadership position
Opportunity Digital Transparent Marketing	Utilize blockchain technology to achieve full-chain product traceability, opening key data (energy consumption, water consumption, community investment) to customers.	Medium-term	Medium-High	Enhance customer trust, reduce doubts and disputes caused by information asymmetry
Opportunity Healthy Competition Ecosystem	Collaborate with industry associations to establish a "Mining Anti-Unfair Competition Convention" to promote industry self-discipline.	Long-term	Medium	Optimize the market competition environment, reduce compliance costs, attract responsible capital

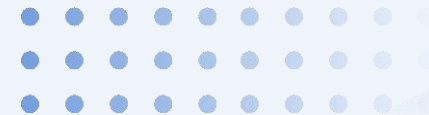


Environment

JCHX strictly adheres to Chinese environmental protection laws and regulations, such as the Environmental Protection Law of the People's Republic of China, the Regulations on the Administration of Environmental Protection of Construction Projects, and the Procedures for the Administration of Environmental Protection of Construction Projects. Meanwhile, the company fully complies with the environmental legal requirements of the countries where its overseas subsidiaries are located, including the Democratic Republic of the Congo (DRC), Zambia, and Serbia.

The company continuously advances the construction and improvement of its internal environmental management system. Guided by the development goal of "becoming an internationally renowned and domestically leading planner, builder, and operator of safe, ecological, and smart mines," JCHX firmly practices its environmental protection policy of "strict standardization, energy saving and consumption reduction, civilized construction, and environmental protection."

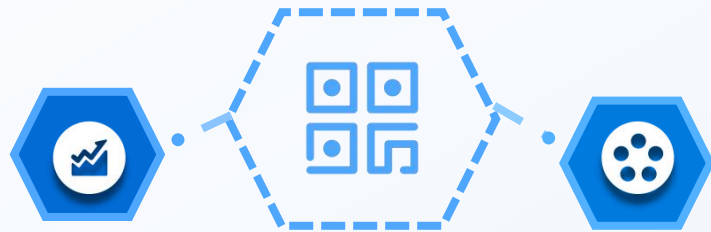
Throughout the full lifecycle of mine construction and operation, the company takes the establishment of a green and ecological mining process system as its core principle. It strives to promote the organic integration of efficient resource development and ecological environmental protection, effectively fulfilling its corporate environmental responsibilities.



Environmental Compliance Management

Policy, Regulatory and Management Framework

JCHX strictly complies with environmental protection laws and regulations, including the Environmental Protection Law of the People's Republic of China, the Regulations on the Administration of Environmental Protection of Construction Projects, and the Procedures for the Administration of Environmental Protection of Construction Projects, as well as the environmental laws of the countries where its overseas subsidiaries are located. The company actively advances the development of its internal environmental management system. It consistently adheres to the environmental protection policy of "strict standardization, energy saving and consumption reduction, civilized construction, and environmental protection." Taking the establishment of a green and ecological mining process system as the general principle for mine construction and operation, JCHX strives to achieve an organic integration of efficient mine development and effective environmental protection.



Based on relevant laws and the company's actual conditions, the company has formulated internal policies such as the JCHX Environmental Protection Management System, the Tailings Pond Safety Management System, and the System for the Identification, Assessment, and Control of Environmental Factors.

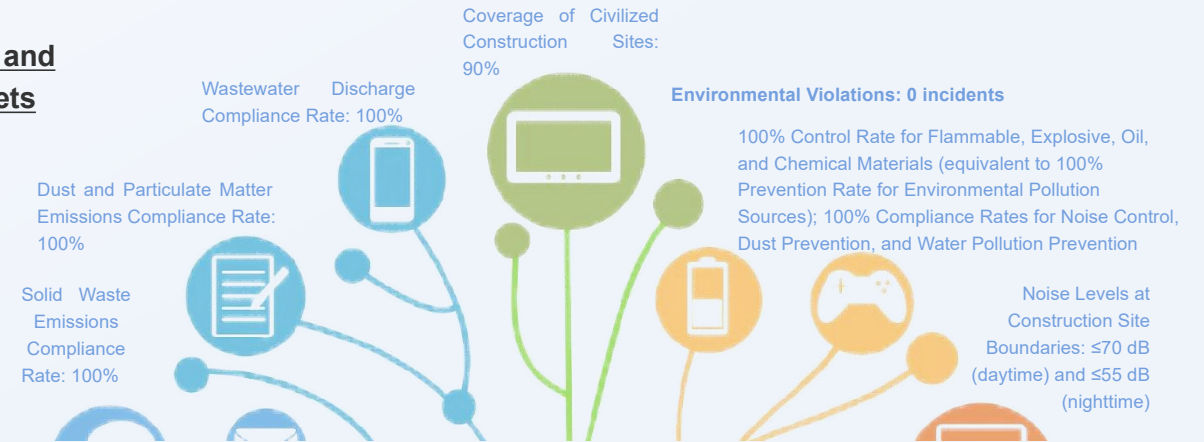
The company has established a Safety Production Management Center and implemented an environmental protection responsibility system. This center is responsible for managing key environmental issues, including water resource protection, waste disposal, and tailings pond management. In accordance with the GB/T 24001/ISO 14001 Environmental Management Systems — Requirements with Guidance for Use, the company has established and continuously improves a comprehensive environmental management system with clearly defined responsibilities.

During the reporting period, the company released the JCHX Mining Management Co., Ltd. Environmental Management Policy Statement, making commitments regarding scientifically addressing climate change, water resource utilization, biodiversity conservation, waste management, and pollutant emissions.

Every year, the company invites an expert panel from the China Construction Association Certification Center (CCACC) to conduct on-site surveillance audits of its environmental management system. Through interviews, reviews of various documents, and inspections of engineering sites, the experts continuously propose improvement plans, optimize risk management, and help the company steadily enhance its environmental management level.

As of the end of the reporting period, the company has obtained the ISO 14001:2015 Environmental Management System certification. The scope of the certificate covers general contracting for mining engineering construction within the company's qualifications, as well as related environmental management activities.

Environmental and Emission Targets



During its business operations, the company places great emphasis on mine environmental protection training. This includes training on environmental regulations and policies, the sources, characteristics, and hazards of mining pollution, as well as the company's internal environmental systems. These initiatives aim to enhance the environmental awareness of mining practitioners, equip them with essential environmental knowledge and skills, and drive the green development of mines. Meanwhile, the company and its various project units organize weekly on-site inspections focused on civilization, environmental protection, and hygiene to conduct daily supervision over the implementation of environmental measures. During the reporting period, the company fully achieved all its environmental management targets and received no penalties from the ecological and environmental administrative authorities in the project locations.

- Environmental Management System Certification**
 From September 22 to 24, 2025, an audit expert panel assigned by the China Construction Association Certification Center conducted a recertification audit of the company's Quality, Environmental, and Occupational Health and Safety Management Systems.

- Training on Local Environmental Regulations for Overseas subsidiaries**
 To enhance its level of environmental compliance, JCHX Sabwe in the Democratic Republic of the Congo (DRC) organized training sessions on local laws, including the Mining Code and Environmental Protection Law.

Environmental Compliance Management

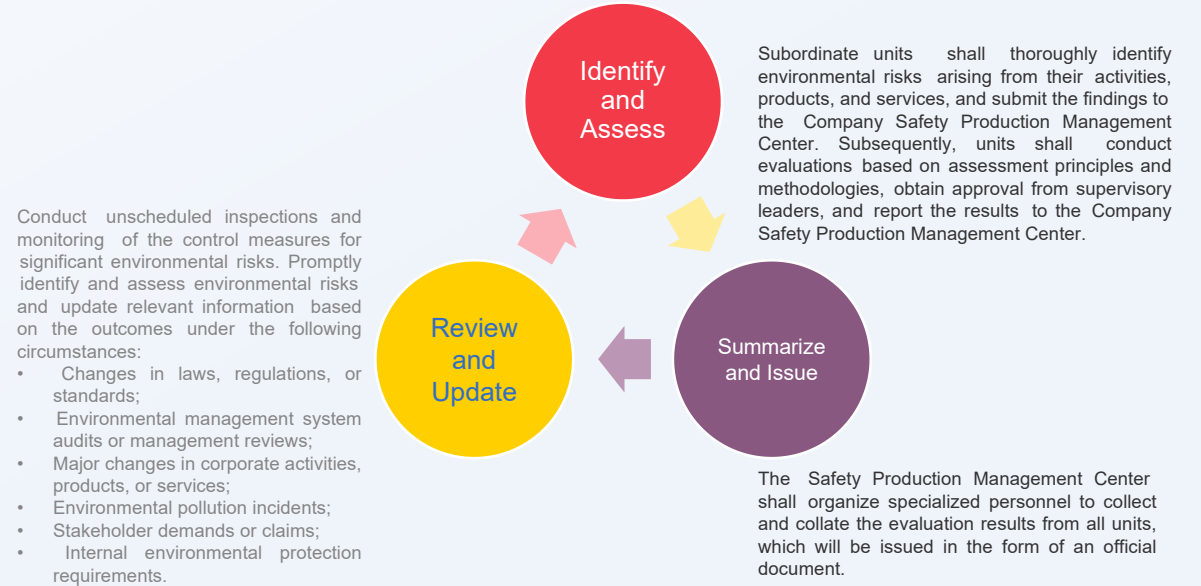
Identification and Response Strategies for Related Impacts, Risks, and Opportunities

The Company strictly adheres to laws, regulations, and local regulatory requirements. Taking into full account the mining industry's characteristics of "high resource consumption and high environmental sensitivity," we ensure precise identification and timely response.

Category	Specific Matters/Risk Points	Time Horizon of Impact	Impact Severity Assessment	Potential Impacts
Risk Pollutant Discharge Compliance	Wastewater (Heavy Metals, COD), Waste Gas (SO ₂ , NOx, Dust), Noise Exceeding Standards	Short-term	High	Administrative Penalties: Fines, Orders to Limit/Stop Production for Rectification Reputational Loss: Public Disclosure of Environmental Penalties, Affecting Project Bidding
Risk Tailings & Solid Waste Management	Tailings Pond Leakage/Dam Failure Hazards, Non-compliant Disposal of Hazardous Waste (Waste Oil, Waste Acid), Overdue Storage	Long-term	Medium-High	Criminal Liability: Crime of Causing Major Environmental Pollution Accidents Massive Compensation: Ecological Restoration Costs + Civil Compensation; License Revocation: Revocation of Work Safety and Mining Licenses; Community Conflict: Mass Incidents Triggered by Water Source Pollution, Project Stagnation;
Risk Ecological Restoration Contractual Obligations	Land Reclamation Rate Below Standard, Poor Vegetation Restoration Effect, Insufficient Accrual of Mine Geological Environmental Governance Funds	Medium-Long term	High	Business: Obstruction of New Project Development; Financial: Additional Provision for Restoration Funds Directly Erodes Current Profits; Community Relations: Impacts Relations with Local Residents, Government, and NGOs;
Opportunity Policy Dividends	Tax Reductions/Exemptions, Special Subsidies for Ecological Restoration, Carbon Emission Reduction Benefits	Short-Medium term	High	Fiscal Subsidies, Carbon Quota Trading Revenue
Opportunity Market Access & Premium	Products Obtain "Green Product Certification" / "Responsible Mining Certification", Entry into High-end Supply Chains	Medium term	High	Brand Premium
Opportunity Resource Circular Value	Tailings for Building Materials, Waste Rock Backfilling, 100% Reuse of Mine Water, PV+ Mine Energy Self-sufficiency	Medium-Long term	Medium-High	Tailings Backfilling, Water Saving, PV Power Generation Reduces Costs
Opportunity Brand & Financing Advantages	ESG Rating Improvement, Low-interest Issuance of Green Bonds, Attracting ESG Fund Holdings	Long term	High	Issue Low-interest Green Bonds; Increase in ESG Fund Shareholding Ratio

To address the aforementioned risks, the company has adopted a two-pronged approach. On one hand, we strictly implement the relevant safety and environmental regulations stipulated by national laws and industry standards. On the other hand, we strengthen safety and environmental production management by formulating and continuously improving safety management systems, reinforcing safety and environmental responsibilities and performance assessments, and steadily increasing investments in safety and environmental protection. These efforts aim to promote the standardization of safety management and enhance intrinsic operational safety. During the reporting period, the company invested a total of RMB 89.52 million in environmental protection.

Identify and Assess Environmental Risks with Significant Impacts



Environmental Protection Management Plan for Project Sites

Significant Factors	Targets	Implementation Plan
Noise	Construction Site Boundaries: ≤70 dB (daytime) and ≤55 dB (nighttime)	<ul style="list-style-type: none"> • Select equipment compliant with environmental requirements; install mufflers on noise-exceeding equipment to reduce noise • Adopt low-noise construction techniques during operational processes
Dust and Particulate	Toxic Substances (GB16424-1996): <ul style="list-style-type: none"> • Carbon Monoxide (CO) ≤30 mg/m³; • Nitrogen Oxides (NOx) ≤5 mg/m³; • Sulfur Dioxide (SO₂) ≤15 mg/m³; • Hydrogen Sulfide (H₂S) ≤10 mg/m³; • Containing ≤10% free silica, Talc Dust ≤4 mg/m³. 	<ul style="list-style-type: none"> • Procure eco-friendly equipment to minimize dust emissions. • Regularly water-spray transportation roads. • Intensify water-spraying at critical dust-emission points.
Wastewater Discharge	<ul style="list-style-type: none"> • pH: 6-9 • Suspended Solids (SS) ≤ 400 mg/L • Petroleum Hydrocarbons ≤ 20 mg/L • Animal and Vegetable Oils ≤ 100 mg/L 	<ul style="list-style-type: none"> • Treat underground working face wastewater via sedimentation before discharging into the owner's drainage system. • Collect and settle auxiliary production/living wastewater for centralized discharge into the owner's system.
Solid Waste	Categorized Treatment	<ul style="list-style-type: none"> • Dispose of spoil at the owner's designated site with regular watering. • Conduct post-construction environmental treatment of spoil sites with the owner. • Implement solid waste control procedures for auxiliary production/living waste.
Flammable / Explosive Substances, Oil Products, and Chemicals Control	Qualified Rate 100%	<ul style="list-style-type: none"> • Establish dedicated storage facilities compliant with environmental standards. • Minimize spillage during usage. • Achieve 100% recovery of expired lubricants and explosives.

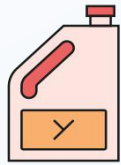
Energy Utilization

Policy, Regulatory and Management Framework

In terms of energy consumption, the Company's mining services and resource development sectors rely mainly on purchased electricity and fossil fuels (gasoline and diesel) to power production machinery and vehicles. Administrative activities involve the consumption of liquefied petroleum gas (LPG), gasoline, and purchased electricity.



Purchased Electricity
For production, construction, and office use.



Gasoline and Diesel
For the operation of equipment, vehicles, and generators.



LNG
Employee cafeteria

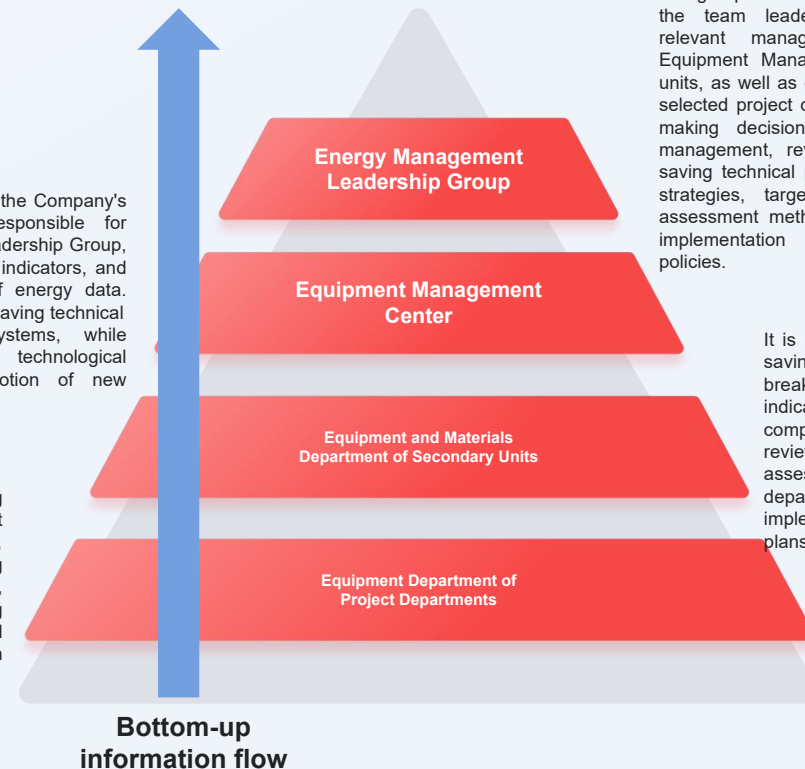
The Company strictly complies with national and local laws, regulations, and standards, including the Energy Conservation Law of the People's Republic of China and the Beijing Implementation Measures of the Energy Conservation Law of the People's Republic of China, while continuously strengthening its energy management system. At the organizational level, a designated Assistant President oversees the function, and a top-down operational energy management system covering all branches and project departments has been established. The Equipment Management Center is responsible for the comprehensive coordination of energy management efforts. To further enhance JCHX's energy management, promote the rational use of energy, improve energy efficiency, reduce production costs, and strengthen corporate competitiveness, the Company has formulated the JCHX Mining Management Co., Ltd. Energy Management System and issued the JCHX Mining Management Co., Ltd. Environmental Management Policy Statement, in accordance with the relevant provisions of the Energy Conservation Law of the People's Republic of China and the Beijing Implementation Measures of the Energy Conservation Law of the People's Republic of China.

Supervision and Assessment

Category	Specific Matters / Points
Supervision Procedures	<ul style="list-style-type: none"> Project Department: Establish an on-site energy inspection team led by the deputy manager in charge of energy to conduct on-site energy inspections. Two-level Company Equipment Management Departments: Organize irregular on-site energy inspections to supervise the performance of the project department's inspection team. Equipment Management Center: Inspect and accept medium and small-scale energy-saving technological transformation projects and "minor energy-saving improvements." Post-completion: Upon completion and operation of energy-saving tech transformation projects, organize acceptance appraisal and evaluate energy-saving effects.
Supervision Measures	<ul style="list-style-type: none"> Record Keeping: Establish archives and cards for key energy-consuming equipment, recording parameters such as specifications, models, capacity, load rate, and thermal efficiency. Information Exchange: Organize biannual information exchanges on energy management, technological transformation, and new energy-saving product applications among key energy-consuming units. Experience Sharing: Conduct irregular energy-saving experience exchanges between key energy-consuming units. Metering Control: Implement a strict approval system for the installation, modification, and removal of energy metering devices to ensure accurate metering.
Assessment Status	<ul style="list-style-type: none"> Performance Integration: Incorporate energy management into the performance appraisal system; penalize units and individuals violating regulations according to relevant rules. Target Breakdown: The Equipment Management Center formulates energy assessment methods and indicators, which are broken down and implemented at all levels to ensure total energy consumption and unit product energy consumption do not exceed standards. Project Accountability: For energy-saving tech transformation projects that fail to meet standards after appraisal, organize responsibility analysis and conduct assessments. Public Criticism: Issue circulars of criticism to units that fail to complete the company's energy-saving targets due to poor management. Economic Losses: Handle economic losses caused by poor energy management by referring to equipment accident protocols; report serious cases to administrative departments for handling.

As the competent department for the Company's energy management, it is responsible for executing the decisions of the Leadership Group, establishing energy consumption indicators, and conducting statistical analysis of energy data. Additionally, it formulates energy-saving technical policies and management systems, while organizing energy-saving technological transformations and the promotion of new technologies.

It is responsible for implementing the energy-saving management systems of companies at all levels, breaking down and executing energy consumption indicators, organizing energy-saving training for employees, and compiling and reporting energy consumption statistics.



The group is led by an executive leader serving as the team leader, with members comprising relevant management personnel from the Equipment Management Center and secondary units, as well as deputy managers in charge from selected project departments. It is responsible for making decisions on the Company's energy management, reviewing and approving energy-saving technical policies, annual plans, long-term strategies, target responsibility systems, and assessment methods, as well as organizing the implementation of government energy-saving policies.

It is responsible for the daily energy-saving management of the unit, breaking down energy consumption indicators, and collecting and compiling energy data. Additionally, it reviews the energy management assessment rules for project departments and organizes the implementation of energy-saving plans.

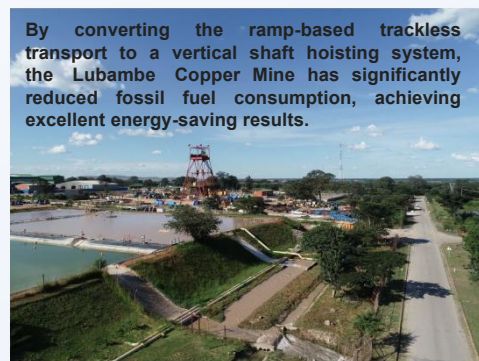


Energy Utilization

Risks and Opportunities

Based on the high energy-consuming characteristics of the mining industry, and in accordance with the Energy Conservation Law as well as the "Dual Carbon" policy direction, the Company has established an identification system to assess relevant risks and opportunities.

Category	Specific Matters/Risk Points	Impact Time Range	Impact Severity Rating	Potential Impacts
Risk Energy Price Volatility	Significant increase in procurement costs for electricity, diesel, and natural gas	Short-Medium Term	Very High	Financial: Rise in energy costs Cash Flow Pressure: Increased energy payments lead to tight working capital.
Risk Energy Supply Interruption	Grid aging, power rationing, diesel transport obstruction, production stoppage due to captive power plant failure	Short Term	High	Production Stagnation: Power outage causes full production line shutdown; Contract Breach: Inability to deliver on time, payment of penalties; Equipment Damage: Downtime leads to equipment damage and well flooding.
Risk Low Energy Efficiency & Compliance Issues	Comprehensive energy consumption per unit exceeds national/industry quota standards; failure to meet government-assigned energy-saving targets	Medium Term	Medium-High	Policy Penalty: Listed as a "High Energy Consuming Enterprise", subject to differential electricity pricing; Project Restrictions: Energy reviews for new/retrofit projects are not approved; Cost Disadvantage: Unit energy consumption is higher than the industry's advanced level.
Risk Lag in Technology Iteration	Failure to apply high-efficiency energy-saving technologies in a timely manner, resulting in energy efficiency lagging behind industry benchmarks	Long Term	Medium	Cost Disadvantage: Unit energy consumption is higher than the industry's advanced level.
Opportunity Energy Saving, Cost Reduction & Efficiency Enhancement	Reduce unit product energy consumption through technological transformation and management optimization	Short-Medium Term	High	Financial: Save energy costs through energy-saving retrofits.
Opportunity Renewable Energy Substitution	Utilize idle mining land to build "PV + Energy Storage" systems	Medium Term	High	Financial: Substitute grid electricity purchases to reduce electricity costs.
Opportunity Energy Structure Optimization	Procure green electricity and use biomass fuel to replace part of fossil energy	Medium Term	Medium-High	Obtain "Green Electricity Consumption Certification" to improve ESG rating.
Opportunity Carbon Asset Development & Trading	Develop CCER projects (e.g., PV carbon emission reductions) and participate in carbon market trading	Medium-Long Term	Medium	Generate profit through carbon allowance trading.
Opportunity Smart Energy Management	Build an energy management platform to achieve refined and predictive energy maintenance	Short Term	Medium	Reduce production costs through refined management.



By converting the ramp-based trackless transport to a vertical shaft hoisting system, the Lubambe Copper Mine has significantly reduced fossil fuel consumption, achieving excellent energy-saving results.



JCHX's equipment R&D team has successfully integrated "5G + Industrial Internet" technology with its independently developed new-energy pure electric Load-Haul-Dump (LHD) vehicles. By replacing traditional internal combustion LHDs and cable-reel electric LHDs with battery-powered electric models, the company has achieved pollution-free and highly convenient ore loading and hauling operations. Equipped with high-energy-density lithium batteries for rapid charging and discharging, and supported by a powerful Vehicle Control Unit (VCU), the system leverages 5G wireless network technology to realize systematic, visualized, and automated mine construction. It also enables remote, unmanned, convenient, and rapid equipment operation. This innovation maximizes the reduction of pollution and ecological damage during mineral resource development, improves resource recovery rates and utilization efficiency, and promotes the coordinated development of mining and environmental protection.

Planning, Management Strategies, and Measures

1. Long-term Planning Mechanism

- The Equipment Management Center regularly formulates the company's long-term energy consumption and energy-saving plans. This is based on the company's production and operation plans, annual targets, actual product energy consumption indicators, and energy-saving potential analysis, while benchmarking against the advanced levels of the domestic industry.
- Each unit is required to formulate its own long-term energy consumption and energy-saving plans in accordance with the company's overall planning requirements.
- The Equipment Management Center is responsible for incorporating validated energy-saving technological retrofit projects into the company's long-term energy-saving technological transformation plan.

2. Quota and Limit Management Strategy

- Quota management for energy consumption per unit of product is implemented across the company's main and auxiliary production systems.
- Units not subject to quota assessments are managed under energy consumption limit controls.
- Energy quotas and limits are maintained with relative stability and comparability, and are revised every two years.

3. Management Measures

- Financial Support:** The company allocates special funds annually for energy-saving technological retrofits and the application of "Four New" energy-saving technologies (new technologies, new processes, new materials, and new equipment). The amount allocated for energy saving accounts for 5% of the company's annual technological transformation funds.
- Technical Support:**
 - New projects must adopt advanced energy-saving technologies and production processes in their equipment configuration; the use of processes and equipment explicitly phased out by the state is prohibited.
 - Key energy-consuming units are required to organize and implement small-to-medium energy-saving retrofit projects and minor energy-saving improvements annually.
 - Regular energy balance tests and rational energy use monitoring are conducted. The Equipment Management Center organizes a comprehensive energy balance test periodically.
 - Archives for key energy-consuming equipment are established, recording parameters such as equipment specifications, models, capacity, load rates, and thermal efficiency.
- Human Resources Support:**
 - The Equipment Management Center and all units organize annual energy-saving training and formulate corresponding training plans.
 - Personnel operating key energy-consuming equipment and those in relevant operational posts must pass pre-job training; those who fail are not permitted to work.
 - The "National Energy Conservation Publicity Week" campaign is organized annually.
 - Energy management experience exchange sessions for key energy-consuming units are held every six months to learn from advanced energy-saving practices.

Water Resource Utilization

Policy, Regulatory and Management Framework

In the production phase, the company's primary water source is the reuse of seepage water generated during underground construction and mining operations, while municipal water supply is used for daily office activities.

The company places high importance on water conservation and reuse. We strictly adhere to laws and regulations such as the Water Law of the People's Republic of China and the Law of the People's Republic of China on Prevention and Control of Water Pollution, as well as relevant water resource laws in the countries where our overseas projects are located. This ensures the standardization and enhancement of our water conservation efforts, thereby improving resource utilization efficiency. The company has formulated the JCHX Mining Management Co., Ltd. Energy Management System and issued the JCHX Mining Management Co., Ltd. Environmental Management Policy Statement, both of which contain clear regulations and commitments regarding the use and protection of water resources. Furthermore, the company incorporates water resource utilization into the scope of energy utilization, adopting the same governance framework and structure as energy management (for details, please refer to the relevant statements on Page 32 of the previous section).

Risks and Opportunities

Through systematic assessment, the company has identified multiple impacts and opportunities in water resource management across environmental, social, and economic dimensions.

Category	Specific Matters/Risk Points	Impact Time Horizon	Impact Severity Assessment	Potential Impacts
Risk Water Resource Utilization	Large-scale water withdrawal may lead to a decrease in local water reserves, affecting river and lake levels as well as groundwater tables, thereby putting pressure on agricultural irrigation and residential life.	Long-term	Medium-High	Financial: Rising cost of fresh water procurement year by year; Strategic: When regional water resources are overdrawn, permits for new production capacity may be frozen, limiting business expansion; Reputational: Being labeled as a "heavy water user" by local communities, triggering group complaints.
Risk Water Quality Change	The process of water withdrawal or drainage may introduce pollutants or alter the physicochemical properties of water (such as high salinity or acidity), affecting the safety of drinking water sources.	Medium-Long term	High	Financial: Fines for exceeding discharge standards plus ecological restoration costs; Reputational: Water pollution incidents exposed by media, leading to downgraded ESG ratings and removal from customer supply chains.
Risk Ecological Environment	Excessive water withdrawal may cause rivers to dry up and wetlands to shrink, destroying aquatic habitats; groundwater damage may induce ground subsidence.	Long-term	High	Financial: Increased provision ratio for ecological restoration funds, directly eroding current profits; Strategic: Forced exit from projects within ecological red lines, with unrecoverable upfront investments; Reputational: Listed as a "biodiversity destroyer" by NGO organizations, damaging international brand image in the long run.
Risk Socio-economic	Competition for water with local agriculture and industry, triggering distribution conflicts; construction of water intake facilities may affect the local economic structure.	Medium-term	Medium	Financial: Production stoppage losses due to community conflicts; Strategic: Obstruction in the approval of new projects; Reputational: Continuous negative reporting by local media, affecting the investment environment for the enterprise in the region.
Risk Operational Safety	Mine water hazards directly threaten personnel safety; interruption of water sources affects production continuity.	Short-term	Very High	Financial: Direct economic losses from major water hazard accidents, plus production stoppage losses; Strategic: Revocation of safety production licenses, mine-wide production suspension for rectification; Reputational: Major safety accidents attract attention, damaging the enterprise's social image.
Opportunity Unconventional Water Source Substitution	Converting mine water into a "new water source", incorporating it into unified regional water resource allocation to alleviate the supply-demand contradiction in water-scarce areas.	Medium-term	High	Financial: Replacing fresh water procurement, saving water fees; Strategic: Contributing in terms of water resources, prioritizing access to water intake indicators for new projects; Reputational: Media coverage enhancing brand reputation.
Opportunity Resource Valorization	Through efficient utilization, each cubic meter of water can bring significant economic value.	Long-term	High	Financial: Water resource recycling creates new revenue streams (e.g., selling water to surrounding enterprises); Strategic: Forming a circular economy industrial chain, enhancing risk resistance capabilities; Reputational: Becoming a demonstration enterprise for comprehensive resource utilization, obtaining policy subsidies.
Opportunity Green Transition Advantage	Improving water efficiency and utilization rates helps reduce carbon emissions (water saving equals energy saving), improves ESG ratings, and gains green finance support.	Medium-term	Medium-High	Financial: Green bond issuance, saving interest costs; Strategic: Meeting customers' supply chain ESG requirements, securing high-end orders; Reputational: Improved ESG ratings, attracting increased holdings from ESG funds.

Water Resource Utilization

Risks and Opportunities

To address the aforementioned risks and seize the opportunities, the company has formulated a systematic response plan ranging from conceptual frameworks to practical measures. Conceptually, we have shifted from the traditional "extraction-discharge" model to a circular economy model of "extraction-treatment-utilization-replenishment." Furthermore, we have implemented multidimensional technical and management measures to enhance water efficiency and recycling levels.

Water Conservation Measures

Install interception ditches and collection ponds at construction sites to collect floor rinse water and initial rainwater for recycling reuse

Install inlet and outlet flow meters at mine water treatment stations for real-time monitoring of water consumption.

The underground seepage water is collected into dedicated water tanks and utilized during construction processes, such as dust suppression during rock drilling operations and slag removal/cleaning operations.

Conduct water conservation publicity in office and living areas.

Domestic wastewater undergoes sedimentation treatment before used for plant irrigation, to achieve secondary utilization of water resources.



Domestic water is settled and then used for plant irrigation to achieve wastewater utilization; the office area uses sprinkler irrigation for watering to conserve water.



Water conservation publicity is carried out in the project department's living quarters.



The Lubambe, Sabwe, and Everbrigh processing plants all utilize recycled tailings water for production, with a water reuse rate exceeding 80%, achieving significant water-saving effects.



Pollutant Emissions

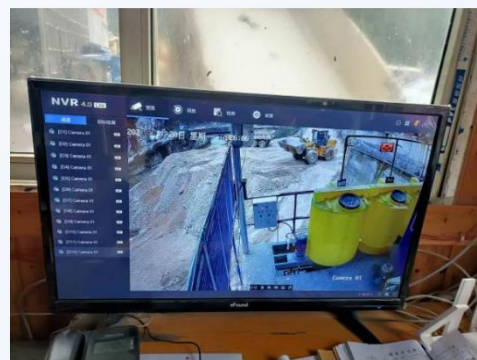
Policy, Regulatory and Management Framework

The company strictly complies with laws and regulations such as the Environmental Protection Law of the People's Republic of China, the Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution, the Law of the People's Republic of China on the Prevention and Control of Water Pollution, and the Regulations on the Administration of Urban Drainage and Sewage Treatment, as well as relevant regulations and industry standards applicable to its operations in different countries and regions. Meanwhile, the company has formulated the Environmental Protection Management System of JCHX Mining Management Co., Ltd. and issued the Environmental Management Policy Statement of JCHX Mining Management Co., Ltd. These documents set forth regulations on pollutant emissions during the production process to avoid or minimize the environmental impact caused by the company's production and operations. Related work is overseen by a Vice President of the company, with the Safety Production Management Center responsible for specific implementation. For relevant emission and environmental target values, please refer to the aforementioned Environmental Compliance Management section on Page 30. During the reporting period, the company did not experience any significant or above production safety and environmental protection accidents, nor did it receive any penalties from the ecological environment administrative authorities at the project locations.

Pollutant Type	Generation Process	Treatment Method
Water Pollutants: Wastewater (statistics include Chemical Oxygen Demand (COD), 5-day Biochemical Oxygen Demand (BOD5), Suspended Solids, Ammonia Nitrogen, etc.)	Wet rock drilling	<ul style="list-style-type: none"> Waste gas, wastewater, and waste residue generated during mining services operations all enter the owner's internal ventilation, drainage, and waste discharge systems according to the owner's arrangements. Specific treatment and external discharge are subject to the owner's management and the supervision of local environmental protection administrative departments; The aforementioned wastes generated by self-owned resource projects are all treated and discharged in accordance with the legal and regulatory requirements of the project location.
Air Pollutants: Waste residue, waste gas (statistics include particulate matter, sulfur oxides)	Roadway excavation, ventilation of mining faces	<ul style="list-style-type: none"> Reasonably control operation time periods, technical and physical noise reduction
Noise	Blasting and surface loading/unloading, equipment production	



Liangchahe Phosphate Mine North District Wastewater Treatment Station (Treatment Capacity: 800 m³/h)



Install video surveillance at the water inlet and outlet.

- The assembly line has replaced pneumatic tools with low-noise electric wrenches, reducing workstation noise from 95–105dB to 80–88dB. Through the optimization of assembly processes, all pins and bushings are now installed using freezing and press-fitting techniques. Additionally, the use of split hydraulic jacks and electric pump stations has completely eliminated the need for hammering, thereby reducing impact noise at the source and lowering labor intensity.



Implementation of a Hierarchical Supervision and Management Structure:

Company Safety Production Management Center:

- Supervisory Authority:** Exercises unified supervision and management over environmental protection work, including pollutant emissions and waste disposal, across all business operation areas of the company.
- Coordination and Guidance:** Mandates the integration of environmental protection considerations into technical documents—such as construction organization designs, construction plans, and special measures—throughout the entire process from bidding to construction guidance.
- Policy Formulation:** Monitors environmental laws, regulations, and emission standards, and is responsible for formulating and interpreting relevant internal policies.

Safety and Environmental Protection Departments of Secondary Units:

Exercise unified supervision and management over environmental protection work within their respective jurisdictions.

Safety and Environmental Protection Departments of Project Departments:

Exercise unified supervision and management over environmental protection work within the project's jurisdiction.

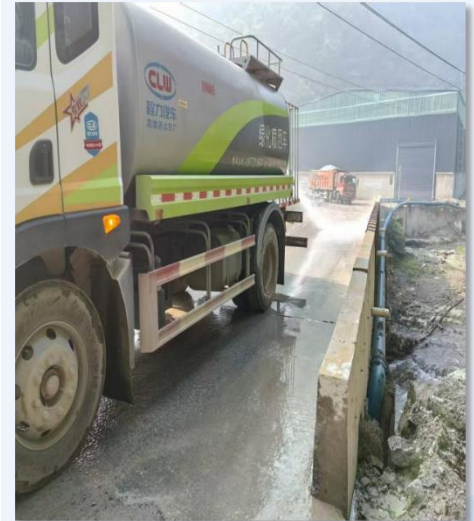
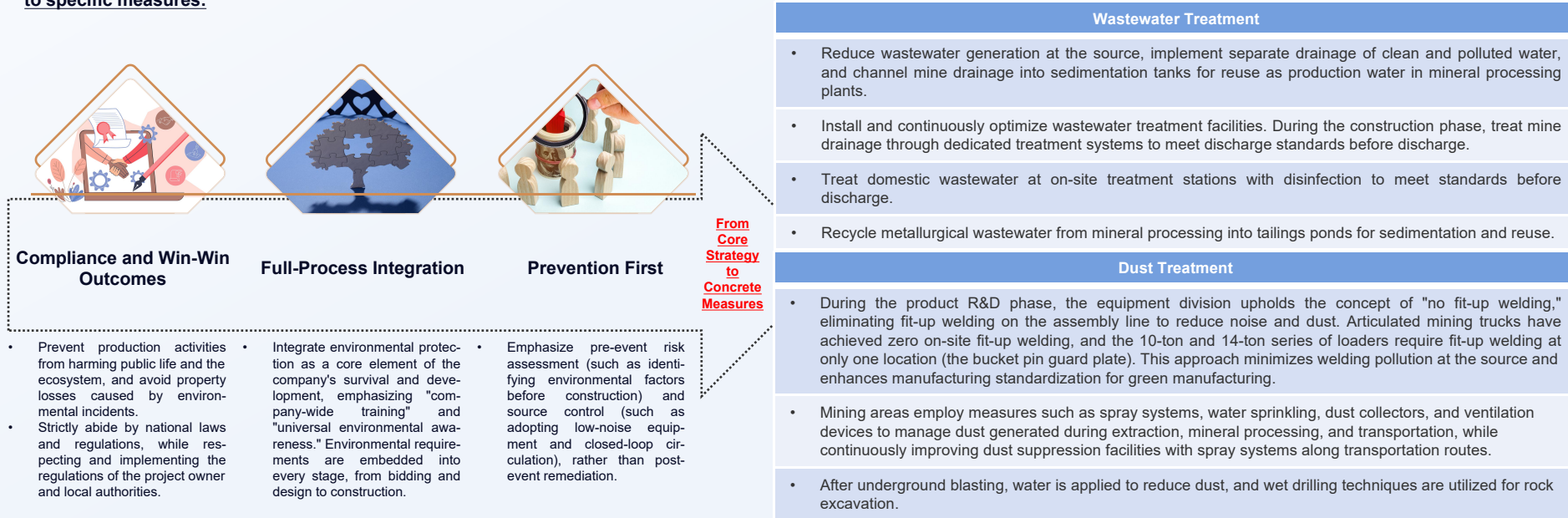
Pollutant Emissions

Risks and Opportunities

Based on laws and regulations such as the Environmental Protection Law, the Law on the Prevention and Control of Atmospheric Pollution, and the Regulation on the Administration of Permitting of Pollution Discharges, and combined with the characteristics of the mining industry, the company has established a system for identifying risks and opportunities related to pollutant emissions.

Category	Specific Matters/Risk Points	Impact Time Range	Impact Severity Assessment	Potential Impacts
Risk Air Pollutant Emissions	Particulate matter, sulfur dioxide, and nitrogen oxides generated by mining blasting, ore crushing, transportation, and coal-fired boilers lead to a decline in air quality, inducing respiratory diseases in employees and surrounding residents.	Short-term - Medium-term	Very High	Financial: Excess emission fines; employee occupational disease compensation Strategic: Listed as a "Key Polluting Unit", facing production limits, shutdowns for rectification, and failure of environmental impact assessments for new projects; Reputational: Notified by regulatory authorities, ESG rating downgraded;
Risk Water Pollutant Emissions	Mine water and ore dressing wastewater contain heavy metals such as lead, cadmium, and arsenic, as well as chemical oxygen demand (COD) and ammonia nitrogen. If discharged directly without treatment, they pollute surface water and groundwater, threatening residents' drinking water safety and damaging the aquatic ecosystem.	Medium-term - Long-term	Very High	Financial: Ecological restoration costs, potential civil compensation; Strategic: Production license revoked; Reputational: Notified by regulatory authorities, ESG rating downgraded;
Risk Noise and Vibration Pollution	High-intensity noise generated by blasting and the operation of large equipment (ball mills, air compressors) interferes with residents' lives, causing hearing damage and sleep disorders.	Short-term - Medium-term	Medium-High	Financial: Noise complaint compensation, investment in sound insulation facility renovation; Strategic: Community conflict leads to project suspension; Reputational: Negative reporting, affecting corporate image;
Opportunity Ultra-low Emission Retrofit Dividends	Achieving dust, SO ₂ , and NO _x emission concentrations superior to national standards through technological retrofits.	Medium-term	High	Financial: Environmental protection rewards; Reputational: Enhance brand premium;

To control these risks, the company has formulated clear plans ranging from strategy to specific measures:



Regular watering by water trucks at the construction site to reduce and suppress dust.

Waste Management


Policy, Regulatory and Management Framework

Non-hazardous waste generated during the company's daily operations mainly consists of office and domestic waste from office and living areas, as well as waste rock produced during underground excavation and mining. Hazardous waste primarily refers to tailings generated after ore dressing in certain self-owned mining projects. For non-hazardous waste such as office and domestic garbage in mining service operations, disposal is carried out uniformly in accordance with the environmental requirements of the project owners. For self-owned resource projects and daily office operations, office and domestic waste are placed in designated municipal waste collection points in compliance with local municipal management regulations.

The company strictly abides by laws and regulations such as the Environmental Protection Law of the People's Republic of China and the Law of the People's Republic of China on the Prevention and Control of Environment Pollution Caused by Solid Wastes, as well as relevant regulations and industry standards applicable to the countries and regions where it operates. Meanwhile, the company has formulated internal policies such as the JCHX Environmental Protection Management System and the JCHX Tailings Pond Safety Management System, and issued the JCHX Mining Management Co., Ltd. Environmental Management Policy Statement. These measures institutionalize waste management to prevent the company's production and operations from adversely affecting the ecological environment. Related work is overseen by the company's Vice President, with the Safety Production Management Center responsible for specific implementation. During the reporting period, the company did not experience any significant or above-level production safety or environmental incidents. For relevant emissions and environmental targets, please refer to the "Environmental Compliance Management" section on Page 30 mentioned earlier; for the hierarchical supervision and management structure, please refer to the "Pollutant Emissions" section on Page 36.

Waste	Generation Process	Treatment Method
Non-hazardous waste: Office and domestic waste	Daily office work and employee life	<ul style="list-style-type: none"> Unified treatment according to the owner's environmental protection requirements in mining services business; Office and domestic waste generated in self-owned resource projects and daily office work are all placed in designated waste disposal sites in accordance with municipal management requirements.
Non-hazardous waste: Waste rock	Underground excavation and mining	<ul style="list-style-type: none"> Utilize paste filling technology for backfilling mined-out areas;
Hazardous waste: Tailings	Generated after ore dressing in self-owned mining projects	<ul style="list-style-type: none"> Establish tailings ponds for strict management, monitoring, and utilization; backfill mined-out areas
Hazardous waste: Waste oil	Maintenance of transport vehicles and machinery equipment	<ul style="list-style-type: none"> Handed over to qualified units for unified recycling and treatment

JCHX's paste filling technology, characterized by its safety, environmental friendliness, cost-effectiveness, and high efficiency, can curb goaf collapse and tailings pond dam failure at the source, thereby realizing the resource utilization of full tailings.



Risks and Opportunities

In accordance with the Law on the Prevention and Control of Environment Pollution Caused by Solid Wastes, the company has established a "full life cycle and full-factor coverage" waste management identification system, ensuring precise identification and proactive response.

Category	Specific Issue/Risk Point	Time Horizon	Impact Assessment	Potential Impacts
Risk Tailings & Waste Rock Storage	Tailings dam failure or waste rock landslides causing debris flows, burying villages and farmland; Acid Mine Drainage (AMD) contaminating groundwater, with long-term leaching of heavy metals (lead, cadmium, arsenic) destroying ecosystems.	Long-term	Very High	Financial: Direct losses from dam failure; governance costs. Strategic: Tailings ponds listed as "major risk sources", project approvals frozen; safety production licenses revoked. Reputational: Downgrade in ESG ratings, severe damage to company image.
Risk Low Comprehensive Utilization of Solid Waste	Low comprehensive utilization rate of bulk solid waste (tailings, waste rock), large-scale storage occupying land, increasing environmental risks, and missing out on resource utilization benefits.	Medium-term	High	Financial: Storage costs; missed resource utilization revenue. Strategic: Unable to enjoy circular economy benefits; restrictions on energy and environmental assessments for new projects. Reputational: Loss of "Green Mine" corporate image.
Opportunity Resource Utilization of Solid Waste	Using tailings to make building materials (bricks, tiles), backfilling mined-out areas with waste rock, turning waste into treasure, and creating new revenue streams.	Medium-term	High	Financial: Revenue from solid waste sales, reduced disposal costs. Strategic: Build a "Mining-Solid Waste-Building Materials" circular economy industrial chain, enhancing risk resistance. Reputational: Gain a "Green Mine" corporate image.
Opportunity Tailings Pond Ecological Restoration	Implementing "PV + Vegetation Restoration" composite projects on closed tailings ponds to generate electricity while restoring land, achieving "waste to wealth".	Medium-term	High	Financial: Reduced environmental restoration funds, revenue from power generation. Strategic: Restored land can be used for agriculture, expanding business boundaries. Reputational: Enhance brand reputation and ESG ratings.
Opportunity Outsourcing Hazardous Waste Disposal Services	Productizing mature hazardous waste treatment technologies (e.g., paste filling technology) to provide "contract services" for other mines, creating new profit growth points.	Medium-term	Medium-High	Financial: Service revenue. Strategic: Transition from "waste generator" to "environmental service provider", enhancing industry话语权 (discourse power). Reputational: Strengthen industry influence.

Waste Management

Tailings Management

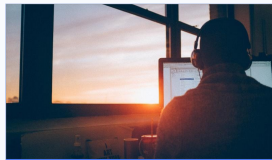
The company fully recognizes the critical importance of tailings management for mining enterprises, as well as the potential risks that tailings pose to the surrounding environment and local communities. To address this, the company has formulated comprehensive strategies and management measures centered on the principle of "Safety as the Foundation, Equal Emphasis on Environmental Protection." Through refined, full life cycle management, the company ensures the physical safety of tailings ponds and prevents major risks such as dam failures, while strictly controlling pollution to water bodies, soil, and the ecosystem.

Core Strategy



Full life cycle closed-loop management

- The management scope covers the entire process from survey and design (geological investigation, parameter setting), construction (qualification review), production and operation (discharge, dam construction, monitoring), to closure and reclamation (closure design, ecological restoration), leaving no blind spots.



Intrinsic Safety and Compliance

- Compliance: Strictly adhere to the Mine Safety Law, the Tailings Pond Safety Regulations, and local laws and regulations, while respecting the client's (owner's) stipulations.
- Intrinsic Safety: Emphasize establishing the safety foundation of tailings ponds at the source through scientific survey and design (investigating geology, setting control parameters) and rigorous construction standards.



Integration of Technical and Human Defenses

- Adopting a dual-track approach of "online monitoring + manual inspection," combined with regular flood regulation calculations and risk assessments, to ensure real-time control over the status of tailings ponds.

Specific Control Measures

Source Control and Engineering Standards (Design and Construction)	<ul style="list-style-type: none"> Qualification Threshold: Survey, design, and construction for new, renovated, or expanded projects must be undertaken by units with corresponding qualifications. Parameter Locking: Design documents must clearly specify key safety parameters such as final stacking elevation, dam height, reservoir capacity, stacking slope ratio, and water level control. Strict Prohibition on Unauthorized Changes: No unit or individual may change design contents such as tailings volume, discharge method, dam construction method, dam type, and drainage facilities; waste rock or wastewater outside the design is strictly prohibited from entering the reservoir.
Refined Operation Process Control (Production Phase)	<ul style="list-style-type: none"> Plan Management: Compile annual and quarterly operation plans and detailed operation charts, and produce strictly according to the plan. Discharge Control: <u>Indicator Monitoring:</u> Weekly testing of tailings specific gravity, concentration, and particle size entering the reservoir. <u>Dam Construction Requirements:</u> Bank slope cleaning, tailings discharge, dam body construction, and drainage facility construction must be carried out according to design requirements. <u>Water Level Control:</u> Set up water level observation gauges in the reservoir, perform flood regulation calculations before the flood season to determine operating water level and dry beach length. Wetting Line Management: Strengthen wetting line observation, control burial depth, and prevent piping or landslides. Daily Patrols: Daily patrols during operation, and real-time patrols during heavy rain/storms. Regular Check-ups (Three-level Inspection System): <u>Regular Safety Inspections:</u> At least once per quarter (at least once a month during the flood season). <u>Special Inspections:</u> Including flood control safety, dam body safety (deformation, cracks, seepage), ore release safety, illegal operations in the reservoir area, effectiveness of monitoring systems, etc. <u>Data Verification:</u> Compare online monitoring results with manual inspection results once a week (daily during storms), and promptly manage any abnormalities found.
Three-dimensional Monitoring and Hidden Danger Investigation	<ul style="list-style-type: none"> Water Pollution Prevention: Wastewater from the tailings pond (water inside the reservoir) must control water levels according to design requirements, and be recycled through the return water system or discharged up to standard; direct discharge without treatment is strictly prohibited. Prevent reservoir water from leaking and contaminating groundwater and soil. Dust and Ecological Control: Dust prevention and anti-scouring work must be done after closure. Implement environmental reclamation after closure to restore the ecological environment.
Environmental Protection and Pollution Control	<ul style="list-style-type: none"> Closure Procedures: Closure must be completed within one year after reaching the final design elevation or ceasing tailings discharge. Safety status evaluation and closure design are required, and construction must follow the design. Emergency Response: General hidden dangers are rectified within a time limit; major hidden dangers result in immediate production suspension and formulation of a governance plan. In the event of an accident (such as dam failure, leakage), the emergency plan must be activated immediately, and reports must be made to the owner, local environmental protection department, and company headquarters.
Closure and Emergency Management	<ul style="list-style-type: none"> System Implementation: Each resource project needs to formulate implementation rules, clarifying responsibilities to departments and specific individuals. Assessment Linkage: Environmental protection and safety management work are included in the economic responsibility assessment; a "one-vote veto" system is implemented for those causing pollution or accidents, and responsibilities are pursued.
Responsibility and Assessment	

The Lonshi Copper Mine tailings pond is a Class IV flat-terrain tailings pond enclosed by dams on four sides. It utilizes the wet discharge method. After being subjected to multiple rainy seasons, no significant gully erosion, leakage, or subsidence has been observed, demonstrating the high quality of its construction.



Waste Management

Operation and Management of Tailings Ponds

The company strictly complies with all national and local regulations regarding tailings pond management in the countries where it operates. Referencing the Global Industry Standard on Tailings Management (GISTM), we implement full lifecycle management covering site selection, design, operation, and closure. We are committed to reducing environmental risks at the source through responsible site selection and design, and strictly prohibit any form of illegal disposal, including riverine disposal.

To continuously improve our management level, the company regularly reviews the latest updates of international standards and actively learns from advanced industry practices. During the reporting period, we further refined our tailings pond management system, establishing detailed ledgers, review mechanisms, and emergency response plans for all three operational tailings ponds (two in the DRC and one in Zambia), while continuously maintaining operation records and conducting safety inspections. Following a comprehensive risk assessment, none of the company's tailings ponds are classified as high-risk.

Furthermore, to ensure the long-term stable operation of the mine, the company initiated the land clearing work for the Phase II tailings pond on the south side of the Lonshi Copper Mine, operated by Sabwe Mining Co., Ltd. in the DRC, in the second half of 2025. This project is planned to be constructed in three phases, which will increase the total storage capacity to 15.0667 million cubic meters upon completion, fully meeting the tailings storage requirements for the mine's entire lifecycle.

Mining Areas with Acid Mine Drainage and Treatment or Prevention Measures

- At Sabwe's smelter, leaching residues are centrally stored, and their discharge is strictly prohibited. Leaching waste liquids are discharged into the tailings pond, where they are naturally neutralized by the calcium and magnesium ions in the tailings and the weakly alkaline tailings water.
- For the tailings pond water discharge, Sabwe conducts daily regular testing and inspects every shift (observing color changes in the tailings water). Currently, the pH value is controlled between 7 and 7.5 (local standard: 6.5-9). Once the pH value of the discharged tailings water approaches 7, or if the tailings water is observed to turn yellow or red during daily inspections, the company will investigate the cause within the process flow and make timely adjustments. These adjustments may include appropriately adjusting the fluidized bed roaster temperature, adopting tailings neutralization to adjust the iron ion content in the leaching process, or extending the neutralization time of the leaching process to ensure the pH value of the neutralized leaching wastewater falls within the designed range (between 3 and 5). When the leaching wastewater enters the tailings pipeline, it is naturally neutralized during the tailings transportation process.

Systematic safety risk identification

萨布韦矿业有限公司危险源辨识、评价、风险管控综合表												
总单元：选矿厂		分单元：尾矿库			辨识评价时间：2025年1月			辨识评价人：郑志刚 廖小兵 程江亮				
序号	危险源描述	可能导致后果	辨识方法	辨识人员	风险等级	可接受性	评价标准	评价责任人	主要法律法规标准	安全管理措施	个体防护措施	应急处置措施
1	尾矿库溢流管堵塞	尾矿库溢流管堵塞，导致尾矿库水位上升，引发溃坝事故	现场巡查	郑志刚	中	中	中	郑志刚	《尾矿库安全规程》	定期巡查，发现堵塞及时清理	佩戴安全帽	立即报告，启动应急预案
2	尾矿库坝体滑坡	尾矿库坝体滑坡，导致尾矿库溃坝，引发人员伤亡和财产损失	现场巡查	郑志刚	高	高	高	郑志刚	《尾矿库安全规程》	定期巡查，发现异常及时报告	佩戴安全帽	立即报告，启动应急预案
3	尾矿库坝体裂缝	尾矿库坝体裂缝，导致尾矿库溃坝，引发人员伤亡和财产损失	现场巡查	郑志刚	高	高	高	郑志刚	《尾矿库安全规程》	定期巡查，发现裂缝及时报告	佩戴安全帽	立即报告，启动应急预案
4	尾矿库坝体沉降	尾矿库坝体沉降，导致尾矿库溃坝，引发人员伤亡和财产损失	现场巡查	郑志刚	高	高	高	郑志刚	《尾矿库安全规程》	定期巡查，发现沉降及时报告	佩戴安全帽	立即报告，启动应急预案
5	尾矿库坝体变形	尾矿库坝体变形，导致尾矿库溃坝，引发人员伤亡和财产损失	现场巡查	郑志刚	高	高	高	郑志刚	《尾矿库安全规程》	定期巡查，发现变形及时报告	佩戴安全帽	立即报告，启动应急预案
6	尾矿库坝体渗漏	尾矿库坝体渗漏，导致尾矿库溃坝，引发人员伤亡和财产损失	现场巡查	郑志刚	中	中	中	郑志刚	《尾矿库安全规程》	定期巡查，发现渗漏及时报告	佩戴安全帽	立即报告，启动应急预案
7	尾矿库坝体冲刷	尾矿库坝体冲刷，导致尾矿库溃坝，引发人员伤亡和财产损失	现场巡查	郑志刚	中	中	中	郑志刚	《尾矿库安全规程》	定期巡查，发现冲刷及时报告	佩戴安全帽	立即报告，启动应急预案
8	尾矿库坝体侵蚀	尾矿库坝体侵蚀，导致尾矿库溃坝，引发人员伤亡和财产损失	现场巡查	郑志刚	中	中	中	郑志刚	《尾矿库安全规程》	定期巡查，发现侵蚀及时报告	佩戴安全帽	立即报告，启动应急预案
9	尾矿库坝体坍塌	尾矿库坝体坍塌，导致尾矿库溃坝，引发人员伤亡和财产损失	现场巡查	郑志刚	高	高	高	郑志刚	《尾矿库安全规程》	定期巡查，发现坍塌及时报告	佩戴安全帽	立即报告，启动应急预案
10	尾矿库坝体垮塌	尾矿库坝体垮塌，导致尾矿库溃坝，引发人员伤亡和财产损失	现场巡查	郑志刚	高	高	高	郑志刚	《尾矿库安全规程》	定期巡查，发现垮塌及时报告	佩戴安全帽	立即报告，启动应急预案
11	尾矿库坝体失稳	尾矿库坝体失稳，导致尾矿库溃坝，引发人员伤亡和财产损失	现场巡查	郑志刚	高	高	高	郑志刚	《尾矿库安全规程》	定期巡查，发现失稳及时报告	佩戴安全帽	立即报告，启动应急预案
12	尾矿库坝体破坏	尾矿库坝体破坏，导致尾矿库溃坝，引发人员伤亡和财产损失	现场巡查	郑志刚	高	高	高	郑志刚	《尾矿库安全规程》	定期巡查，发现破坏及时报告	佩戴安全帽	立即报告，启动应急预案
13	尾矿库坝体失效	尾矿库坝体失效，导致尾矿库溃坝，引发人员伤亡和财产损失	现场巡查	郑志刚	高	高	高	郑志刚	《尾矿库安全规程》	定期巡查，发现失效及时报告	佩戴安全帽	立即报告，启动应急预案
14	尾矿库坝体倒塌	尾矿库坝体倒塌，导致尾矿库溃坝，引发人员伤亡和财产损失	现场巡查	郑志刚	高	高	高	郑志刚	《尾矿库安全规程》	定期巡查，发现倒塌及时报告	佩戴安全帽	立即报告，启动应急预案
15	尾矿库坝体倾覆	尾矿库坝体倾覆，导致尾矿库溃坝，引发人员伤亡和财产损失	现场巡查	郑志刚	高	高	高	郑志刚	《尾矿库安全规程》	定期巡查，发现倾覆及时报告	佩戴安全帽	立即报告，启动应急预案
16	尾矿库坝体移位	尾矿库坝体移位，导致尾矿库溃坝，引发人员伤亡和财产损失	现场巡查	郑志刚	中	中	中	郑志刚	《尾矿库安全规程》	定期巡查，发现移位及时报告	佩戴安全帽	立即报告，启动应急预案
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18	尾矿库坝体歪斜	尾矿库坝体歪斜，导致尾矿库溃坝，引发人员伤亡和财产损失	现场巡查	郑志刚	中	中	中	郑志刚	《尾矿库安全规程》	定期巡查，发现歪斜及时报告	佩戴安全帽	立即报告，启动应急预案
19	尾矿库坝体弯曲	尾矿库坝体弯曲，导致尾矿库溃坝，引发人员伤亡和财产损失	现场巡查	郑志刚	中	中	中	郑志刚	《尾矿库安全规程》	定期巡查，发现弯曲及时报告	佩戴安全帽	立即报告，启动应急预案
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21	尾矿库坝体变形	尾矿库坝体变形，导致尾矿库溃坝，引发人员伤亡和财产损失	现场巡查	郑志刚	中	中	中	郑志刚	《尾矿库安全规程》	定期巡查，发现变形及时报告	佩戴安全帽	立即报告，启动应急预案
22	尾矿库坝体破坏	尾矿库坝体破坏，导致尾矿库溃坝，引发人员伤亡和财产损失	现场巡查	郑志刚	中	中	中	郑志刚	《尾矿库安全规程》	定期巡查，发现破坏及时报告	佩戴安全帽	立即报告，启动应急预案
23	尾矿库坝体失效	尾矿库坝体失效，导致尾矿库溃坝，引发人员伤亡和财产损失	现场巡查	郑志刚	中	中	中	郑志刚	《尾矿库安全规程》	定期巡查，发现失效及时报告	佩戴安全帽	立即报告，启动应急预案
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28	尾矿库坝体歪斜	尾矿库坝体歪斜，导致尾矿库溃坝，引发人员伤亡和财产损失	现场巡查	郑志刚	中	中	中	郑志刚	《尾矿库安全规程》	定期巡查，发现歪斜及时报告	佩戴安全帽	立即报告，启动应急预案
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Manual displacement monitoring points and phreatic line monitoring points



The spillway used for emergency flood discharge



HDPE geomembranes on the dam slope and high-permeability areas to enhance anti-seepage performance



Climate Change Response

Policy, Regulatory and Management Framework

The company's direct greenhouse gas (GHG) emissions (Scope 1) primarily stem from gasoline and diesel consumption during production and operations, while indirect GHG emissions (Scope 2) are mainly derived from purchased electricity.

The company strictly adheres to China's top-level design in addressing climate change, taking the national "Dual Carbon" goals as the core guide for its development. Actively responding to and following the Action Plan for Carbon Dioxide Peaking Before 2030 issued by the State Council, the company has formulated the JCHX Mining Management Co., Ltd. Energy Management System and released the JCHX Mining Management Co., Ltd. Environmental Management Policy Statement. These documents explicitly set the goal and direction of energy conservation, consumption reduction, and decreasing the use of traditional fossil fuels. Strictly following national standards such as the General Principles for Accounting and Reporting of GHG Emissions for Industrial Enterprises (GB/T 32150-2025), the company has established a comprehensive carbon emission statistical and accounting system and continues to improve the disclosure of Scope 1 and Scope 2 emission data. As a multinational mining enterprise with projects in multiple countries, the company strictly complies with the environmental and climate regulations of all its operational locations. Meanwhile, as a member of the China Mining Association (CMA), the company follows the Green Mining Convention issued by the CMA. This convention advocates that mining enterprises adhere to the scientific outlook on development and integrate the concept of "equal emphasis on mineral resource development and environmental protection" throughout the entire process of mine construction and production. To solidify its management foundation, the company follows the ISO 14001 Environmental Management System standard, continuously improving its risk-based environmental and energy management systems to ensure that the climate-related governance system is fully integrated into daily operations. The management of climate change issues takes energy management as its starting point, relying on the governance structure of energy management, as detailed in the relevant arrangements in the Energy Utilization section on Page 32.

Risks and Opportunities

Risks and Opportunities	Transition Risks		Physical Risks		Climate Opportunities		
Specific Matters/Risk Points	Policy & Legal Changes : With the implementation of laws and regulations related to climate change, the company needs to increase investment in carbon emission reduction, environmental monitoring, and information disclosure.	Market & Demand Changes : The global energy transition is accelerating; demand for traditional fossil fuels is declining, while demand for green metals such as copper and lithium is rising.	Extreme Weather Events : Extreme weather such as floods, droughts, and storms may cause mine shutdowns, equipment damage, and infrastructure destruction.	Water Scarcity : Mining operations highly depend on stable water sources and electricity; long-term droughts or changes in rainfall patterns may lead to water shortages or unstable hydropower facilities.	Growth in Green Metal Demand : The energy transition drives the demand for key minerals such as copper, nickel, and lithium.	Carbon Trading & Green Finance : Participating in carbon emission trading, purchasing green electricity certificates, developing voluntary greenhouse gas reduction projects, etc.	Technological Innovation & Efficiency Improvement : Reducing energy consumption and emissions through energy-saving technological renovations, digital mine construction, water recycling, and other measures.
Potential Financial/Strategic/Reputational Impact Description	<ul style="list-style-type: none"> > Increase in greenhouse gas emission pricing > Strengthened emission disclosure obligations > Facing litigation risks > Increased compliance costs and capital expenditures, affecting financing channels and cost of capital 	<ul style="list-style-type: none"> > May affect the economic value of the company's existing assets and businesses and future development directions 	<ul style="list-style-type: none"> > Production stoppages and equipment damage affect operational continuity and capital expenditures 	<ul style="list-style-type: none"> > Power outages lead to production stoppages > Affect ore processing and pollution control, increasing operating costs 	<ul style="list-style-type: none"> > Increase green metal mining and related businesses, improving performance 	<ul style="list-style-type: none"> > Bring new revenue sources > Companies meeting green finance standards can obtain lower-cost financing 	<ul style="list-style-type: none"> > Improve operational efficiency, reduce operating costs
Time Horizon of Impact	Medium-Long term	Medium-Long term	Short-Medium term	Medium-Long term	Medium-Long term	Medium term	Short-Medium term
Impact Assessment	High	High	High	High	High	Medium	Medium

Climate Change Response

Response Strategies

The company's existing mine services and resource development businesses primarily operate in underground settings. Apart from a few projects in areas with underdeveloped public infrastructure that are partially affected by the rainy season, the characteristics of climate change impacts are not significant in the short term. Nevertheless, the company is fully aware of the long-term risks and opportunities that climate change may bring, and has accordingly formulated strategies and specific measures to address them.

Strategic Reshaping and Business Model Adjustment: Transitioning from a "Mine Service Provider" to a "Comprehensive Green Mining Operator"

- In the face of the urgency of global climate governance and the historic opportunities presented by the energy transition, the company deeply recognizes that only by proactively embracing change can we successfully navigate economic cycles. Based on an in-depth assessment of climate-related risks and opportunities, the company has systematically reshaped its current and future strategic direction, business model, and resource allocation.
- At the strategic level, the company has established a long-term development strategy driven by the dual engines of "mine services + resource development." The core logic behind this strategic adjustment lies in the fact that climate change is accelerating the global energy structure's transition towards low-carbon development, subsequently triggering a structural shift in the demand for mineral resources. While the demand for fossil fuels faces long-term downside risks, the strategic importance of key minerals such as copper and phosphate is becoming increasingly prominent as fundamental materials for new energy, new energy vehicles, and the energy storage industry. Against this backdrop, the company has strategically tilted its resource allocation towards "green metals." By acquiring copper mining projects, we have successfully entered the core upstream segment of the global green supply chain. This move not only effectively mitigates the potential "stranded asset risk" associated with traditional high-carbon assets but also transforms the company from a passive adapter to climate change into an active beneficiary of the green economy.
- At the business model level, the company is accelerating its transition from being "labor-intensive" to "technology-intensive" and "intelligent equipment-oriented." In response to the urgent demand from mining clients for low-carbon and efficient extraction, we have built an integrated solution model of "technology + equipment + services." We no longer rely solely on labor export; instead, leveraging green mining technologies such as high-efficiency extraction methods and paste backfill, along with new energy equipment like battery LHDs (Load-Haul-Dump vehicles), we provide clients with full-lifecycle low-carbon mine construction services. The resilience of this business model lies in the fact that it not only aligns with increasingly stringent environmental regulations but also enhances the company's profitability through technological premiums, achieving a deep integration of economic and environmental benefits.

JCHX Lonshi Copper Mine in the DRC



Self-developed electric LHD featuring low noise and zero emissions



Transition Plan, Key Assumptions, and Resource Assurance: Scientific Layout and Comprehensive Investment

- Based on scientific projections of the global macroeconomy, energy policies, and technological pathways, the company plans to gradually advance towards carbon peaking and carbon neutrality through orderly resource replacement and technological iteration.
- A core assumption of the transition plan is the "long-term rigid growth in demand for key minerals." We assume that the global energy transition (such as the proliferation of electric vehicles and the grid integration of renewable energy) will proceed as expected or even accelerate. This will cause the copper market to maintain a "tight balance" or even face shortages in the long run. Based on this assumption, the company has firmly established a resource development strategy centered on copper, supplemented by the simultaneous development of multiple mineral types. Another key assumption is the "commercial viability of green premiums and low-carbon technologies." This implies that as the carbon market matures, low-carbon products will command a market premium, while the costs of green mining and processing technologies will decrease with large-scale application. Furthermore, we assume that governments worldwide will continue to enforce stringent environmental regulations. Therefore, the company proactively benchmarks against the highest international standards and has established a robust Environmental, Social, and Governance (ESG) management system.
- To ensure the smooth implementation of the transition plan, the company has committed to and is executing a powerful resource assurance mechanism. In terms of financial support, the company fully utilizes various financial instruments to raise funds, which are specifically allocated to proprietary copper mining and processing projects as well as the R&D of underground green unmanned intelligent equipment. Regarding technological R&D, relying on innovation platforms such as its Postdoctoral Research Station, the company has built an R&D system covering deep shaft engineering, intelligent equipment, and green mining. It invests substantial annual R&D funding specifically to support the breakthrough and application of energy-saving and emission-reduction technologies. In terms of talent development, the company vigorously recruits and cultivates interdisciplinary professionals proficient in technology, management, and environmental protection. By integrating climate performance indicators into the assessment systems for both management and employees, the company has fostered a unified corporate culture dedicated to this transition.

Climate Change Response

Practical Initiatives and Prospects

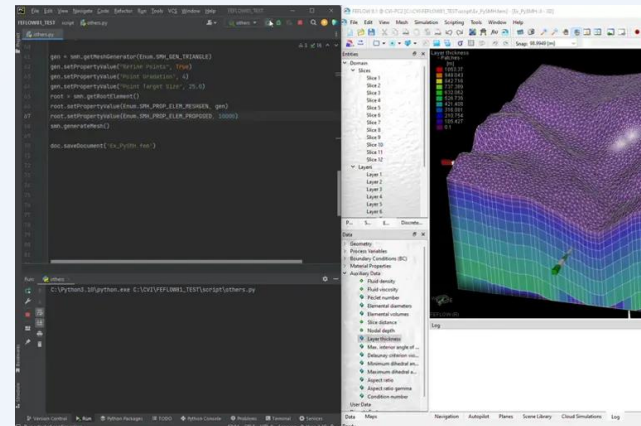
To directly address climate-related risks and seize opportunities for emission reduction, the company has implemented substantive initiatives in production process improvement and equipment upgrades, striving to achieve "cost reduction, efficiency enhancement, and carbon mitigation" across the entire operational chain.

- In terms of process improvement, the company vigorously promotes advanced mining methods characterized by high resource utilization and minimal environmental disturbance. For instance, in deep mining projects, the company has applied Block Caving technology. This technique utilizes the self-weight of the rock mass to achieve ore caving, significantly reducing the consumption of explosives and waste rock discharge, thereby markedly lowering the carbon emission intensity per unit of ore.
- Regarding equipment upgrades, the company actively responds to the industry trend of "mechanization to replace labor, automation to reduce personnel, and electrification to lower carbon emissions." The company has independently developed and scaled the application of green intelligent equipment, such as 15-ton battery LHDs (Load-Haul-Dump vehicles) and unmanned transport systems. Taking operational projects in the DRC and Zambia as examples, the company introduced new energy electric LHDs to replace traditional diesel equipment. This has not only achieved "zero emissions" of underground exhaust, significantly improving the working environment, but also substantially reduced ventilation energy consumption and equipment maintenance costs. Furthermore, the company is advancing the intelligent transformation of mine transport systems. By leveraging 5G + Industrial Internet technologies, it has realized remote control and collaborative operations of equipment, further enhancing energy efficiency.
- In terms of adapting to climate change, the company places high importance on the impact of physical climate risks on mine safety and operational continuity. To address disasters such as floods and droughts triggered by extreme weather, the company has strengthened hydrogeological surveys and disaster early-warning mechanisms during both the project design and operational phases. Particularly in water resource management, the company has established a full-chain circulation system of "extraction, usage, treatment, recycling, and replenishment." Through advanced treatment and reuse technologies for mine water, it has drastically reduced reliance on fresh water resources, thereby enhancing the company's climate resilience in water-scarce regions.

Remote-controlled underground loading and hauling at the Pulang Copper Mine project



Leveraging FEFLOW, a global benchmark tool in hydrogeology, to provide scientific data and model support for technical decision-making in mine water control



Adhering to the principles of objectivity and prudence, the company provides an outlook on the results achieved through emission reduction measures and the progress of new technology R&D.

- Through the implementation of the aforementioned process improvements, equipment electrification, and energy efficiency enhancement measures, the company has achieved significant emission reduction results during the reporting period.
- New Energy Electric LHDs and Unmanned Driving Systems: From 2023 to 2025, the company successfully researched, developed, and manufactured a range of new energy equipment. The 10-ton and 15-ton battery LHDs (Load-Haul-Dump vehicles), as well as the 30-ton battery articulated dump trucks, are all fully capable of practical application, achieving zero pollution and zero emissions. Taking the 15-ton battery LHD as an example: with a single transport capacity of 15 tons of ore and an annual production capacity exceeding 1 million tons, a single unit reduces annual carbon emissions by over 80 tons compared to traditional diesel equipment.
- Currently, the company's climate transition plan has achieved remarkable phased results. The equity transfer and technological transformation of the Lubambe Copper Mine are progressing in an orderly manner, and the expansion of the processing plant along with the optimization of the underground system have begun to yield initial results. The Environmental Impact Assessment (EIA) report for the San Matias Copper-Gold-Silver Project in Colombia has been submitted for approval, and preliminary project preparations are proceeding as planned. Overall, JCHX's climate transition plan is moving from blueprint to reality. We are confident in becoming a strong contributor to the green transformation of the global mining industry in the future wave of the low-carbon economy.

Circular Economy

Policy, Regulatory and Management Framework

- The company deeply integrates the concept of a circular economy into the full lifecycle of mine services and resource development. Through technological innovation and business model restructuring, we strive to maximize resource utilization efficiency. The company's circular economy activities primarily cover the following core operational links and resource categories:
 - In the mine construction and mining operations phase, the company focuses heavily on the recycling of solid waste (waste rock and tailings). Relying on our independently developed paste backfill technology, we mix tailings generated from mineral processing with cementing materials to prepare a paste that is refilled into underground goafs (mined-out areas). This process not only resolves the environmental risks associated with tailings storage but also achieves the on-site underground disposal of waste rock. It effectively transforms "waste" into "backfill material" that maintains the stability of underground rock strata, realizing closed-loop management of solid waste.
 - In the resource development and mineral processing phase, the company is committed to the comprehensive utilization of water resources. We conduct advanced treatment and reuse of pit water and mineral processing wastewater, building a water resource circulation system of "extraction, usage, treatment, and recycling," which drastically reduces the consumption of fresh water resources.
- In the equipment manufacturing and maintenance phase, the company promotes equipment remanufacturing and component recycling. We have established a comprehensive equipment repair and remanufacturing system. By repairing, upgrading, and replacing components of old equipment, we extend equipment service life and reduce the consumption of metal resources as well as the generation of industrial solid waste. The company places high importance on compliance with laws and regulations related to the circular economy, ensuring that operations across different jurisdictions meet both local and international environmental standards. Within China, the company strictly adheres to the Circular Economy Promotion Law of the People's Republic of China, the Law on the Prevention and Control of Environmental Pollution by Solid Waste, and relevant policies from the Ministry of Industry and Information Technology regarding the comprehensive utilization of industrial resources. We rigorously implement safety supervision regulations for tailings ponds, ensuring that tailings backfill processes comply with national standards for work safety and environmental protection. In overseas operating regions, the company strictly follows the environmental regulations of the host countries. We benchmark against the circular economy standards of top-tier international mines, ensuring that our transnational operations are not merely "compliant" but reach an "excellent" industry benchmark level. Furthermore, the company has formulated internal policies such as the JCHX Overstocked Materials Management Measures and the Overseas Business Division Scrap Material Disposal Management Measures. We have also issued the JCHX Mining Management Co., Ltd. Environmental Management Policy Statement to institutionalize the comprehensive utilization and recycling of waste and scrap materials, thereby improving resource efficiency. These initiatives are overseen by the company's Vice President, with the Material Management Center responsible for specific implementation.

Risks and Opportunities

Based on its specific business characteristics and global mining industry trends, the company has systematically identified and assessed the impacts, risks, and opportunities related to the circular economy.

Category	Specific Matters/Risk Points	Impact Time Horizon	Impact Severity Assessment	Potential Impacts
Opportunity Key Metal Reserve Enhancement & Value Extraction	With the global energy transition, demand for key metals such as copper and lithium has surged. Through circular economy means (e.g., improving recovery rates, processing low-grade ore, or reprocessing tailings), the company can extract additional value from existing resources.	Medium-Long Term	High	Financial: Directly increases resource reserve valuation and improves long-term cash flow forecasts; Strategic: Enhances resource security and establishes a core position in the supply chain of key minerals; Reputational: Establishes an industry benchmark image for efficient resource utilization.
Opportunity Technology Service Output & New Business Models	The company's leading paste backfill technology not only solves its own environmental issues but can also be exported as a high value-added "green service" to other mining clients. Extending from pure mining services to "comprehensive waste treatment and resource utilization" builds a new engine for business growth.	Medium Term	High	Financial: Opens up high-margin technical service revenue streams and optimizes revenue structure; Strategic: Realizes the transformation and upgrading of the business model from "engineering contracting" to "technology + service," increasing customer stickiness; Reputational: Strengthens market recognition as a "technology-driven" enterprise.
Opportunity Green Finance & Financing Advantages	Implementing a circular economy significantly reduces the environmental footprint, aligning with ESG investment criteria. This helps the company obtain green credit, issue green bonds, and access other low-cost financing opportunities, thereby reducing the cost of capital and enhancing its image in the capital market.	Short-Medium Term	Medium	Financial: Directly reduces debt financing costs (interest expenses) and broadens financing channels Strategic: Optimizes capital structure and attracts long-term patient capital (e.g., ESG funds); Reputational: Improves ESG ratings in the capital market and enhances investor confidence.
Risk Environmental Regulations & Compliance Costs	Globally (especially in China and African operating countries), regulations on tailings dam safety and solid waste treatment are becoming increasingly stringent. Failure to effectively implement a circular economy may lead to risks such as fines, production suspension for rectification, or even litigation.	Short-Long Term	High	Financial: Faces unexpected fine expenditures, increased capital expenditure for rectification, and even asset impairment risks; Strategic: May lead to project delays or forced exit from high-compliance-cost regions; Reputational: Serious compliance incidents will severely damage corporate credibility.
Risk Resource Constraints & Supply Chain Disruption	Water scarcity is a major physical risk for mine operations. Without a perfect water circulation system, projects in arid regions may face production capacity constraints. Additionally, supply fluctuations of key raw materials (such as fillers and spare parts) may also affect production continuity.	Medium Term	Medium	Financial: Revenue losses due to production stoppages or cuts, as well as cost increases from finding alternative water sources/raw materials; Strategic: Restricts capacity expansion and affects long-term delivery capabilities; Reputational: Viewed as poor resource management, affecting contractual relationships with local governments and communities.

Circular Economy

Planning, Management Strategies, and Initiatives

Based on the above analysis, the company has formulated a strategic plan of "Green Mine and Circular Development" and established a management strategy of "Turning Waste into Treasure." By vigorously promoting paste backfill technology, we transform the cost of tailings treatment into the benefits of resource development. Meanwhile, during daily construction and project operations, we make full use of various types of waste materials with recycling value to reduce the depletion of natural resources. For example, our subsidiary, Sabwe Company, recycles industrial waste with recovery value, such as waste tires and conveyor belts, and "turns waste into treasure." Waste tires are used to protect the road shoulders of the beneficiation and metallurgy plant roads, effectively preventing vehicles from crushing the shoulders and damaging drainage ditches. Waste conveyor belts are repurposed as insulating mats in distribution rooms, forming a unique internal circular utilization model. This system fundamentally resolves the environmental pollution issues previously caused by scattered waste disposal, transforming environmental pressure into the driving force for resource circulation. Another example is our subsidiary, Lubambe Company, which sold approximately 42,225 tons of waste to licensed recyclers for resource recovery during the reporting period.

- **Converting Kitchen Waste into Organic Fertilizer for Vegetable Gardens**

The dry season in Zambia, where the company's Mopani project is located, is long and scorching. The land surrounding the mining area is barren, with high sand content and severely insufficient soil fertility. Facing practical challenges such as the difficulty of obtaining fresh vegetables and a lack of variety, the project department made full use of kitchen waste. By purchasing chicken manure and wood chips to mix and ferment into compost, they successfully improved the soil quality. Growing their own vegetables has not only enriched the employees' dining tables and reduced living costs but also served as a vital "ballast stone" (providing stability and security) during special periods when logistics were inconvenient.



- **Utilizing Waste Materials to Build Filling Equipment**

Everbright adopted a strategy of using local resources and tailoring solutions to specific conditions. They successfully repurposed on-site waste materials into cement storage silos that fully meet the required process specifications.



- **Inventory Checks to Audit and Utilize Waste Materials**

The Equipment and Materials Department of the Kingko Company conducted a comprehensive self-inspection and planning of the warehouse area. Following SOP standards, they re-zoned the "turn-in old for new" area for waste materials and established a centralized recycling depot, ensuring unified management and utilization.



- **Kingnor Company Reuses Packaging Materials Provided by Suppliers**

Kingnor Company directly reuses wooden pallets, crates, and cartons provided by suppliers for shipping finished products whenever they are in usable condition. Partially damaged wooden frames are also repurposed after being reprocessed and reinforced. Additionally, cartons bearing supplier information that cannot be used for outbound shipments are utilized within the warehouse as storage containers for bulk raw materials or spare parts.



Ecosystem and Biodiversity Conservation

Policy, Regulatory and Management Framework

The company's business layout spans across borders, distributed within China (such as Yunnan, Guizhou, and Gansu) as well as regions in Asia, Africa, and Europe (including the DRC, Zambia, Serbia, and Laos). This encompasses a wide range of operational environments, from underground mining to surface facility construction. We are acutely aware that mining activities are closely intertwined with the natural environment; therefore, we maintain a high level of sensitivity towards the ecosystems surrounding our operations. In our mine service business, due diligence and protection regarding ecosystems and biodiversity are primarily conducted by the project owners. As a contractor, the company not only strictly adheres to the owners' requirements but also consistently upholds the philosophy of "stationing in a place, developing the region, beautifying the environment, and achieving ecological harmony." We persist in carrying out greening and environmental beautification alongside mining and construction, actively participating in the protection of ecosystems and biodiversity. In our proprietary resource development business, the company's existing mines include the Liangchahe Phosphate Mine (Guizhou), Lubambe Copper Mine (Zambia), San Matias Copper-Gold Project (Colombia), as well as the Dikulushi and Lonshi Copper Mines (both in the DRC). These areas typically feature unique savanna or forest ecosystems, and our operational processes span exploration, extraction, and ore processing. Regarding the supply chain, although our direct influence is mainly concentrated on our own or managed project sites, we actively advocate for green supply chain concepts during procurement (such as equipment purchasing and outsourcing infrastructure projects), requiring suppliers to comply with relevant environmental regulations to indirectly mitigate potential impacts on biodiversity.

Adhering to the principle of "compliance with laws and reverence for nature," the company has established a biodiversity protection compliance system covering both domestic and international operations, ensuring all activities remain within legal frameworks. In China, we strictly abide by core laws such as the Environmental Protection Law, the Wildlife Protection Law, the Forest Law, the Wetland Protection Law, and the Biosecurity Law. We rigorously enforce the Environmental Impact Assessment Law, conducting detailed EIAs prior to launching proprietary resource projects to ensure the avoidance of ecological red lines. Furthermore, the company actively responds to national strategies like the Opinions on Further Strengthening Biodiversity Conservation and the China National Strategy and Action Plan on Biodiversity Conservation (2023–2030), translating national strategies into concrete corporate actions and ensuring the strictest regulation of business activities in ecologically fragile areas. In overseas operations, we follow the spirit of the Convention on Biological Diversity and the Ramsar Convention on Wetlands, respecting and implementing the mining and environmental management laws of host countries (such as the DRC and Zambia).

Relevant work is overseen by the Vice President, with the Safety Production Management Center coordinating biodiversity protection efforts across the entire company. Each project department (especially overseas projects) is equipped with a safety and environmental protection department and full-time staff, forming a three-tier management network of "Headquarters Coordination - Regional Supervision - Project Implementation." Additionally, during the reporting period, the company formulated the ESG Management Measures and issued the JCHX Mining Management Co., Ltd. Environmental Management Policy Statement, which stipulate and declare specific implementations for ecosystem and biodiversity protection. None of the company's existing projects fall within ecologically sensitive areas, no rare or endangered flora and fauna have been identified, and the company has not received any penalties related to violations of ecosystem and biodiversity protection policies and regulations.

Project	Whether Ecosystem and Biodiversity Assessment was Conducted	Conclusion
Liangchahe Phosphate Mine	Yes (included in the Environmental Impact Assessment Report)	The assessment scope does not involve ecologically sensitive areas, and no rare animals or plants were found
Lubambe Copper Mine	Yes (included in the Environmental Impact Assessment Report)	The assessment scope does not involve ecologically sensitive areas, and no rare animals or plants were found
Dikulushi Copper Mine	Yes (included in the Environmental Impact Assessment Report)	The assessment scope does not involve ecologically sensitive areas, and no rare animals or plants were found
Lonshi Copper Mine	Yes (included in the Environmental Impact Assessment Report)	The assessment scope does not involve ecologically sensitive areas, and no rare animals or plants were found
San Matias Copper-Gold Mine	Yes (included in the Environmental Impact Assessment Report)	The assessment scope does not involve ecologically sensitive areas, and no rare animals or plants were found

Lubambe Copper Mine conducted an Environmental and Social Impact Assessment for the new shaft construction



- Lubambe Copper Mine was awarded the "Best Facility for Assisting the Industry in Improving Management Practices" by the Zambia Environmental Management Agency (ZEMA)

JCHX Lubambe Copper Mine Co., Ltd. won the annual "Best Facility for Assisting the Industry in Improving Management Practices" award with its innovative "Constructed Wetland" project. Given the limitations of traditional flocculant schemes, and to better address the challenge of turbid water caused by fine grinding of ore in the mineral processing process, Lubambe Copper Mine developed a "Constructed Wetland" filtration system. This system effectively improved the sedimentation of solid particles and significantly enhanced the transparency of the discharged water. Local regulatory authorities conducted on-site inspections of this innovative achievement and gave it high praise.



Ecosystem and Biodiversity Conservation

Risks and Opportunities

The company deeply recognizes that mining activities and the natural environment share a relationship of symbiosis and coexistence. A healthy ecosystem is not only the physical foundation of mine operations but also the lifeline of the company's sustainable development. Based on this understanding, the company has systematically identified its dependencies, impacts, risks, and opportunities related to biodiversity.

Category	Specific Issue/Risk Point	Impact Timeframe	Impact Severity Assessment	Potential Impacts
Risk Resource Depletion	Water scarcity, geological disasters	Medium-Long term	High	Financial Impact: Ecosystem degradation leads to water source depletion, directly threatening production continuity. Soil erosion increases debris flow risks, potentially leading to equipment damage and rising restoration costs;
Risk Regulatory & Social License	Compliance costs	Short-Medium term	High	Financial Impact: As environmental regulations tighten, fines for ecological damage and restoration costs will increase significantly. If the environment communities rely on is harmed, it may trigger social protests leading to production stoppages; Reputational Impact: Corporate reputation受损 (damaged);
Opportunity Ecological Restoration & Land Value Enhancement	Mine closure repurposing, carbon credit trading	Long term	Medium	Financial Impact: Through "simultaneous mining and restoration," abandoned mines can be converted into photovoltaic or agricultural land, realizing asset appreciation. Increased carbon sinks from vegetation restoration can participate in carbon trading, creating additional revenue streams; Reputational Impact: Improves regional ecological environment, enhances land carrying capacity, and builds positive community relations;
Opportunity Green Branding & Financing Advantages	ESG ratings, green credit	Medium term	Medium	Financial Impact: Excellent biodiversity performance will improve ESG ratings, attract green fund investment, and reduce financing costs; Reputational Impact: Establish a benchmark for industry ecological protection, enhancing competitiveness in the international market.

In response to the identified risks and opportunities, the company has formulated a strategic plan of "prevention first, restoration supplemented, and harmonious coexistence," and deeply integrated biodiversity conservation into business model adjustments. Adopting the "Avoid-Mitigate-Compensate" hierarchical management strategy, the company strictly follows the internationally recognized mitigation hierarchy for biodiversity conservation to manage risks. Technologically, the company has introduced advanced digital monitoring methods to regularly monitor vegetation coverage and water body changes in and around the mining area, promptly identifying and addressing potential ecological damage risks. This ensures that operational activities always remain within the environmental carrying capacity, thereby safeguarding asset security.



● Avoidance (Prevention)

During the project siting and design phases, through high-precision ecological surveys, we proactively avoid nature reserves, habitats of rare flora and fauna, and ecological red line areas. For example, in the project planning in the Democratic Republic of Congo (DRC) and Zambia, we strictly assessed the impacts on surrounding forests and wetlands, optimized the layout of industrial sites, minimized the occupation of native vegetation, and avoided financial and legal risks at the source.

● Mitigation (Control)

During operations, strict pollution control measures are implemented. Utilizing the company's self-developed paste backfill technology, tailings are backfilled into underground goafs (mined-out areas), eliminating the compression and pollution risks to surface ecosystems at the source. Meanwhile, rainwater and sewage diversion systems and advanced wastewater treatment for recycling are implemented to ensure no damage to surrounding aquatic ecosystems, safeguarding the sustainable use of water resources.

● Compensation and Restoration (Regeneration)

For unavoidable land occupation, the company implements a "simultaneous mining and reclamation" strategy. During the mining process, topsoil is stripped and preserved concurrently, followed by vegetation reconstruction after mining concludes. The company plans to launch native plant restoration programs in its major mining areas over the next few years to restore damaged land surfaces and construct biodiversity corridors.



Installation of flow meters at the inlet and outlet, and online monitoring systems at the mine water treatment station





Society

Building on a foundation of steady and sound operations, JCHX actively fulfills its social responsibilities and is committed to promoting sustainable development across the entire value chain. Guided by the core strategy of technological innovation and its leading technical position, the company continuously enhances its engineering service standards and resource development capabilities. In terms of quality control, JCHX has established a comprehensive quality integrity system, which includes internal project acceptance mechanisms and rigorous quality management protocols, strictly adhering to national and industry standards in its production and service delivery. By continuously optimizing its service system and improving product quality, the company constantly strengthens client trust and its core competitiveness. Regarding employee care, JCHX upholds a "people-oriented" safety management philosophy. The company strives to create a diverse and inclusive workplace environment, providing employees with vocational skills training and career development support to achieve mutual growth for both the enterprise and its staff. Furthermore, the company has long been actively involved in public welfare initiatives and proactively promotes industry cooperation and internationalization, making positive contributions to the sustainable development of the global mining industry.



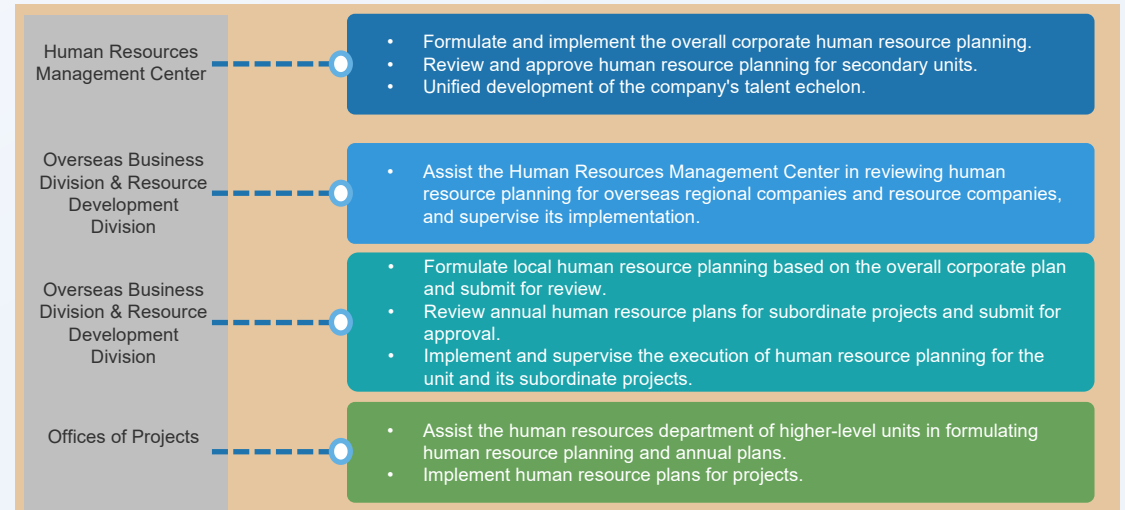
Employee Employment and Rights

Policy, Regulatory and Management Framework

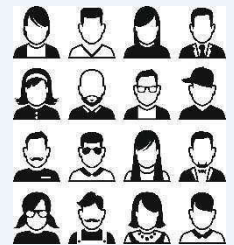
JCHX places high importance on compliant employment and actively protects employee rights. The company strictly complies with the Labor Law of the People's Republic of China, the Labor Contract Law of the People's Republic of China, the Trade Union Law of the People's Republic of China, the Law on the Protection of Minors, as well as the labor-related laws and regulations in the countries where its overseas subsidiaries are located. The company has established a comprehensive human resources management system and policies, including the Measures for Human Resources Planning Management, the Employee Recruitment Management System, and the Labor Relations Management System. These internal policies are continuously optimized and updated to ensure that the rights and interests of all employees are legally protected. During the reporting period, the company issued the Statement on Human Resources Management Policy of JCHX Mining Management Co., Ltd., committing to the practical safeguarding of dignity and human rights, and explicitly prohibiting child labor and forced labor. The company's human resources function is overseen by the Chairman, supported by an organizational structure that spans from the headquarters' HR Management Center to secondary units and project departments. During the reporting period, no incidents of employee discrimination or child labor occurred, and there were no major violations of laws and regulations or significant administrative penalties related to employment and labor practices.

Policy Name	Policy Overview
Human Resources Planning Management Measures	Regulates the formulation of human resources planning to ensure alignment with corporate strategy and goals.
Employee Recruitment Management System	Clarifies recruitment processes to ensure standardized and scientific hiring practices.
Labor Relations Management System	Strengthens labor relations management, standardizes employment conduct, and mitigates risks.
Employee Personnel File Management Measures	Regulates personnel file management to ensure records are authentic and complete.
Compensation and Welfare Management System	Establishes a reasonable compensation and welfare system to motivate employee enthusiasm.
Performance Appraisal Management System	Provides a comprehensive, objective, and fair evaluation of employee performance; improves communication, feedback, and appeal channels.
Employee Attendance and Discipline Management System	Standardizes attendance management and maintains work order.
Employee Leave Management System	Clarifies leave procedures and approval authorities to protect employee rights.
Talent Development Management System	Systematizes talent development activities to enhance employee capabilities.
University Graduate Training Management Measures	Assists new graduates in integrating quickly; cultivates them into the backbone of the enterprise.
Cadre Management System	Standardizes the selection, appointment, management, and use of cadres to build a strong cadre team.
Professional Qualification Management Measures	Promotes employees obtaining national professional qualifications; provides support for career development.
Internal Title Assessment Management Measures	Establishes a professional technical title development channel; standardizes title evaluation and appointment responsibilities.
Employee Reward and Punishment Management Measures	Rewards excellence and punishes misconduct; standardizes employee behavior for strict management.
Employee Business Trip Management Measures	Standardizes business travel management to improve work efficiency.
Employee Occupational Health Management Measures	Standardizes occupational health management to ensure a healthy work environment and protect employee health.
Industrial Workforce Construction Management Measures	Strengthens the cultivation of industrial workers, incentivizes technological innovation, and fosters a high-skilled workforce.
Retired Employee Re-employment Management Measures	Standardizes the re-employment of retired personnel and leverages the role of expert retirees.
Employee Kinship Avoidance Management Measures	Avoids negative impacts from nepotism to ensure fairness and impartiality.
Labor Dispatch Management System	Standardizes labor dispatch management and protects the rights of dispatched workers.
Foreign Affairs Management	Anti-discrimination and diversity management.

The company adheres to equal employment and treats employees of different nationalities, races, genders, religious beliefs, and cultural backgrounds fairly. It prohibits any form of discrimination and works to prevent the employment of child labor, forced labor, and gender discrimination. The company attaches great importance to the legitimate rights and interests of its employees, strictly complies with the relevant laws and regulations of the countries where its projects are located, and has taken a series of measures to protect employee rights and interests and to prevent the use of child labor and forced labor.



Laws and Regulations	The company strictly complies with local labor and minor protection laws and regulations where domestic and international projects are located, ensuring that the rights and interests of all employees are legally protected.
Recruitment Process	During the recruitment process, the company conducts strict age and identity verification to ensure that all applicants meet the legal working age, thereby avoiding the use of child labor.
Labor Contracts	The company signs formal labor contracts with all employees to clarify the rights and obligations of both parties and protect the legitimate rights and interests of employees.
Work Environment	Providing a safe and healthy work environment to ensure the personal safety and health of employees at work.
Supervision Mechanism	Establishing an internal supervision mechanism with a clear reward and punishment system, encouraging employees to report any violations. The company will investigate the reports and take corresponding reward and punishment measures.



Employee Employment and Rights

Risks and Opportunities

Upholding the core value of a "Family Culture," the company deeply recognizes that employees are the cornerstone of its development. We regard employee employment and rights as key material issues impacting the company's sustainable development capabilities. Through systematic identification and assessment, we have clarified the related impacts, risks, and opportunities, and accordingly formulated a strategic plan centered on "Symbiosis and Co-prosperity."

Category	Specific Matters/Risk Points	Time Horizon of Impact	Impact Severity Assessment	Potential Impacts
Risk Loss and Shortage of Core Talent	Domestic and overseas projects are mostly located in remote and arduous regions, facing the challenge of "failing to attract and retain" talent.	Short-Medium Term	High	Strategic Impact: The loss of core technical or managerial personnel will directly affect project delivery and safety production.
Risk Compliance and Labor Rights Disputes	Huge differences in labor laws among different countries (e.g., union strength, dismissal restrictions).	Short Term	High	Reputational Impact: Failure to strictly comply with local regulations (e.g., minimum wage, working hours, social security) will lead to lawsuits, fines, and reputational damage.
Risk Occupational Health and Safety	Mining is a high-risk industry with complex underground environments. Inadequate safety management leading to industrial accidents will cause irreversible harm to employees' life and health.	Long Term	High	Financial: Project suspension for rectification, partial business interruption. Reputational Impact: Damage to corporate reputation;
Opportunity Equity Incentives and Interest Binding	Implementing an Employee Stock Ownership Plan (ESOP) to bind the interests of core backbones with the company's long-term development.	Medium Term	High	Strategic Impact: Stimulate employees' sense of ownership and enhance team stability.
Opportunity Employer Branding and Talent Highland	Building a "Family Culture" employer brand and providing compensation and benefits superior to the industry.	Long Term	Medium	Strategic Impact: Helps attract top mining talent globally.

Multi-dimensional Incentive System

To address the risk of talent loss and seize talent development opportunities, the company has built a highly competitive incentive and protection mechanism.

- **Compensation and Benefits Tilted towards Key Areas:** The company implements a compensation system that is tilted towards arduous regions, key positions, and core professionals. Overseas employees enjoy highly competitive after-tax annual salaries, supplemented by plateau and alpine allowances, certification allowances, and a comprehensive "Five Social Insurances and One Housing Fund" package.
- **Equity Incentives:** The company launched employee stock ownership plans in 2017 and 2022, covering managers at different levels. This not only benefits shareholders but also turns core employees into the company's "partners," sharing the dividends of development and effectively solving the pain point of core talent loss.
- **Dual Career Channels:** The company has built a parallel career development path for employees, combining administrative positions with an internal professional title sequence. This ensures that both technical and managerial talents have broad space for promotion.



Robust Compliance and Rights Protection Mechanism

To address the compliance risks associated with multinational operations, the company has established a robust institutional firewall.

- **Anti-Fraud and Zero Tolerance:** The company has issued the Management System for Anti-Fraud and Anti-Commercial Bribery, implementing a "zero-tolerance" policy towards any behavior that infringes upon employee interests or exploits one's position for personal gain. Additionally, accessible reporting channels have been established to protect the rights and interests of whistleblowers.
- **Labor Rights Protection:** We strictly comply with the Labor Law of the People's Republic of China as well as the laws of the countries where our projects are located, resolutely putting an end to child labor and forced labor. During the recruitment process, strict age and identity verification is conducted; during the contracting phase, we ensure that all employees sign formal labor contracts to clearly define their rights and obligations.
- **Health and Safety:** Safe production is regarded as the baseline for employee rights. Through continuous safety investment, standardization initiatives, and occupational health check-ups, we minimize occupational health risks to the greatest extent and safeguard the lives and safety of our employees.

Employee Employment and Rights

Employment Opportunities and Employee Care

Adhering to the "Family Culture," JCHX practices the philosophy that "the enterprise is its employees, and the employees are the enterprise." Through joint efforts, we are building a career home of "symbiosis and co-prosperity" for both the company and its staff. By fostering efficient communication and providing multi-dimensional care, we continuously enhance employees' sense of belonging and satisfaction, forging a better future together. Every year, the company creates a significant number of job opportunities for society, particularly within overseas communities. We treat all employees equally, create employment opportunities for vulnerable groups, and provide assistance to employees in need. During the reporting period, the company maintained a 100% rate for labor contract signing, social insurance coverage, and employee health check-ups. Furthermore, actively fulfilling our social responsibility, we employed individuals with disabilities and veterans based on actual operational needs.

● Lubambe Company's Contribution to Local Employment

Following the acquisition of the Lubambe Copper Mine in 2024, the company retained the vast majority of the existing workforce and integrated personnel from the previous production contractor into Lubambe as direct employees. As a result, the number of direct employees grew from over 600 to more than 1,700. During the reporting period, the company created nearly 2,900 jobs for the local community. This includes over 150 community workers hired as part of a specially designed support program aimed at fostering local employment and development, demonstrating the company's strong commitment to supporting job creation and community growth in Zambia.

● Everbright's Contribution to Local Employment

Deeply rooted in local operations in the Democratic Republic of the Congo (DRC), Everbright regards promoting local employment, improving people's livelihoods, and driving sustainable community development as its core mission. As of the end of the reporting period, the company had 360 permanent local employees and 750 temporary workers, directly providing nearly 1,110 stable jobs. This has effectively absorbed the local labor force and tangibly improved residents' income and living standards. Beyond direct job creation, the company actively builds a collaborative ecosystem for local development. By partnering with local hospitals, schools, suppliers, and other stakeholders, we extend the industrial and service value chains, indirectly generating a range of supporting employment opportunities. This fosters a virtuous cycle of "corporate growth – industrial linkage – employment expansion."

- The company has established the Management Measures for Assistance to Employees in Need. Each year, we conduct in-depth assessments and provide timely care and condolences to employees or their families facing special hardships, such as sudden accidental injuries or major life crises. Additionally, a centralized慰问 (outreach) campaign is conducted before the Spring Festival every year, during which financial assistance is distributed to those in need. During the reporting period, a total of 10 employees in difficulty received assistance.

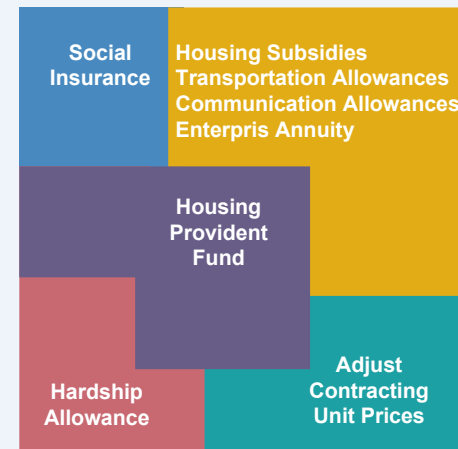


Indicator	Unit	2023	2024	2025
Number of employees assisted	Person	17	21	10

Employee Welfare

The company's employee welfare system, policies, and initiatives primarily include social insurance, housing provident fund, housing allowance, transportation allowance, communication allowance, and corporate annuity. Among these, social insurance and the housing provident fund are mandatory. The company contributes to employees' endowment insurance, unemployment insurance, work-related injury insurance, basic medical insurance (including maternity insurance), critical illness insurance, and the housing provident fund. Upon resignation or retirement, the company assists employees in processing the reduction and transfer of their social insurance benefits. The housing allowance is a benefit provided to staff at the two-tier headquarters, with amounts set according to the employee's rank and the geographical location of their work unit. The transportation allowance is provided to headquarters staff, determined by the employee's rank and the nature of their duties. Similarly, the communication allowance is set based on the employee's rank and job nature. Regarding the corporate annuity, eligible employees may voluntarily participate in accordance with the Company Corporate Annuity Plan. Through these welfare policies, the company aims to safeguard employees' basic rights and interests, enhance job satisfaction, promote stability and loyalty, and support the long-term development of the company's human resources.

The company has established a special hardship allowance to optimize employee welfare. This allowance is designed to compensate employees for the additional physical and mental exertion required when working in remote and arduous regions. Taking into account factors such as the natural geography and cultural environment of the project locations—including differences in climate, altitude, transportation accessibility, and cost of living across regions—the company implements a tiered management system for the allowance. This covers management personnel, technical staff, as well as auxiliary and logistics staff at the project departments. The allowance standards vary depending on the specific position and are disbursed alongside the monthly salary based on the number of attendance days. For employees on a piece-rate wage system, the company will appropriately adjust the piece-rate pricing to reflect these conditions.



Employee Employment and Rights

Employee Voice and Feedback

Through multiple channels such as the Employee Representative Congress, online platforms, and questionnaires, the company has established a normalized democratic communication mechanism. We actively listen to employee feedback, provide timely responses, and work diligently to resolve issues, thereby effectively safeguarding the legitimate rights and interests of our employees.

● Online Service Platform

The company has meticulously built the "You Speak, We Act" comprehensive service platform. Integrating three core functions — disciplinary complaints, emotional support, and feedback on "Three Hot" issues (hotspots, difficulties, and focal points)—the platform serves as a vital bridge connecting the company with its employees, listening to their voices and resolving their concerns. In 2025, the platform received a total of 67 messages, suggestions, and opinions from employees. These inputs primarily focused on key areas of high concern closely related to daily work and life, such as improving cafeteria food quality, standardizing work discipline, and safeguarding rest and leave entitlements. Adhering to the principle of "responding to every appeal, acting on every reception, and replying to every action," the platform has established a closed-loop mechanism for the collection, assignment, supervision, and feedback of requests. It efficiently promotes the rectification and implementation of various issues, achieving an annual problem-resolution rate of over 90%. This effectively transforms employees' "calls for help" into "rounds of applause," continuously enhancing their sense of belonging, happiness, and fulfillment.



- Upholding the "people-oriented" philosophy, the company has established a comprehensive logistics service, management, and feedback mechanism covering cafeterias, dormitories, and public areas. To respond more precisely to employee needs, we increased the frequency of our surveys from semi-annual to quarterly this year. This high-frequency dynamic monitoring has enabled highly efficient closed-loop management. In 2025, employee satisfaction with the cafeteria rose from 86% at the beginning of the year to 90% by year-end, while satisfaction with dormitories climbed from 82% to 94%. These figures strongly validate the tangible results achieved by the company in enhancing employee well-being.

Disclosure		Unit	2023	2024	2025
Employee Communication	Number of Employee Representative Congress sessions held	Times	2	4	4
	Employee Trade Union membership rate	%	55	59	63

Employee Activities

Guided by distinctive thematic education, the Company is committed to enriching employees' spiritual and cultural lives and building synergy for development. We have meticulously organized a diverse range of cultural activities, cumulatively reaching 25,000 employee visits with remarkable results. Key initiatives include:

- Thematic & Health Initiatives:** We launched the annual cultural series themed "Continuing the Struggle, Ushering in a New Journey," and organized health check-up analysis sessions alongside lectures on common diseases to safeguard employees' physical and mental well-being.
- Diverse Platforms & Engagement:** We established varied platforms for display and interaction. Activities such as the "Crossing Mountains and Seas, Moving Together" online sports PK challenge, the 2025 Foreign Language Speech Contest, and foreign song singing events were held to invigorate our workforce.
- Care & Recognition:** We hosted celebrations for International Women's Day (March 8th) to demonstrate humanistic care. Furthermore, we conducted the 2025 Excellence Awards for news reporting, articles, and outstanding correspondents, as well as photography and short video competitions.

These efforts have successfully unearthed employee talents, fostered a positive and united cultural atmosphere, and significantly enhanced the sense of belonging and cohesion among our staff.

International Women's Day Events



First Aid Training Session



Occupational Health and Safety

Policy, Regulatory and Management Framework

JCHX attaches great importance to the occupational health and safety of its employees. The Company strictly complies with laws and regulations such as the Work Safety Law of the People's Republic of China, the Law on the Prevention and Control of Occupational Diseases, the Measures for the Supervision and Administration of Occupational Health Surveillance by Employers, and the Provisions on the Administration of Occupational Hygiene in Workplaces. Additionally, JCHX has obtained ISO 45001 certification for its Occupational Health and Safety Management System. During the reporting period, no major or above production safety accidents occurred.

To address risks related to occupational health and safety, JCHX has actively established a multi-level risk classification and control mechanism spanning the corporate level, secondary unit level, and individual post level. This mechanism clearly defines the responsibilities of personnel at all levels. The Company has formulated and continuously optimized policies such as the Safety Education and Training System and the Occupational Hazard Prevention System. During the reporting period, JCHX introduced the new Tiered Review System for Safety Inspections, and revised and supplemented the Safety Information Management System and the Reporting and Investigation System for Production Safety Accidents. In daily operations, the Company supervises employees to ensure proper use of protective gear while simultaneously implementing various on-site protection measures to reduce or mitigate occupational hazards. For this reporting period, the Company set its work safety targets at zero fatal accidents and zero newly diagnosed cases of occupational diseases.

The Company's occupational health initiatives are overseen by the corresponding Vice President and executed by the Work Safety Management Center.

The Vice President organizes the identification and assessment of occupational disease hazards within the Company and holds overall responsibility for the prevention and control of occupational diseases across all operations.

The Work Safety Management Center is responsible for planning prevention and control measures against major occupational hazards. Meanwhile, the Safety and Environment Departments of secondary units are tasked with guiding, supervising, and inspecting the hazard prevention efforts of their subordinate entities.

The General Manager of the secondary unit organizes the identification and assessment of occupational disease hazards within the unit and holds overall responsibility for the prevention and control of occupational diseases at that level.

The Project Manager organizes the identification and assessment of occupational disease hazards within the project department and holds overall responsibility for the prevention and control of these hazards at the project level.

JCHX consistently upholds the business philosophy of "People as the Foundation of Our Enterprise" and adheres to the occupational disease prevention policy of "Prevention First, Combining Prevention and Control," demonstrating a deep commitment to employee health and well-being. The Company continues to increase safety investments and organizes occupational health examinations before employment, during service, and upon departure, in accordance with the regulations of work safety supervision and health administrative departments. All examination results are communicated to employees in writing. Furthermore, JCHX strengthens training on occupational hygiene and hazard prevention knowledge, improves and maintains protective facilities, and equips employees with personal protective equipment (PPE) that meets occupational disease prevention requirements. By continuously improving working environments and conditions, the Company is dedicated to achieving top-tier performance in occupational health and safety management. JCHX also actively carries out the certification of its occupational health management system, steadily elevating its management standards. During the reporting period, the Company served as an executive director unit of the China Occupational Safety and Health Association (COSHA) and maintained its ISO 45001 certification for the Occupational Health and Safety Management System.



Executive Director Unit of the 7th Council of the China Occupational Safety and Health Association (COSHA)

To address the risks of occupational diseases caused by exposure to dust, noise, or other toxic/harmful factors during occupational activities, the company has implemented comprehensive occupational health protection measures to effectively prevent and control the occurrence of workplace hazards and employee occupational diseases.

- | | |
|--|--|
| Dust Control Measures | <ul style="list-style-type: none"> • Adopt wet drilling, moist spray, and wet spray processes for dust prevention. • Implement dust suppression measures such as rinsing rock walls, watering during rock loading, and water curtain systems to purify airflow. • Sprinkle water on roads, regularly clean road dust, and enforce speed limits for vehicles. • Install mechanical ventilation systems, properly configure local ventilation fans, maintain ventilation ducts, and extend ducts timely to ensure effective dust removal. • Require personnel in dust-exposed areas to wear dust-proof masks that meet national standards. • Post safety warning signs such as "Attention to Dust Prevention," "Wear Dust Masks," and "Ensure Ventilation" at key locations. |
| Noise Control Measures | <ul style="list-style-type: none"> • Mining Equipment Noise Control: Prioritize electric mining equipment over pneumatic systems. Strengthen maintenance of pneumatic rock drills to ensure intact noise suppression covers. • Ventilation System Noise Control: Select low-noise, high-efficiency local ventilation fans. Install noise reduction devices (e.g., silencers) at intake ports of older ventilation fans. Conduct regular inspections and maintenance of ventilation fans and noise suppression systems to ensure functionality. • Personal Protective Equipment: Require personnel in high-noise zones to wear seal-type earplugs or ear muffs that meet national standards. • Warning Signage: Post safety signs such as "Noise Hazard Warning: Wear Earplugs/Muffs" at key locations. |
| Prevention & Control of Toxic/ Harmful Gases | <ul style="list-style-type: none"> • Adopt zero-oxygen balanced explosives to minimize toxic gas generation during blasting. • Verify ventilation capacity based on the designed explosive charging volume per blasting operation and strictly prohibit over-charging explosives. • Implement mechanical ventilation systems to ensure timely removal of blasting fumes and maintain sufficient fresh air supply at workfaces. • Design ventilation systems to avoid serial ventilation and recirculation airflow patterns. • Use stemming materials during explosive loading to prevent deflagration and reduce toxic gas emissions. • Enhance blind alley management: Seal abandoned roadways promptly and post prominent "No Entry" warning signs. Any entry into such areas requires a pre-approved specialized plan and prohibits unauthorized access. • Equip personnel with portable toxic gas detectors and ensure real-time monitoring with alarm activation for immediate response. • Display safety warning signs such as "Monitor Toxic Gases" and "Ensure Ventilation" at critical locations. |

Occupational Health and Safety

Risks and Opportunities

The Company consistently regards occupational health and safety as the bottom line for corporate survival and the red line for development. We deeply recognize that as a high-risk industry, safety management in mining not only concerns the dignity of employees' lives but also directly impacts the Company's operational continuity and sustainable development capabilities. Based on this understanding, the Company has conducted a systematic identification and assessment of related impacts, risks, and opportunities in accordance with the ISO 45001 Occupational Health and Safety Management System standard, integrated with our "Mining Management 4.0" strategy.

Category	Specific Matters/Risk Points	Impact Time Horizon	Impact Severity Assessment	Potential Impacts
Risk Production Safety Accidents	Accidents such as underground collapses, water intrusions, fires, or equipment failures may lead to casualties, asset damage, and even suspension of mine operations for rectification.	Short-term - Long-term	Very High	Financial Impact: Cause huge direct economic losses and cash flow interruption; Reputational Impact: Damage to company reputation, affecting ESG ratings.
Risk Compliance and Legal Liability	With the increasingly strict "Work Safety Law" and overseas mine safety regulations, any non-compliance may result in huge...	Short-term	High	Financial Impact: High fines; Strategic Impact: Suspension of operations for rectification, relevant responsible persons may face criminal liability.
Risk Occupational Health Hazards	Dust (silicosis), noise, high temperatures, and toxic gases are the main occupational disease hazards in mining operations. Long-term exposure may lead to chronic health damage to employees.	Long-term	Medium	Financial Impact: Trigger labor disputes and compensation burdens; Reputational Impact: Damage to company reputation, affecting ESG ratings.
Opportunity Intelligentization and "Mechanization Replacing Humans"	Promoting intelligent equipment such as driverless loaders and remote control to replace employees from high-risk working faces, achieving "safety with fewer people, safety with no people".	Medium-term	High	Strategic Impact: Significantly reduce the probability of accidents and utilize machinery to improve efficiency.
Opportunity Safety Standardization and Brand Premium	Enhance the company's brand image in the international high-end mining market.	Long-term	Medium	Strategic Impact: Become a key stepping stone to obtain orders from high-quality owners (such as large multinational mining companies).

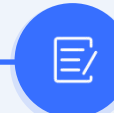
➤ To address the aforementioned issues, the Company has formulated a strategic plan targeting "Intrinsic Safety," driven by the dual engines of "Technology-Driven Safety" and "Culture-Based Safety," and deeply integrated safety management into business model innovation.



Intelligent Safety Strategy Led by "Mining Management 4.0"

The Company deeply recognizes that traditional manpower-based safety models have reached their limits, necessitating a transformation towards technology-driven and intelligence-driven prevention.

- **Strategic Planning:** The Company has established "replacing humans with machinery and reducing personnel through automation" as its core safety strategy. Relying on its self-developed autonomous loader system, the Company has achieved full-process automation of loading, hauling, and dumping within underground crosscuts, completely eliminating operational risks for personnel in confined and high-risk environments.
- **Management Strategy:** The Company is deepening the advancement of "Mining Management 4.0" by leveraging mobile internet, big data, and AI technologies to establish a dual prevention mechanism for safety risk classification and control, as well as hazard identification and governance. Through a digital platform, the Company monitors underground personnel positioning, equipment status, and environmental parameters in real time, achieving transparency and real-time management of safety protocols.



A "Family Culture" Safety System with Company-wide Participation

The Company believes that all safety management systems ultimately rely on people for execution. Therefore, we integrate a "family culture" into safety management, fostering a shift from a passive "I am required to be safe" mindset to an active "I want to be safe" mentality.

- **Standardized Team Building:** The Company attaches great importance to the development of teams as the smallest operational units. We have launched a "Safety Management Standardized Model Team" initiative to solidify safety responsibilities for every employee and ensure the strict implementation of Standard Operating Procedures (SOPs).
- **Finger Pointing and Oral Confirmation:** The Company has introduced and promoted the "Finger Pointing and Oral Confirmation" method. This requires employees to confirm environmental safety through physical gestures and verbal affirmation before operations, thereby reducing human error through behavioral intervention.
- **Normalized Education and Training:** We have established a company-wide learning platform and developed professional safety training materials and videos. This ensures that all employees (including expatriates) receive systematic safety education, continuously enhancing the overall safety competency of the workforce.



Strict Compliance and Emergency Management Mechanism

To address legal and compliance risks, the Company has constructed a robust institutional firewall.

- **System Development:** The Company has established and continuously maintained ISO 45001 Occupational Health and Safety Management System certification, ensuring management processes comply with international standards. We have created the position of Safety Director and granted them veto power over safety production matters.
- **Emergency Management:** We have formulated comprehensive emergency rescue plans and conduct regular practical drills. Addressing potential underground emergencies such as fires and floods, we maintain adequate emergency supplies to ensure response capabilities under extreme conditions.
- **Occupational Health Monitoring:** The Company organizes regular occupational health examinations for employees and maintains health records. We strictly control dust and noise concentrations in the workplace to prevent the occurrence of occupational diseases at the source.

Occupational Health and Safety

Safety Culture Construction

- Solid Implementation of Company-wide Safety Education and Training
 - Management Personnel Training: Project units have organized targeted training for management and technical personnel on core principles such as "Three Managements and Three Musts," "One Post with Dual Responsibilities," and "Business Operations Ensuring Safety." These initiatives ensure that managers and technicians at all levels fully shoulder their job responsibilities and safety production supervision duties.
 - Operational Personnel Training: Functional departments across project units have conducted role-specific training programs covering case study education, Standard Operating Procedures (SOPs), essential job knowledge, the "Finger Pointing and Oral Confirmation" method, and on-site emergency response measures. This comprehensive approach strengthens employee operational skills and awareness, enhances on-site safety supervision, eliminates potential hazards promptly, and nips accidents in the bud.
 - Training for Violators: Secondary units identified employees with habitual or severe violations in 2025 and supervised project departments in organizing multiple rounds of specialized retraining. Through methods such as questioning, examinations, and on-site assessments, we ensure that only those who pass the evaluation are permitted to return to their posts. Additionally, project departments utilize pre-shift meetings to report recent typical violations, allowing violators to share their experiences as cautionary examples. This strictly curbs non-compliant behavior and fosters a safety atmosphere where employees "dare not, do not want to, and cannot violate" regulations.
 - Emergency Drills and Response: In alignment with the client's emergency drill plans, project units organized practical drills for underground fires, flood prevention, roof falls, wall collapses, and water intrusions. We also provided specialized training on underground disaster avoidance routes and emergency escape procedures. By distributing and updating on-post emergency response cards, we ensure that all employees master essential emergency disposal knowledge.
 - Key Performance Indicators (During the Reporting Period): Safety Training Sessions: 2,652 courses on occupational health and work safety were conducted. Training Reach: A total of 32,236 person-times received occupational health and safety training. Total Training Duration: 244,525.5 hours. Safety Production Investment: RMB 161.19 million (16,118.65万元).

Safety Knowledge Competitions



Safety Education and Training



Safety Publicity and Occupational Hazard Notification



Project Department Safety Month Activities

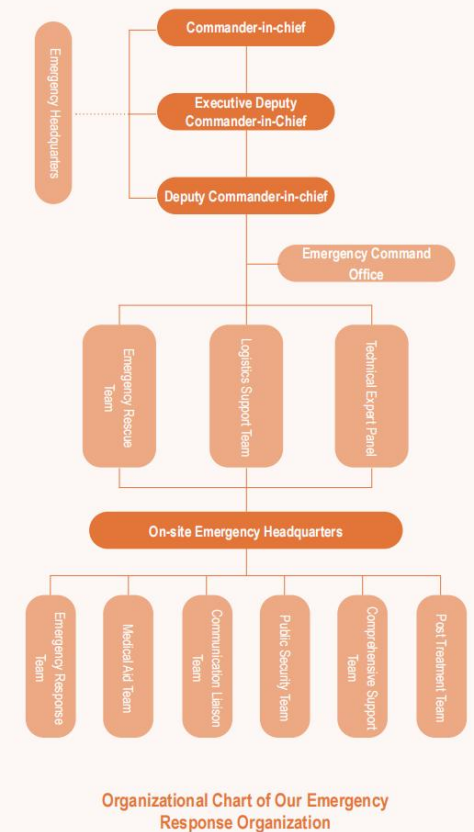


Emergency Management

To prevent and control potential accidents or emergencies, ensure effective emergency preparedness and response, safeguard the health and lives of employees, minimize property loss, environmental damage, and social impact, and enhance the Company's capability to withstand risks and prevent accidents, JCHX has formulated the Emergency Management System for Work Safety Accidents and the Emergency Response Plan for Work Safety Accidents. These documents are developed in strict accordance with laws and regulations such as the Work Safety Law of the People's Republic of China, the Regulations on Work Safety Licenses, the Measures for the Supervision and Administration of Work Safety in Mining and Geological Exploration Enterprises in Beijing, the Regulations on Emergency Response to Work Safety Accidents, and the Several Provisions on Strengthening the Safety Management of Outsourced Projects in Underground Metal and Non-metal Mines. The Company adheres to the principles of "people-oriented approach, prevention first, unified leadership, hierarchical responsibility, and scientific practicality." We fully leverage the role of emergency leading groups at all levels to conduct routine risk assessments, material reserves, team building, equipment improvement, and contingency drills. In line with the severity and scope of impact of accidents, we implement a graded emergency response mechanism. Committed to full participation, the Company normalized emergency drill activities. During the reporting period, the Company organized a total of 211 emergency accident drills.

Emergency Plan Drills

Based on the primary risks and potential accident types of each project department, various project units carried out emergency rescue drills in multiple forms. These drills were organized in coordination with the arrangements of local governments and clients. Through these practical exercises, we effectively tested the emergency rescue capabilities of our project units, identified weaknesses in our emergency response work, and addressed these shortcomings. This proactive approach has laid a solid foundation for actual emergency rescue operations in the future.



Occupational Health and Safety

Safety Production Inspection and Technical Measures

Facing the inherent risks of mine construction and development, JCHX deeply understands the significance of work safety to our employees and their families. To this end, the Company has established a dual prevention mechanism tailored to its specific operational characteristics, focusing on risk classification and control as well as hazard identification and governance. We have formed a comprehensive risk management process that includes: "division of risk units -> risk identification -> risk assessment -> risk classification and control -> issuance and execution of safety inspection tasks -> hierarchical spot checks and reviews of safety inspection implementation." Furthermore, we have developed targeted safety checklists for every position and workplace. By regularly organizing company-wide specialized safety inspections, we continuously close management loopholes, improve working environments, standardize employee behaviors, and ensure the safe and reliable operation of equipment systems.

Hidden Danger Identification and "Three Violations" Management Measures



Establishing Safety Inspection Frequency Standards for Employees Across Different Risk-Graded Risk Units

Based on the risk levels of risk units and professional inspection requirements, basic safety inspection frequency standards for each risk unit were discussed and formulated, primarily including daily inspection frequency standards for teams and managers' SOP compliance checks and onsite standardized environmental inspections. Weekly inspection plans are developed by project managers according to the inspection frequency requirements of onsite management personnel, specialized department managers, and executive leadership, specifying execution frequencies. Parent companies conduct monthly surprise audits to verify compliance, while regional branches perform quarterly crosschecks, reviewing inspection logs and corrective actions to ensure execution aligns with standards.



Strengthen the Investigation and Enforcement of Substantive Violations

The company's safety information system has built-in standardized workflows for recording violations, eliminating the practice of making up numbers and enhancing the quality of onsite violation correction and governance.



Refine the on-site hidden danger investigation and governance through refined management

By utilizing a safety information platform for real-time analysis of on-site safety management data, the focus of safety management shifts from basic data aggregation to practical implementation of hazard identification and governance. The platform enables continuous tracking of on-site hidden danger rectification closure and the re-education and assessment of violators, ensuring timely implementation of targeted measures to control unsafe physical conditions and unsafe human behaviors. This prevents recurring or repeated occurrences of similar safety hazards, establishing a long-term governance mechanism.

During the reporting period, the Company systematically screened, identified, and assessed work safety factors through a rigorous process, achieving the following quantitative results:

- Screening, Identification, and Assessment Process**
 - Company-wide Risk Identification:** We organize annual all-staff participation in regional risk re-identification, covering key areas to ensure no risks are overlooked. We employ the LEC (Job Conditions Danger Evaluation) method or the LS (Risk Matrix) method to quantitatively grade identified risks. By comprehensively considering the likelihood of an accident (L), the frequency of personnel exposure (E), and the severity of consequences (C), we calculate the risk value ($D = L \times E \times C$). Based on this calculation, risks are classified into four color-coded levels: "Red, Orange, Yellow, and Blue" (representing Major, Larger, General, and Minor risks, respectively).
 - Systematic Inspection Mechanism:** The Company implements daily patrols, weekly checks, monthly comprehensive inspections, and specialized screenings. All identified hazards undergo closed-loop rectification strictly following the "Five Determinations" principle (determining responsible persons, measures, deadlines, funds, and contingency plans).
 - Formatization and Standardization Tools:** We promote "Mining 4.0" checklist-based inspections and utilize a dedicated Safety Patrol APP for online hazard reporting and review. Additionally, we have refined SOP checklists and risk unit inspection forms to standardize our processes.
 - Dynamic Risk Updates:** Guided by actual production changes and case studies of past accidents, we regularly revise the list of "Three Violations," risk assessment tables, and emergency response plans to ensure our control measures remain highly targeted and effective.
- Quantitative Results of Safety Management Measures**
 - Hazard Governance:** The Company has maintained rigorous standards in hazard identification and correction. In 2023, we identified and rectified 52,958 hazards; this number rose to 59,424 in 2024, and reached 56,823 in 2025.
 - Handling of "Three Violations":** In 2024, we corrected 15,824 instances of violations, and in 2025, we addressed 12,996 instances. For both years, 100% of violators underwent corrective education and mentorship under a strict closed-loop management system. Notably, in 2025, we implemented a policy to dismiss personnel who repeatedly exceeded violation limits, gradually replacing them to eliminate non-compliant operations at the frontline.

JCHX Safety Information Management Platform

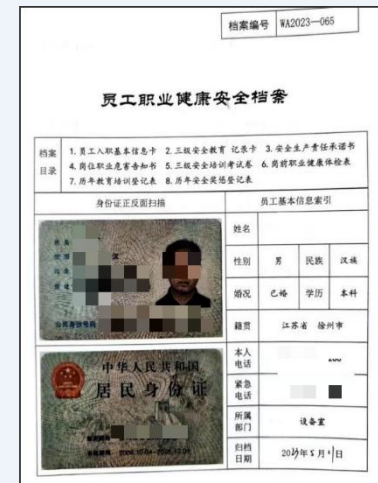
The Company is actively advancing safety informatization management to enhance our technological capabilities in work safety. During the reporting period, the Work Safety Management Center collaborated with software development partners to conduct extensive tracking, testing, and optimization. We successfully resolved technical issues such as the playback failure of "Finger Pointing and Oral Confirmation" videos. Furthermore, we completed a series of system upgrades, including: Automatic generation of safety inspection tasks; Optimization of the "Three Violations" management process; Statistics tracking for personnel exceeding violation limits; Standardization of safe and civilized production; Information sharing within the management platform; Automated retrieval of training records and organization of education archives; Upgraded scoring functionality for SOPs.

Through these digital enhancements, various safety management processes have become significantly more convenient. We have essentially achieved our informatization efficiency goals: traceable safety confirmations, comprehensive coverage of safety inspections, logical hierarchical reviews, and more convenient statistical analysis.



Establishment of Occupational Health Records

Each project department conducts pre-employment occupational health examinations for every new hire and establishes an independent occupational health surveillance file for each employee. We meticulously document all annual on-the-job physical examinations and on-site occupational hazard monitoring results in these records. For positions exposed to occupational hazards, we increase the frequency of both environmental monitoring and health check-ups to ensure that all protective measures are fully implemented. Furthermore, we arrange regular health screenings for employees; anyone showing abnormal health indicators is promptly transferred to a different position to safeguard their well-being.



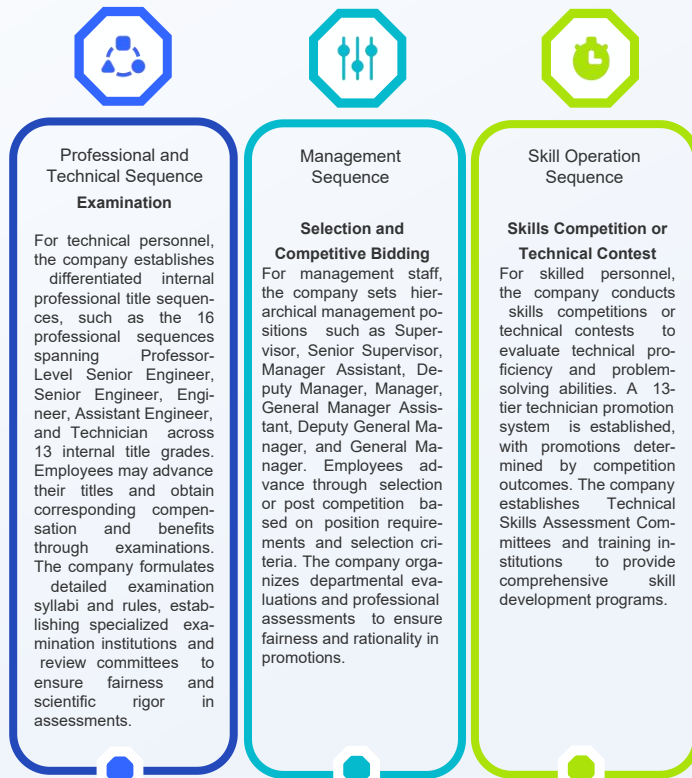
Employee Training and Development

Policy, Regulatory and Management Framework

JCHX places high importance on employee training and development. We strictly adhere to core laws and regulations such as the Labor Law of the People's Republic of China, the Vocational Education Law of the People's Republic of China, the Work Safety Law of the People's Republic of China, and the Provisions on Safety Training for Production and Business Operation Entities. Additionally, we comply with labor-related laws and regulations in the countries where our overseas subsidiaries are located, ensuring the legal compliance of all training activities and safeguarding employees' rights to career development. To this end, the Company has established a comprehensive human resources management system and framework. This includes internal policy documents such as the Measures for the Management and Cultivation of University Graduates, Measures for the Management of Professional Qualifications, Talent Development Management System, and Measures for the Administration of Internal Title Evaluation, all of which are continuously optimized and updated. These measures ensure that every employee's career development is legally protected. During the reporting period, the Company issued the Statement on Human Resources Management Policy of JCHX Mining Management Co., Ltd., committing to build a comprehensive compensation plan covering "salary and benefits, career development, and work-life balance." The Company's human resources work is overseen by the Chairman and operates under a hierarchical structure extending from the Headquarters HR Management Center to secondary units and project departments.

The company has established mature and comprehensive career development pathways and personnel promotion mechanisms, implemented through: Examination-based assessment for internal professional title sequences, Selection or competitive bidding processes for management staff sequences and Competition or skills assessment for technical staff sequences

The company adopts a sequence-based and tiered approach to comprehensively establish its talent system, emphasizing the balanced development of management talent, technical talent, and skilled talent. It addresses talent gaps through diverse recruitment channels including internal cultivation, campus recruitment, and social recruitment, while prioritizing evaluation criteria of integrity, competence, and performance-based achievements. For overseas talent, the company implements a systematic recruitment process and management framework that emphasizes legal compliance and cultural adaptation. Centered on Mining Management 4.0 (Standardization), the company constructs three major competency-based training systems tailored to different talent categories: Management Training System, Technical Training System and Vocational Skill Development System



Management Training System	Technical Training System	Vocational Skill Development System
<ul style="list-style-type: none"> • JCHX Entrepreneurial History and Corporate Strategy Course • Mining Management 4.0 (Standardization) Integration Course • Mindset Transformation Course • Lean Management Course • Code of Conduct and Competency Requirements for Management Personnel Course • Mining Management 4.0 Financial Management Course • Mining Management 4.0 Operational Cost Management Course • Mining Management 4.0 Safety Management Course • Mining Management 4.0 Equipment Management Course • Applications and Development of Mining Technology Course • Mine Construction Technology Management Course • Audit Issues and Case Analysis Course 	<ul style="list-style-type: none"> • Safety Engineering Courses • Mining Engineering Courses • Surveying Engineering Courses • Geological Engineering Courses • Accounting Courses • Mechanical Engineering Courses • Business Administration Courses • Mine Construction Engineering Courses • Human Resources Management Courses • Information Technology Courses • Materials Management Courses • Administrative Management Courses • Electrical Engineering Courses • Resource Management Courses • Equipment Engineering Courses 	<ul style="list-style-type: none"> • Drilling Jumbo Operation SOP Course • LHD Operation SOP Course • Truck Operation SOP Course • Hoist Operation SOP Course • Special Equipment Operation SOP Course • Trackless Equipment Maintenance SOP Course • Fitter Maintenance SOP Course • Electrician Maintenance SOP Course • Welder Maintenance SOP Course

Employee Training and Development

Risks and Opportunities

The Company regards talent as our "primary resource." We deeply recognize that, against the backdrop of rapid technological iteration in the mining industry and global expansion, the skill levels and career development of our employees directly determine the Company's core competitiveness. Guided by the strategic requirements of "Mining Management 4.0" and our ESG sustainable development goals, we have conducted a systematic identification and assessment of the impacts, risks, and opportunities related to employee training and development.

Category	Specific Matters/Risk Points	Time Horizon of Impact	Impact Severity Assessment	Potential Impacts
Risk Shortage and Gap in Key Skills	With the advancement of intelligent mine construction, if traditional miners cannot master the operation skills of digital and automated equipment, the company will face the dilemma of "having equipment but no one to use it".	Medium Term	High	Strategic Impact: Leads to idle capacity or low efficiency.
Risk Talent Turnover and Training ROI	If high-investment training is not accompanied by effective retention mechanisms, it may lead to the risk of "training talent for others" (making wedding clothes for others).	Short-Medium Term	Medium	Financial Impact: Results in sunk training costs and loss of core talent. Strategic Impact: Cultivating talent for competitors, affecting business expansion.
Risk Compliance and Qualification Certification	If special operation personnel (e.g., electricians, welders, blasters) work without certificates or with expired certificates.	Short Term	Medium	Financial Impact: Violation of safety production regulations, facing regulatory penalties. Strategic Impact: Risk of work stoppage.
Opportunity Integration of Industry and Education & Internal Talent Cultivation	Establish "Craftsman Colleges" or internship bases in cooperation with universities to front-load the talent cultivation process.	Long Term	High	Strategic Impact: Ensures a continuous stream of high-quality, targeted talent for the company, reducing the difficulty of external recruitment.
Opportunity Management Output and Technology Realization	Transform mature training systems (e.g., Mining Management 4.0 courses, safety operation procedures) into consulting or technical services for output to owners or the industry.	Medium Term	Medium	Strategic Impact: Create new revenue growth points.

➤ To address the aforementioned issues, the Company has formulated a strategic plan centered on "Empowering Growth," with "Industry-Education Integration" and "Digital Training" as its key drivers. We are committed to transforming our human resources into the core engine driving the Company's high-quality development.



Industry-Education Integration Strategy

The Company deeply recognizes that sole reliance on social recruitment can no longer satisfy the surging demand for high-skilled talent; therefore, establishing an independent talent self-generation mechanism is imperative.

- **Strategic Planning**
In partnership with the Miyun District Federation of Trade Unions and vocational colleges, the Company established the "Miyun District Craftsman College (JCHX College)." This institution serves not only as an "incubator" for the Company's talent development but also as a "highland" for industry skill exchanges.
- **Management Strategy**
We implement an educational mechanism characterized by "enterprise leadership, trade union promotion, and multi-party participation." Through models such as "Master-Apprentice Mentorship" and "Tailored Talent Cultivation" (order-based training), we embed enterprise job standards directly into school curricula. This ensures that students are ready to work immediately upon graduation and become proficient instantly upon starting their jobs.
- **Skill Competitions & Incentives**
We regularly organize vocational skill competitions to select high-skilled talent through practical, competition-based training. Furthermore, we have established a "Floating Skill Wage Mechanism" that directly links skill levels to compensation, effectively stimulating employees' enthusiasm for proactive learning and technical mastery.



Full Lifecycle Training System

To ensure training content resonates with business development, the Company has designed precise training programs tailored to employees at different levels and stages.

- **New Employees: The "Starting Line" Plan**
Targeting fresh university graduates, we conduct onboarding training themed "Fearless Youth, Cherishing the Encounter." Company executives personally deliver lectures, and through team-building exercises, first-aid training, and corporate culture immersion, we help newcomers successfully transition from "campus members" to "professionals."
- **Middle & Senior Management: The "Navigation" Plan**
For management personnel, we hold middle and senior management training classes. Focusing on cutting-edge topics such as "Mining Management 4.0" thinking, challenges in the AI era, and standardized vs. localized management, we enhance managers' strategic vision and complex problem-solving abilities through group discussions and case diagnostics.
- **Industrial Workers: The "Foundation Strengthening" Plan**
For frontline industrial workers, we have formulated the Annual Implementation Plan for Industrial Worker Team Building. We fully implement the squad leader system and SOP (Standard Operating Procedure) inspections. Utilizing video training materials, we conduct weekly checks and monthly evaluations to continuously improve the standardized operation level of our frontline teams.



Digital and Intelligent Training Models

To address the risk of skill gaps, the Company actively introduces digital tools to enhance training efficiency and coverage.

- **Cloud Learning Platform:** We have established a company-wide learning platform, producing and uploading professional safety training materials and videos. This breaks through time and space constraints, enabling employees in overseas projects and remote mining areas to access knowledge anytime, anywhere.
- **Practical Teaching:** We incorporate simulation drills and hands-on assessments into our training, particularly in areas like emergency rescue and equipment operation. By emphasizing "learning by doing," we ensure that training outcomes are directly transformed into safe and productive capabilities.



Employee Training and Development

Compensation Incentives and Training Objectives

The Company's compensation and incentive management system adopts a job-function-based salary structure, where comprehensive compensation standards are determined based on the relative value of the position and the employee's capabilities. We have established a broadband salary architecture; within the same position, different salary grades are assigned according to the varying levels of employee competency. The Company's compensation package primarily consists of annual salary, seniority allowances, welfare benefits, and social insurance contributions.

- The company optimizes compensation and incentive policies, establishing a special incentive for exceeding profit targets. Upon actual achievement of annual profit goals, a portion of the excess profits will be allocated as bonus.
- To fully mobilize employee initiative and creativity, attract and retain top talent, and build multidimensional human resource advantages, an employee stock ownership plan (ESOP) is implemented.
- To strengthen accounts receivable recovery, the Accounts Receivable Recovery Performance Evaluation and Special Incentive Management Measures have been formulated, introducing additional bonus for overachieving the accounts receivable target.
- In cases where the company achieves significant management innovation, technological breakthroughs, investment success, or receives special commendations from governments or industries, the executive team may receive additional special rewards upon approval by the Board's Compensation and Evaluation Committee.

- Excess Profit Incentive
- ESOP
- Accounts Receivable Recovery Performance
- Special Recognition Awards



Compensation Incentive



Establishment and Commencement of Classes at the Craftsman College



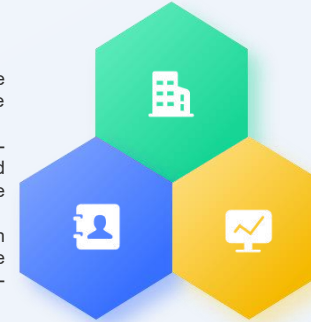
2025 Middle and Senior Management Training Program

Training Management Objectives

- Continuously provide professional skills training to ensure employees' competencies remain synchronized with evolving job requirements.
- Customize personalized training plans to support employees in enhancing capabilities aligned with their individual traits and career aspirations.
- Strengthen the concept of lifelong learning by encouraging continuous acquisition of new knowledge and adaptation to industry trends.

Comprehensive Quality Enhancement

- Cultivate team collaboration spirit through team projects and collaborative training to enhance employees' collective responsibility.
- Improve communication and coordination skills via simulation drills and practical case analysis to refine employees' interpersonal techniques.
- Stimulate innovative thinking through creative workshops and cognitive training to develop employees' problem-solving capabilities.



Organizational Development Requirements

- Align training activities with organizational development strategies to ensure alignment with long-term corporate goals.
- Support sustainable development by enhancing employees' environmental awareness and social responsibility practices through targeted programs.
- Address organizational-level challenges by improving employees' understanding of operational mechanisms and strengthening their ability to resolve systemic issues.

Position-Specific & Problem-Solving Focus

- Design targeted training courses that tightly integrate with job requirements to ensure content relevance.
- Strengthen problem-solving training through case analysis and role-playing to enhance employees' ability to handle challenges.
- Facilitate practical application of training outcomes via workshops and hands-on projects, enabling employees to translate knowledge into actionable results.

Training Measures	Contents
Talent Pipeline Development Plan	Establish a clear talent pipeline to ensure strategic talent reserve and seamless succession for critical positions.
Systematic Training	Provide regular and specialized training courses to enhance employees' technical expertise and management capabilities.
Job Rotation	Encourage cross-departmental or cross-functional job rotations to broaden employees' work experience and strategic vision.
Certification Exams	Conduct regular competency assessments to validate employees' knowledge mastery and skill application.
Talent Selection	Implement merit-based promotion criteria to identify high-potential talent for leadership roles.
Position Competition	Facilitate internal competition for advanced positions through skill-based evaluations and performance reviews.
Technical Skill Contests	Organize skill contests to stimulate learning motivation and innovative problem-solving.

Employee Training and Development

Industrial Worker Development

In 2025, the development of our industrial workforce closely aligned with the skilled talent objectives of the Company's "Fifth Five-Year Strategy". We successfully formulated three core institutional frameworks covering recruitment, training, and team building. Furthermore, we achieved the five annual targets for the industrial workforce, strengthened our instructor teams, and advanced on-site support and management innovation. Simultaneously, we promoted innovation in Mining Management 4.0 (Human Resources) by compiling comprehensive inspection guidelines. This initiative drove a significant transformation in our inspection processes—shifting from "experience-based judgment" to "standardized guidance"—which has substantially improved both management standardization and operational efficiency.

Industrial Worker System Construction

- To ensure the successful implementation of the skilled talent objectives under the "Fifth Five-Year Strategy" and to further solidify the foundation of our industrial workforce, this year we focused on the three critical pillars of "Selection (Recruitment), Cultivation (Training), and Management (Team Building)." We have completed the formulation and implementation of corresponding management systems, successfully establishing an industrial worker management system that features clear responsibilities, standardized processes, and closed-loop control.

Progress in Basic Management of Industrial Workforce Development

- Innovation in Mining Management 4.0 (Human Resources)**
Development of Inspection Guidelines: To address the issue of uneven capabilities among inspectors, we compiled comprehensive inspection guidelines covering key areas such as budgeting, training, and compensation. This initiative drives the transformation of inspection work from "experience-based judgment" to "standardized guidance."
Revision of Scoring Sheets: We adjusted the inspection categories to focus on "Industrial Worker Cultivation and Evaluation," placing emphasis on the actual effectiveness of training to enhance the relevance and practicality of the scoring sheets.
- Technical Grade Assessment for Jumbo Drill Operators**
Assessment Overview: We achieved full coverage of skill grade assessments for operators, encompassing four categories of jumbo drills, including those used for excavation and rock bolting.
Implementation Results: This initiative has successfully clarified the baseline of our workforce's skills, standardized operational procedures, and solidified the defense line for safe production.



Achievement of Core Objectives for Industrial Workforce Development

- Industrial Worker Cultivation**
Model & Execution: We innovated our training models, achieving a 100% completion rate for the annual training plan and finishing the recording of 47 SOP videos.
Digital Evaluation: The online evaluation system has been rolled out nationwide with 100% completion of basic configuration. We are preparing to implement a "One Department, One Strategy" optimization approach.
Workforce Stability: The retention rate of our on-the-job personnel continues to improve steadily.
- Team Building**
Pilot Success: Pilot project departments successfully achieved autonomous team management, with output value exceeding the plan by 17%.
Comprehensive Promotion: We completed internal evaluations within domestic project departments as well as cross-project excellence assessments.
- Key Workforce Development**
Shaft Sinking Teams: Personnel assembly was completed for pilot projects in Africa, and recruitment for Southeast Asian projects has passed final acceptance.
Installation Teams: We successfully exceeded our annual targets.
- Violation & Recruitment Management**
Violation Governance: We strictly enforced the dismissal system for employees involved in operational violations.
Talent Reserve: Staff arrival rates and the status of pilot projects remain in good standing.

Instructor Team Building and Support Effectiveness

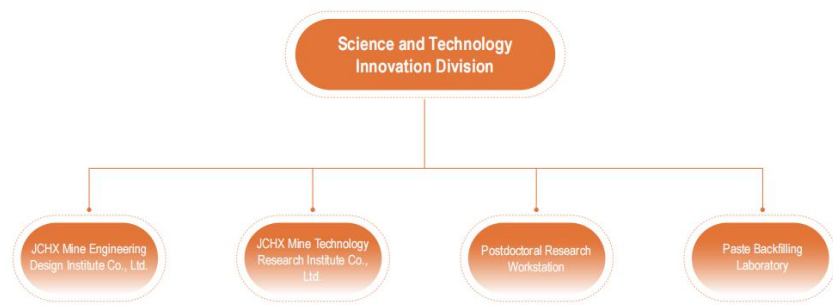
- Team Building and Management Innovation**
Standardized Regulations: We formulated management regulations for instructor support services, clarifying requirements and behavioral norms across the entire process to achieve standardized management.
Model Transformation: Our support model has shifted from "proactive engagement" to "targeted services," enabling precise resource matching based on the specific needs of the grassroots level.
- On-site Support Achievements**
Equipment Efficiency: In pilot project departments, the utilization rate of LHDs (Load-Haul-Dump loaders) increased, while both the half-cast factor (residual hole rate) and cement consumption decreased. Additionally, equipment downtime overseas was significantly reduced.
Safety Rectification: We completed the standardization of underground electrical systems in pilot projects, eliminating safety hazards and drastically reducing unplanned equipment downtime.
- Training Bases and Trainee Development**
Base Construction: The three major bases in Miyun, Kaiyang, and Sabwe have been completed and put into operation. By achieving integrated theoretical and practical training, we have successfully shortened the training cycle while ensuring training quality.
Talent Delivery: We achieved a 100% pass rate for jumbo drill trainees. Furthermore, special training programs for raise boring rigs, assemblers, and other roles reached a 100% completion rate, precisely filling critical job vacancies.

Innovation-driven Development

Policy, Regulatory and Management Framework

The Company steadfastly adheres to the development strategy of "Technological Innovation and Technical Leadership," regarding innovation as the core driving force behind corporate growth. We strictly comply with national laws and regulations concerning scientific progress, intellectual property rights, and digital transformation, including the Law on Progress of Science and Technology, the Patent Law, and the Law on Promoting the Transformation of Scientific and Technological Achievements. Actively responding to the national innovation-driven development strategy, we also abide by relevant international standards in our global operations, respecting and adhering to local laws and international norms to build a compliant and highly efficient innovation management system.

In accordance with national laws and industry standards, we have established a comprehensive institutional framework. This includes formulating the Science and Technology Management System, the Implementation Rules for Scientific Research Project Management, and the Implementation Rules for the Management of Technological Innovation and Rationalization Proposals, continuously refining our mechanisms for innovation and value creation. Under the Board of Directors, the Company has established a Technology Committee responsible for formulating, reviewing, and deciding on matters related to technology R&D planning, policies, and projects. These initiatives are overseen by the corresponding Assistant to the President, with specific execution handled by the Headquarters Technology Innovation Division. Committed to closely integrating technology with engineering design practices, the Company has successively established the JCHX Mine Engineering Design Institute, the JCHX Institute of Mine Technology, a Postdoctoral Research Station, and a Paste Fill Laboratory. Focusing on major complex and novel challenges in mining engineering—such as "deep, large, and fractured" conditions—we continuously explore and practice advanced solutions, providing robust technological support to strengthen the Company's core competitiveness.



- Adhering to technological innovation as its core driving force, JCHX is committed to becoming an "internationally renowned and domestically leading planner, constructor, and operator of safe, ecological, and smart mines." We continue to increase our investment in R&D innovation and persistently tackle challenges in key technical areas, yielding numerous achievements in technological innovation. As of the end of the reporting period, the Company's R&D team consists of 436 professional technical personnel, including 5 PhD holders and 45 Master's degree holders.

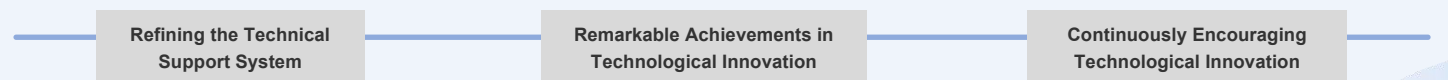
Technology R&D	Unit	2023	2024	2025
R&D Investment	k	102,770.00	99,766.10	142,474.80
Number of R&D Personnel	Persons	377	373	436

"T/CNIA 0318-2025 Design Standard for Fuel Pipeline Transportation Engineering in Underground Metal and Non-metal Mines"
 Standard No.: T/CNIA 0318-2025
 Standard Name: Design Standard for Fuel Pipeline Transportation Engineering in Underground Metal and Non-metal Mines
 Developing Organization: China Non-ferrous Metals Industry Association
 Participating Institutions: Led by JCHX Mining Management Co., Ltd., and jointly drafted with Jinchuan Group, Changsha Mining Research Institute, Beijing JCHX Mine Technology Research Institute, Beijing Zhongchuneng, and Shaoguan Junneng Petrochemical. The standard successfully passed the final expert review on September 23, 2025.

- Participated in the National Major Special Project "Key Technologies for High-Efficiency, Low-Loss, and Large-Scale Intensified Ore Drawing in Underground Metal Mines," undertook one General Program of the National Natural Science Foundation of China, and received a Category A Innovation R&D Grant from the Beijing Postdoctoral Research Fund for the first time.
- Won 4 Ministerial-Level Science and Technology Awards:
 - The project "Research and Application of High-Reliability Transportation System and Intelligent Control Technology for Deep Shaft Backfilling," completed by the Technology Innovation Division, won the Second Prize of the 2025 China Gold Association Science and Technology Award;
 - The "Mobile Paste Backfill Test Platform," completed by the Technology Innovation Division, won the 2025 Science and Technology Achievement Award of the China Nonferrous Metal Construction Association;
 - The "Underground Metering and Human-Machine Isolation Safety Assistance System," completed by the Information Development Center, won the 2025 Science and Technology Achievement Award of the China Nonferrous Metal Construction Association;
 - The "Research and Application of Intelligent Control System for Winch Groups," completed by the Technology Innovation Division, won the 2025 Science and Technology Achievement Award of the China Nonferrous Metal Construction Association.

During the reporting period, the Company's scientific and technological work achieved remarkable results, playing a vital role in promoting technological progress, ensuring safe production, and enhancing efficiency while reducing costs. The external awards and achievements obtained are as follows: formulation of 1 industry group standard, 4 ministerial-level science and technology awards, 12 national invention patents, 20 utility model patents, 1 national-level design award, 2 ministerial-level design awards, 14 consulting awards, 2 ministerial-level high-quality engineering projects, 2 ministerial-level new technology application projects, 4 ministerial-level construction methods, 7 ministerial-level QC group activity achievement awards, and 5 software copyrights.

In terms of internal achievements, the Company was awarded 6 Science and Technology Awards, 1 Design and Consulting Award, and 21 "Minor Modifications and Innovations" Technology Awards. Additionally, the Company successfully held its Annual (9th) Paper Competition, which received 275 outstanding submissions, with 66 papers winning awards.



Innovation-driven Development

Risks and Opportunities

The Company regards technological innovation as the core driving force for corporate development and deeply recognizes its pivotal role in fostering new quality productive forces within the industry. Leveraging our dual-wheel drive strategy of "Mining Services + Resources," we have systematically identified the multidimensional impacts, potential risks, and strategic opportunities brought about by technological innovation, and have formulated clear response strategies accordingly.

Category	Specific Matters/Risk Points	Impact Time Range	Impact Severity Assessment	Potential Impacts
Risk Technology R&D and Iteration	R&D investment for frontier technologies (e.g., deep resource development, intelligent mining) is large and the cycle is long, with risks of R&D failure or results falling short of expectations. Meanwhile, failure to keep pace with the iteration speed of AI, big data, and other technologies may weaken existing technological advantages.	Medium-term	High	Financial Impact: R&D expenditures fail to generate reasonable returns Strategic Impact: Technological lag restricts market expansion.
Risk Loss of Core Talent	Technological innovation highly relies on high-end technical talent. Under fierce industry competition, failure to effectively incentivize and retain core R&D personnel will lead to a technology gap.	Short-to-Medium-term	High	Strategic Impact: Affects the company's core competitiveness.
Risk Technology Achievement Transformation	During the transformation of laboratory achievements into large-scale industrial applications, challenges such as complex geological conditions and poor equipment adaptability may be encountered.	Medium-term	Medium	Strategic Impact: Leads to low transformation efficiency and inability to generate economic benefits in a timely manner.
Opportunity Leading Industry Standard Formulation	As a lead or participating editor, the company participated in the formulation of multiple national and industry standards, such as the "Code for Design of Non-ferrous Metal Mining" and "Technical Code for Full Tailings Paste Backfilling".	Long-term	High	Strategic Impact: Not only consolidates the company's technological advantage but also contributes the "JCHX Solution" to the healthy development of the industry.
Opportunity Business Model Upgrade and Expansion	Relying on solid technological strength within the industry, the company has upgraded from a single engineering contractor to a comprehensive service provider capable of offering integrated solutions of "Design-Research-Construction-Operation".	Medium-term	High	Strategic Impact: Enhances customer stickiness and opens up new growth points in high value-added businesses such as technical consulting and scheme design.

To address the aforementioned issues, the Company has formulated a strategic plan centered on the philosophy of "Technological Innovation and Technological Leadership" and a virtuous cycle of "R&D-Design-Construction," ensuring that technological innovation capabilities are continuously transformed into new drivers of development.



R&D-Design-Construction

The Company has built a closed-loop innovation model comprising the JCHX Research Institute, JCHX Design Institute, and project departments, ensuring that technological innovation is closely aligned with market demands.

- **Strategic Planning:** A virtuous cycle has been formed where the Research Institute conducts studies on complex and challenging issues, the Design Institute absorbs and transforms these research achievements, and the Project Departments turn design blueprints into actual mines. This model successfully bridges the "last mile" from basic research to engineering application, significantly enhancing the Company's core competitiveness.
- **Management Strategy:** A dedicated Science and Technology Innovation Division was established to centrally manage R&D resources. Leveraging practical construction and production experiences from multiple domestic and international non-coal mines, the Company identifies and resolves issues, continuously accumulating experience and innovating technologies. This enables the provision of rationalized proposals to clients and the optimization of design solutions.



Focusing on Frontier Technologies and Green Development

The Company's R&D activities are closely aligned with industry pain points and national strategies, with a key focus on deep resource development and green mining technologies.

- **Deep Resource Development:** Addressing the global trend of shallow resource depletion, the Company vigorously develops deep mining technologies. For instance, the Huize No. 3 Shaft (1,526 meters deep) undertaken by the Company is the deepest completed shaft project in China, demonstrating its absolute technological advantage in ultra-deep shaft construction.
- **Green Mining Technology:** With paste backfill technology as its core, the Company invested over RMB 50 million in the Paste Backfill Laboratory, which is recognized as a Beijing International Science and Technology Cooperation Base. The laboratory undertook a key national R&D project during the "13th Five-Year" period and pioneered the industrial-grade precise testing and automatic control of paste backfill parameters, providing solid technical support for the construction of green mines.



Open Cooperation and Talent Incentives

The Company provides continuous momentum and talent assurance for technological innovation through open cooperation and internal incentives.

- **Deep Integration of Industry, Academia, Research, and Application:** JCHX has established close partnerships with universities and research institutions such as the University of Science and Technology Beijing. Together, we jointly undertake national major special projects and have set up a Postdoctoral Research Workstation. This collaborative model effectively integrates external intellectual resources and accelerates technological breakthroughs.
- **Achievement Incentives and Honor System:** The Company has established a comprehensive reward mechanism for scientific and technological achievements, offering substantial rewards to teams and individuals who obtain patents, construction methods, and science and technology awards. Multiple projects undertaken by the Company have won the prestigious "Luban Prize," which has greatly stimulated the innovation enthusiasm of all employees.

Innovation-driven Development

Technological Achievements in 2025

Standards		
No.	Title of Achievement	Completing Unit
1	T/CNIA0318-2025 Design Standard for Oil Pipeline Transportation Engineering in Underground Metal and Non-metal Mines	Science and Technology Innovation Division
Science and Technology Awards		
No.	Title of Achievement	Award Name
1	Research and Application of High-Reliability Transportation System and Intelligent Control Technology for Deep Well Backfill	2025 China Gold Association Science and Technology First Prize
2	Mobile Paste Backfill Test Platform	2025 China Nonferrous Metals Construction Association Science and Technology Achievement Award
3	Underground Metering and Human-Machine Isolation Safety Assistance System	2025 China Nonferrous Metals Construction Association Science and Technology Achievement Award
4	Research and Application of Intelligent Control System for Winch Groups	2025 China Nonferrous Metals Construction Association Science and Technology Achievement Award
National Invention Patents		
No.	Patent Name	Completing Unit
1	A Low-Damage Blasting Method for Ore and Rock on the Side and Roof of Underground Mines	Science and Technology Innovation Division
2	A Test Pipe Section and Device for Testing and Optimizing Filling Slurry Operation Parameters	Science and Technology Innovation Division
3	Hydrostatic Transmission and Its Gear Shifting System	Hubei JCHX Mining Services Co., Ltd.
4	A Wet Spraying Jumbo	JCHX (Hubei) Intelligent Equipment Co., Ltd.
5	An Underground Ore Transport Vehicle	JCHX (Hubei) Intelligent Equipment Co., Ltd.
6	A Mine Vehicle	Kingnor Mining Equipment Co., Ltd.
7	A Mining Method for Low Dilution and High Efficiency Recovery of Gently Inclined Medium-Thick Ore Bodies	Overseas Division Kamo Project Department
8	A Repair and Reinforcement Method for Ore Passes in Metal Mines	Beijing Branch Jinchuan Project Department
9	A Construction Method for Blast Holes at the Junction of Stopes and Pillars	Beijing Branch Xunke Project Department
10	A Layered Construction Method and Device for Bottom-Side Dump Unloading Stations	Beijing Branch Subei Project Department
11	A Grouting Head and the Grouting System and Method Composed Thereof	Sabwe Company
12	A Resistance Reduction and Increase System for Backfill Vertical Pipes	Sabwe Company

High-Quality Projects		
No.	Project Name	Award Name
1	DRC Lonshi Copper Mining, Processing and Smelting Project	2024 Nonferrous Metals Industry High-Quality Project
2	Laizhou Huijin Mining Investment Co., Ltd. Shaling Gold Mine Auxiliary Shaft Sinking and Lining Project	2024 Nonferrous Metals Industry High-Quality Project
National Utility Model Patents		
No.	Patent Name	Completing Unit
1	Diesel Pipeline Transmission Monitoring Device	Science and Technology Innovation Division
2	Charging Structure of Blasting Borehole on Smooth Surface of Underground Mine Cutting Slot	Science and Technology Innovation Division
3	A Concrete 3D Printing Experimental Equipment	Science and Technology Innovation Division
4	A Tunneling Blasting Borehole Plugging Device	Science and Technology Innovation Division
5	An Automatic Control System for Underground Fuel Transmission in Mines	Science and Technology Innovation Division
6	An Experimental Detection Device for Tailings Flocculation and Sedimentation	Science and Technology Innovation Division
7	A Bottom-Dump Underground Mine Carriage Convenient for Disassembly and Assembly	Kingnor Mining Equipment Co., Ltd.
8	A Diesel Carriage for Underground Mines	Kingnor Mining Equipment Co., Ltd.
9	A Mining Emulsion Matrix Pumping Device	Kingnor Mining Equipment Co., Ltd.
10	A Vehicle Bridge Overheat Prevention and Cooling Device	Kingnor Mining Equipment Co., Ltd.
11	A Speed Reduction Device for Transporting Concrete and a Pouring System	Beijing Branch Jiaojia Gold Mine Project Department
12	A Kilometre Deep Shaft Pouring System	Beijing Branch Jiaojia Gold Mine Project Department
13	A Flow Control Device and Pouring System	Beijing Branch Jiaojia Gold Mine Project Department
14	A Mobile Protective Device for Mining Tunneling Operations	Southern Branch Pulang Project Department
15	A Connecting Device for Pulling Out Gap-Type Anchor Bolts	Southern Branch Haikuang Shilu Project Department
16	A Multi-Dimensional Fluidized Grout Making Nozzle	Everbright Company
17	A High-Efficiency Classification and Thickening Filling System for Full Tailings	Everbright Company
18	A Discharge Storage Bin Device	Everbright Company
19	A Mine Sump Sludge Discharge Assembly	Sabwe Company
20	A Resistance Increase and Speed Reduction Valve and a Filling Vertical Pipe Resistance Increase and Speed Reduction System	Sabwe Company

Innovation-driven Development

Technological Achievements in 2025

In addition, the company has also been awarded a total of 35 projects in the following categories:

Category	Quantity
National Design Award	1
Ministerial Design Award	2
Consulting Award	14
Ministerial New Technology Application Project	2
Ministerial Construction Method	4
Ministerial QC Group Activity Achievement Award	7
Software Copyright	5

The Company places high importance on intellectual property (IP) protection, strictly adhering to relevant laws and regulations such as the Patent Law, the Trademark Law, and the Copyright Law. We have formulated internal management systems, including the Science and Technology Management System and the Implementation Rules for Patent Application Document Drafting and Filing, to standardize the internal management of patent applications, utilization, and protection, thereby safeguarding the transformation of scientific and technological achievements. The Company has been certified as a High-tech Enterprise. During the reporting period, the Company was not involved in any incidents of IP infringement, either as an infringer or an infringed party. As of the end of 2025, the Company's cumulative key scientific and technological achievements are as follows:

Achievement Category	Achievement Level	Quantity (Items)
National Standards	Chief Editor	6
	Co-editor	9
National Patents	Invention	39
	Utility Model	200
Construction Methods	National Level	4
	Ministerial Level	99

- The China-Zambia 'Belt and Road' Joint Laboratory is a national-level scientific and technological innovation platform focusing on green mineral development. It is led by the University of Science and Technology Beijing (USTB) and the University of Zambia (UNZA), and jointly established by China Nonferrous Metal Mining (Group) Co., Ltd. (CNMC), Tongling Nonferrous Metals Group Holding Co., Ltd., and our company. It is the first 'Belt and Road' Joint Laboratory between China and Zambia. The joint establishment of this laboratory with partners marks an important step for JCHX in actively participating in the high-quality co-construction of the 'Belt and Road' and international cooperation in the field of mineral resources.



- The paste backfill laboratory of JCHX has established a "four-in-one" paste testing platform that integrates tailings thickening, preparation, transportation, and an automatic control system. This platform is capable of conducting exploratory and scheme verification tests, including tailings hydrocyclone classification, deep cone thickening, paste preparation, and paste pumping loop transportation. Four on-site laboratories — the Basic Physical and Chemical Properties Laboratory, the Mechanical Properties Laboratory, the Backfill Specimen Preparation Room, and the Tailings Element Testing Laboratory — each play their specialized roles. They are equipped to carry out testing on the basic physical properties of backfill materials, the rheological properties of backfill slurry, and the strength performance of the backfill body. To date, these laboratories have successfully undertaken dozens of national major special projects and experimental tasks commissioned by industry enterprises, yielding over 50 scientific and technological achievements.

Innovation-driven Development

Industry Collaboration

Name of Association	Position
China Nonferrous Metals Industry Association	Vice President Unit
China Nonferrous Metal Construction Association (including Construction Branch)	Vice Chairman
Board of Directors of "China Mining Engineering" and "China Nonferrous Metallurgy"	Vice Chairman Unit
China Machinery & Metallurgy Vocational Technical Association	Director Unit
China Gold Association	Director Unit
China Industry-University-Research Cooperation Promotion Association	Vice President Unit
Intelligent Mining Branch of China Electromechanical Products Distribution Association	Vice President Unit
China Occupational Safety and Health Association	Standing Director Unit
China Mining Federation	Member Unit
China University of Mining and Technology (Beijing)	Director Unit
"Metal Mine" and "Modern Mining" Journals	-
Information Branch of Nonferrous Metals Association	-
Intelligent Construction Branch of China Nonferrous Construction Association	-
China International Contractors Association	-
Beijing International Economic and Technical Association	-
China Work Safety Association	-
Safety Production Branch of China Construction Association	-
China Society of Engineering Blasting, Beijing Society of Engineering Blasting	-
The Australasian Institute of Mining and Metallurgy (AusIMM)	-

Industry Activities Participated by the Company During the Reporting Period			
No.	Activity Name	Theme	Conference Objective
1	2025 Mining Frontier and Information Intelligence Technology Annual Conference	Large Models Accelerate Mining Digital Intelligence Transformation	To further promote the development of intelligent construction in China's non-ferrous metals, metallurgy, gold, building materials, chemical industry, nuclear industry, coal, and other mining industries.
2	2025 6th National Slurry Thickening and Pipeline Transportation Technology and Equipment Seminar	Digital Intelligence Leadership, Innovation for Strength, Making China's Slurry Pipelines Global!	To deeply exchange and showcase engineering experience, scientific and technological achievements, advanced technologies, equipment, and related information in the field of slurry thickening and pipeline transportation; to deeply explore industry development trends and prospects, and discuss slurry thickening and pipeline transportation theory, transportation processes, and equipment technology based on successful application cases.
3	7th China Mining Industry Full Chain Industry-Academia-Research Integration Conference	New Mining Law, New Challenges, New Opportunities	To accelerate the implementation of the Mineral Resources Law, ensure mineral resource security, synergistically promote the high-quality development of the upstream and downstream mining industries, continuously promote a new round of strategic breakthrough actions for mineral exploration, and assist local mining economic development.
4	5th China Paste Backfill Mining International Academic Symposium	Safe, Green, Intelligent, Efficient	To continuously promote the exchange of new ideas, new theories, new technologies, and new equipment in paste backfill mining, explore green mine construction plans, and create a "professional, forward-looking, and open high-end academic exchange platform" in China's mining field.
5	2024 Mining Frontier and Information Intelligence Technology Annual Conference	New Quality Productive Forces Empower High-Quality Mining Development	The conference builds a diverse, open, and innovative intelligent sharing platform for the mining industry, gathering knowledgeable people, experts, scholars, and industry elites from around the world to share new achievements in China's mining intelligent construction, explore the future development of China's mining industry, provide theoretical and technical support for the intelligent development of China's mining industry, promote high-quality development, and enhance new drivers of China's economic development.

Technology Ethics

Statement

In the process of promoting scientific and technological innovation and digital transformation, the Company has always adhered to the philosophy of "Technology for Good." After a comprehensive review and assessment of its existing businesses, R&D activities, and application scenarios, the Company confirms that its current operations do not involve typical high-risk areas of technological ethics, such as biotechnology, human gene editing, reproductive technology, AI algorithmic discrimination, "big data price discrimination," or infringement of personal privacy.

The Company's technological innovations primarily focus on engineering technology, equipment manufacturing, and mine production management systems, with the core objectives of enhancing production efficiency, ensuring personnel safety, and protecting the ecological environment. The specific situation is explained as follows:

Business Attributes and Technical Application Boundaries

The Company operates in the industry of mining engineering construction and mining operation management, a field that combines traditional industry with modern technology. The Company's current technological ethics assessment is primarily based on the following business boundaries:

- No Bioethical Risks: The Company's R&D and business operations do not involve the life sciences and do not include any manipulation of human or animal genes, embryos, etc., completely avoiding controversies and risks associated with bioethics.
- No Algorithmic Discrimination or Social Ethical Risks: The digital systems developed by the Company (such as the autonomous unmanned LHD system and the paste backfill online monitoring system) are mainly applied to industrial production control and equipment management. They are not facing C-end consumers and do not involve common internet ethical issues such as algorithmic price discrimination, inducing addiction, or infringing on user privacy.

Ethical Considerations and Positive Value in Technology Application

Although the Company is not involved in sensitive technological ethics issues, in the process of technology application, the Company always regards "People-oriented, Safety First, Green and Low-carbon" as the highest ethical principles, ensuring that technological development serves human well-being and sustainable social development.

- Life First (Safety Ethics): The Company vigorously promotes the strategy of "replacing humans with machinery and reducing personnel through automation," and has independently developed underground autonomous LHD systems and remote control systems. The ethical core of this technology application is "protecting lives"—by liberating workers from high-risk, high-intensity underground working environments, it reduces the incidence of occupational diseases and workplace accidents. This is the highest respect for the dignity of life through technology and conforms to the basic principle of "non-maleficence" in technological ethics.
- Environmentally Friendly (Ecological Ethics): The Company has deeply cultivated paste backfill technology and the block caving method, striving to achieve "tailings-free mines" and green mining. The application of these technologies aims to minimize damage to surface ecosystems, maximize resource recovery, and minimize waste emissions. This reflects the Company's commitment to intergenerational equity and ecological responsibility in technology application, meeting the ethical requirements of sustainable development.
- Fair Employment and Skill Enhancement (Social Ethics): In the process of promoting intelligentization, the Company has not simply "eliminated" employees. Instead, by establishing a craftsman college and conducting large-scale skill training, it helps traditional industrial workers master new skills and transform into operators and maintainers of intelligent equipment. This approach avoids structural unemployment caused by technological progress, embodying humanistic care and social responsibility in technological development.

Conclusion

In summary, the scientific and technological innovation activities of JCHX Mining Management Co., Ltd. are strictly confined within the scope of industrial engineering and equipment manufacturing. The Company's existing business does not involve any sensitive issues that violate technological ethics. On the contrary, the Company has always been committed to solving industry safety pain points, improving working environments, and protecting the ecological environment through technological progress, promoting the development of mining towards a safer, greener, and smarter direction, and achieving a harmonious unity of technological value and social ethics.

Product and Service Safety and Quality

Policy, Regulatory and Management Framework

The Company regards quality as its lifeblood and upholds "Customer Supreme" as its core value. We strictly comply with national laws and regulations regarding engineering construction quality, work safety, and standardized services, and have established a comprehensive quality management system covering the entire lifecycle of mining engineering construction, mining operation management, and equipment manufacturing. Within China, the Company strictly adheres to the national legal framework to ensure quality compliance in mining engineering construction and operational services, with a focus on the following regulations: the Construction Law of the People's Republic of China, the Regulation on the Quality Management of Construction Projects, the Work Safety Law of the People's Republic of China, and the Product Quality Law of the People's Republic of China (specifically for the Company's equipment manufacturing business, such as LHDs and mining trucks produced by Kingant Equipment). Simultaneously, as a lead editor or participating editor, the Company has contributed to the formulation of multiple standards, including the Code for Design of Nonferrous Metal Mining, ensuring that its service output meets or exceeds the industry average. The Company strictly follows current national, industrial, and local standards and norms, including the Code for Construction of Shaft and Drift Engineering of Nonferrous Metal Mines, the Code for Construction and Acceptance of Mine Shaft and Drift Engineering, and GB/T 50430-2017 Norms for Quality Management of Engineering Construction Enterprises. The Company and its subsidiaries have obtained certification for the GB/T19001-2016 / ISO9001:2015 Quality Management System. This system covers the general contracting of mining engineering construction and related occupational health and safety management activities within the scope of qualification, ensuring that every stage from project initiation, design, and construction to delivery is well-regulated and traceable. In its international operations, the Company respects and complies with the laws and regulations of host countries as well as international engineering practices. In overseas projects in the Democratic Republic of Congo, Zambia, Serbia, and other regions, the Company strictly abides by local construction laws, mining laws, and engineering quality acceptance standards. The Company actively introduces advanced international engineering management concepts; some overseas projects utilize FIDIC (International Federation of Consulting Engineers) clauses for contract management and quality control, ensuring that engineering quality meets the rigorous requirements of international clients and establishing a strong brand image for "Construction by China."

Adhering to the quality policy of "Customer Supreme, Rigorous Management, Technology-led, and Quality Excellence," the Company earnestly implements quality, environmental, and occupational health and safety management systems. It has formulated and executed a series of internal regulations related to technology and quality, including the Engineering Quality Management System, Construction Organization Design Management System, Process and Technological Discipline Management System, Project Acceptance Management System, Mining Engineering Surveying Technology Management System, and Ventilation Management System. Furthermore, the Company strictly implements project quality plans; establishes and improves a lifetime accountability system for engineering quality management; strengthens whole-process quality supervision and control; and promotes the procedural, standardized, and scientific management of quality. Relevant work is overseen by the Vice President and Chief Engineer. A quality management and supervision system has been established, extending from the Headquarters Technology Management Center and the technology and quality departments of secondary units down to the technology and quality offices of project departments, supported by corresponding quality control regulations. During the reporting period, the Company did not experience any project non-compliance incidents.

Quality Management Objectives – 100% First-Time Acceptance Rate for Project Completion

- All projects shall meet current national and industry standards for construction quality acceptance, and comply with design requirements
- Eliminate major quality accidents during construction
- 100% acceptance qualification rate for sub-items, sub-divisions, and unit projects
- Safety, environmental protection, and civilized production shall meet compliance standards
- Completion documents shall be compiled in accordance with regulations, ensuring all data is valid, complete, and achieves first-time acceptance compliance

- Regarding customer complaints received in the course of business, the Company strictly adheres to the procedures established in the Customer Management Measures, upholding the three core principles of "Timeliness, Sincerity, and Responsibility." Upon receiving a complaint, the Company promptly consolidates the information at the Operations Management Center or the Overseas Business Division, and then organizes relevant teams to conduct a thorough investigation to verify the specific details. Corrective actions and rectification measures are proposed immediately following verification. All decisions, upon approval by the Company President, are communicated to the customer in writing with detailed results within seven working days. During the reporting period, the Company did not experience any major liability incidents related to the safety and quality of its products and services.
- Throughout the handling process, the Company always maintains a "sincere" attitude. Regardless of whether the complaint is substantiated, all departments treat every customer with enthusiasm, sincerity, and humility, ensuring their voices are heard and respected. Furthermore, the Company emphasizes the importance of "responsibility." For the units or individuals subject to complaints, the Company conducts a fair allocation of liability and imposes corresponding economic penalties or performance assessment measures as appropriate, to ensure that similar issues do not recur.
- To continuously enhance the quality of customer service, the Company insists on conducting a comprehensive customer satisfaction survey annually. The survey focuses on the services provided by the Company, covering multiple key dimensions such as engineering quality, construction progress, safety and environmental protection, and general service. Corresponding rectifications are made based on customer feedback to ensure the Company accurately grasps customer needs and continuously optimizes its service processes and standards.

	2023	2024	2025
Customer Complaint Volume	2	1	1
Customer Complaint Resolution Rate (%)	100	100	100
Customer Satisfaction (%)	92	90	88

- The winners of the 2025 (11th) Ghana Mining Industry Awards were recently announced. Setters Investment Limited Company, a subsidiary of JCHX Mining Management Co., Ltd. in Ghana, stood out from numerous contenders to win the Third Place award for "Best Performer in Contract Mining." As the only Chinese enterprise to receive this professional award this year, this honor reflects the high recognition from local authoritative industry institutions regarding JCHX's comprehensive strength in safety management, quality control, compliant operations, production organization, and technological innovation.



Product and Service Safety and Quality

Risks and Opportunities

The Company is fully aware that in the fields of mining services and resource development, the quality of products and services extends beyond the physical attributes of engineering; it directly impacts the safe operation of mines, the efficiency of resource recovery, and the sustainability of the ecological environment. Guided by the "Mining Services + Resources" dual-drive strategy, the Company has systematically identified multiple quality-related impacts, risks, and opportunities. Accordingly, it has formulated a quality management strategy aimed at "Quality Excellence," driven by both "Standardization" and "Technological Innovation," to ensure comprehensive quality control ranging from engineering delivery to equipment manufacturing.

Category	Specific Matters/Risk Points	Time Horizon	Impact Severity	Potential Impacts
Risk Mine Intrinsic Safety & Stability	High-quality shaft engineering construction and mining design are the physical foundation of mine safety. The company's engineering quality directly determines the stability of the surrounding rock, affecting the risk of accidents such as collapse and water inrush during the mine's decades-long operation, and is crucial to the safety of personnel.	Long-term	Very High	Financial Risk: Accidents would cause huge financial losses; Strategic Risk: Affects company business operations; Reputational Risk: Corporate public relations crisis, lower ESG ratings
Risk Resource Recovery & Utilization Efficiency	The precision of mining processes (such as dilution rate and loss rate control) directly determines the recovery and utilization rate of mineral resources.	Long-term	High	Financial Risk: Decreased recovery rates cause financial losses; Strategic Risk: Affects the enterprise's ability to win new external projects;
Risk Ecological Environment Impact	Engineering quality (such as the construction quality of filling stations and seepage treatment of tailings ponds) is directly related to whether environmental pollution accidents will occur.	Long-term	High	Financial Risk: If environmental pollution occurs, compensation may be required; Strategic Risk: Suspension of operations for rectification; Reputational Risk: Affects ESG ratings, damages corporate image;
Risk Engineering Quality Defects & Rework	If engineering quality defects occur (such as shaft wall cracking or roadway deformation), it will lead to huge rework costs and project delays.	Short-Medium term	High	Financial Risk: Serious quality accidents may trigger lawsuits and compensation; Reputational Risk: Damages company reputation, leading to customer loss.
Risk Supply Chain & Equipment Quality Volatility	The company involves significant equipment procurement and outsourced services. If the upstream supply chain (such as steel, cement, equipment parts) quality is out of control, it will directly transmit to the final delivered engineering or products, causing systemic quality hazards.	Medium term	Medium	Strategic Risk: Affects enterprise engineering quality; Reputational Risk: Damages company reputation, leading to customer loss.
Opportunity Brand Premium & Market Expansion	Leveraging a track record of high-quality delivery, the company has established a high-end brand image. This gives the company a strong competitive edge when bidding for projects with large international mining companies.	Long-term	High	Strategic Impact: Helps acquire high-margin, high-quality orders
Opportunity Technology Output & Standard Setting	By outputting a quality management system that exceeds industry standards, the company has the opportunity to lead the formulation of industry standards, transforming technological advantages into industry discourse power and building a deep moat.	Long-term	Medium	Strategic Impact: Establishes an industry benchmark, leading the direction of industry development



"Standardization + Digitalization" Quality Control System

- The company deeply recognizes that standardized operating procedures and digital monitoring methods are fundamental to ensuring engineering quality.
- Strategic Planning: Comprehensively advance the application of "Mining Management 4.0" in quality management to build a digital quality management system characterized by "source control, controlled processes, and traceable results."
 - Management Strategy:
 - Strict Adherence to Mandatory Standards: The company strictly enforces national and industry mandatory standards and implements internal corporate standards that exceed national benchmarks.
 - Whole-Process Quality Monitoring: Utilize digital tools to monitor the construction process in real-time and implement the "Three-Inspection System" (self-inspection, mutual inspection, and specialized inspection) to ensure that every 工序 (process) — such as excavation, support, and backfilling—meets design requirements.
 - Supply Chain Quality Synergy: Extend quality management to the upstream supply chain by implementing strict admission and assessment mechanisms for key raw material and equipment suppliers, ensuring stability at the input stage.



Enhancing Delivery Quality through Technological Innovation

- The company regards technological innovation as a "multiplier" for improving product and service quality, utilizing advanced processes to address traditional quality pain points.
- Core Technology Empowerment: Leveraging its leading advantages in the Natural Caving Method and Paste Backfill Technology, the company significantly reduces mining dilution and loss rates through precise geological exploration and mining design. This provides clients with high-quality mining services characterized by "high recovery rates and low dilution rates."
 - Quality Upgrade in Equipment Manufacturing: In the equipment manufacturing sector, the company introduces advanced processing techniques and inspection methods. This ensures the reliability and durability of its self-developed equipment, such as LHDs (Load-Haul-Dump machines) and mining trucks, in harsh underground environments. High-quality equipment, in turn, supports the mining service business, creating a synergistic "Equipment + Service" quality closed loop.



Brand Leadership and Continuous Improvement Mechanism

- The company has established a strategic direction of using high-end branding to drive quality improvement and has built a long-term improvement mechanism.
- Strategy of Excellence and Award Pursuit: The company has set clear engineering quality goals and actively strives for national honors such as the "Luban Prize" and the "State Excellent Engineering Award." By establishing benchmark projects, it drives an overall leap in the quality management level across the entire company.
 - Customer Feedback Closed Loop: A comprehensive customer satisfaction survey and complaint handling mechanism is established, using customer feedback as input for quality improvement. Regular management reviews are conducted to launch special initiatives addressing customer pain points and common industry quality issues, ensuring the company continuously meets and exceeds customer expectations.

Data Security and Customer Privacy Protection

Policy, Regulatory and Management Framework

The company acquires a vast amount of customer information and project data in the course of its mining service operations. Simultaneously, various types of data from suppliers and employees are continuously accumulated during the company's business processes. The company deeply recognizes that data security and customer privacy protection are the cornerstones of its digital survival. The company strictly adheres to laws and regulations such as the Data Security Law of the People's Republic of China, the Personal Information Protection Law of the People's Republic of China, and the Cybersecurity Law. It has built a data security protection system that covers the entire business chain.

Based on relevant information security management systems, the company formulated the Administrative Measures for Computer Information Network Security and issued the Data Management Policy Statement of JCHX Mining Management Co., Ltd. during the reporting period. This statement clearly stipulates the procedures for the company to acquire, use, store, and transmit information, fully implementing the safeguard system for network information security and privacy protection. Related work is overseen by the Chairman and executed by the Headquarters Information Development Center. During the reporting period, the company did not experience any data security breaches or customer privacy leaks.

Key Links	Data Types	Customer Privacy & Sensitive Information
Production & Project Operation	<ul style="list-style-type: none"> Engineering & Geological Data: Includes mine geological modeling data, reserve calculation data, mining design plans, engineering drawings, production progress data, equipment operation parameters (e.g., LHD autonomous driving system data), quality inspection data, and safety production monitoring data. Project Operation Data: Involves project budgets, cost accounting, bidding quotation plans, contract drafts, and acceptance reports. 	<ul style="list-style-type: none"> Customer Proprietary Technical Information: This is the top priority for company protection, including the owner's ore body distribution, grade details, core process parameters, and other trade secrets. Customer Proprietary Business Information: Includes customers' capacity planning, unreleased strategic layouts, and financial settlement data. On-site Personnel Information: In smart mine construction, involves the location tracks of operation personnel, personal biometric information (e.g., facial recognition data for access control or attendance), and personal health and medical information (e.g., occupational health examination reports).
Scientific Research Innovation & Technical Design	<ul style="list-style-type: none"> R&D Process Data: Includes R&D plans, experiment records, test reports, technical parameters, and simulation data. Intellectual Property Data: Covers patent application documents, technical disclosure books, proprietary technology (Know-how) documents, and software copyright code. 	<ul style="list-style-type: none"> Joint R&D Data: During cooperation with universities or owners, involves raw experimental data provided by partners, unreleased technical roadmaps, and patent pool information shared by both parties. Core Technical Secrets: Involves key confidential information such as the company's own and partners' paste backfill formulas and deep shaft support core technologies.
Office & Functional Management	<ul style="list-style-type: none"> Operation Management Data: Includes financial statements, fund transaction records, audit reports, document circulation records, and meeting minutes. Human Resources Data: Involves employee lifecycle management data, such as recruitment resumes, labor contracts, compensation and benefit records, performance appraisal results, and training archives. 	<ul style="list-style-type: none"> Employee Personal Basic Information: Includes sensitive personal information such as name, ID card number, contact information, and home address. Personal Biometric Information: Facial recognition features used for office area access and attendance. Supplier & Partner Information: Includes suppliers' bank account information, contact person privacy information, and business negotiation records.
Supply Chain & Marketing	<ul style="list-style-type: none"> Supply Chain Data: Includes procurement plans, supplier directories, procurement price libraries, logistics information, and inventory data. Marketing Data: Includes market research reports, customer visit records, marketing strategy plans, and public promotional materials. 	<ul style="list-style-type: none"> Customer Basic Information: Includes enterprise names, unified social credit codes, registered addresses, and official contact information of potential and existing customers. Transaction Data: Involves historical transaction prices, payment terms, order details, and after-sales service records. Individual Customer Information: Key contacts on the customer side obtained during the docking process (e.g., procurement heads, technical directors), including their names, positions, mobile numbers, and personal email addresses.

01

Firewalls Inspection

- If critical system vulnerabilities are detected, they will be promptly addressed.
- If product incident databases, virus databases, vulnerability databases, etc., are found not updated to the latest versions, updates will be implemented immediately.
- If improper product configurations are identified, configuration adjustments will be made without delay.

02

Security Gateways Inspection

- Primary focus on inspecting hardware status, system operational status, and functional usage of equipment.

03

EDR systems Inspection

- Key activities include verifying system versions and operational states, examining log reports, authorization records, and asset inventory.

- To address information security risks, the company fully integrates its actual operational conditions, regulatory requirements, and industry best practices. It has implemented a unified construction and deployment of its corporate network along with optimized network resource allocation. This enables the timely identification and effective response to potential information security and privacy breach incidents, making every effort to safeguard the data and privacy security of customers, employees, suppliers, and other relevant stakeholders. During the reporting period, the company's information systems operated normally with no information security or privacy breach incidents occurring. Furthermore, the company engaged external professional institutions to conduct inspections of firewalls, security gateways, EDR (Endpoint Detection and Response) systems, and other security infrastructure, and formal inspection reports were issued.

Data Security and Customer Privacy Protection

Risks and Opportunities

In the era of the digital economy, data has become a core asset for enterprises. Effectively managing data security and customer privacy is not only a necessity for meeting compliance requirements, but also a strategic key to building core corporate competitiveness and achieving sustainable development.

Category	Specific Matters/Risk Points	Impact Time Range	Impact Degree Assessment	Potential Impacts
Risk Compliance & Legal	Regulatory Penalties & Cross-border Transmission Violations: Violating laws such as the "Data Security Law", "Personal Information Protection Law", or GDPR, especially involving core data leaving the country without passing security assessments.	Short-term - Long-term	Very High	Financial: Facing fines;; Strategic: Business suspension, obstruction of overseas market entry; Reputation: Damaged reputation, triggering investor confidence crisis;
Risk Operations & Technology	Ransomware & Data Leaks: Cyberattacks, internal unauthorized access, or supply chain vulnerabilities leading to the leakage of sensitive customer information (e.g., biometrics, financial accounts).	Short-term	High	Financial: System recovery costs and legal litigation compensation; Strategic: Loss of core intellectual property, weakened competitive advantage; Reputation: Loss of customer trust, leading to business churn.
Risk Technology & AI	AI Model Privacy Inference & Abuse: When using large AI models for data analysis, the model reversely deduces privacy and leaks secrets through training data.	Medium-term	Medium-High	Financial: Facing fines; Strategic: Impaired R&D investment returns; Reputation: Reputation damage.
Opportunity Market Competition	Privacy Differentiation Competitive Advantage: Establishing a privacy protection system exceeding industry standards to create a "Safest Brand" image.	Long-term	High	Financial: Acquiring high-privacy-sensitive customers, enhancing premium pricing capabilities; Strategic: Standing out in homogeneous competition, building a brand moat; Reputation: Setting an industry benchmark, enhancing brand loyalty.
Opportunity Business Innovation	Data Element Value Release: Utilizing privacy computing to realize data "availability without visibility", conducting data transactions or joint modeling under compliance premises.	Medium-term	High	Financial: Opening new revenue growth points for data products and services; Strategic: Breaking data silos, building cross-border ecosystem partnerships; Reputation: Being seen as a pioneer in digital transformation.
Opportunity Operational Optimization	Data Governance & Asset Visibility: Using security compliance as an entry point to force a comprehensive inventory and governance of enterprise data assets.	Short-term - Medium-term	Medium	Financial: Reducing redundant data storage costs, improving operational efficiency; Strategic: Improving data quality, providing precise basis for high-level decision-making; Reputation: Standardizing internal management, reducing operational friction.

Regarding data across all stages, the company has implemented strict control measures:

1. Classification and Grading Management:

Data is categorized into core data, important data, and general data. Differentiated encryption storage and access control strategies are implemented according to different levels.

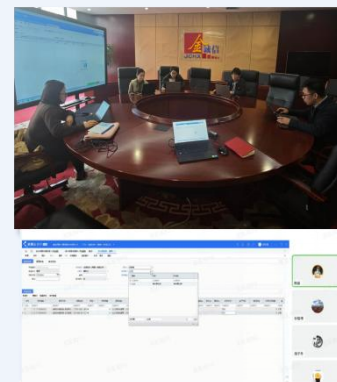
2. Technical Protection:

Deploying firewalls, security gateways, and EDR (Endpoint Detection and Response) systems, and conducting regular vulnerability scanning and penetration testing. Digital tools such as Feishu (Lark) are utilized to achieve document permission isolation and operation traceability.

3. Institutional Safeguards:

Signing confidentiality agreements, conducting information security training for all employees, and establishing an Audit and Supervision Center to conduct normalized supervision of data leakage risks and handle reports.

- The company regularly organizes and conducts information security-related training and drill activities, covering the corporate headquarters, two domestic branch offices, 18 domestic project departments, and 14 overseas project departments, further solidifying employees' awareness of information security and privacy protection. During the reporting period, the company conducted information security-related training through a combination of online and offline formats, accumulating 42 hours and reaching over 1,900 person-times.



- The company conducts daily data center inspections, compiles user behavior summaries and issues monthly reports, and performs third-party information security audits on a quarterly basis.



Supply Chain Security

Regulatory and Management Framework

The company has established a comprehensive supplier admission, management, and evaluation system that spans from the Headquarters Material Management Center and secondary units down to the project departments. Meanwhile, to optimize procurement resources, mitigate risks, ensure quality, and control costs, the company has formulated the Equipment and Material Procurement Management System, the Bidding and Procurement Management Measures, and the Supplier Management Measures. During the reporting period, the company issued the Supplier Management Policy Statement of JCHX Mining Management Co., Ltd., clearly articulating its commitment to maintaining the compliance and stability of its supply chain.

Three Principles of Supplier Management

- Open and Voluntary Participation, Competitive Selection
- Review and Accreditation, Mutual Benefit and Win-Win
- Dynamic Management, Resource Sharing



Supplier Access Management

- JCHX strictly controls supplier access from the source by formulating standardized documents such as Material Supplier Access Review Criteria and Qualified Supplier Evaluation Form. All prospective suppliers must follow the procedural steps of Application Recommendation → Preliminary Qualification Review → Access Review → Final Approval. The company's Material Management Center and procurement units conduct pre-screening of supplier applications based on authority levels. On-site inspections are organized to evaluate aspects including corporate profile, production facilities, operational status, quality control systems, R&D capabilities, and product performance in practical applications. The inspection reports serve as critical documentation for supplier evaluation.

Supplier Daily Management & Evaluation

- **Supplier Tracking:** The company employs a combined approach of daily management and quarterly evaluation. Daily tracking covers product quality, pricing, delivery timelines, credit limits, and after-sales service. Issues are documented in real-time via the Supplier Product Quality, Service & Violation Log.
- **Supplier Evaluation:** The Material Management Center conducts biannual evaluations (Q2 & Q4) for suppliers involved in transactions during the respective periods. Key metrics like "Quality Performance" and "Delivery Capability" require on-site verification by user departments. Evaluation results determine supplier tiering.
- **Supplier Rating:** Suppliers are classified into A (Strategic), B (Key), and C (General) tiers based on evaluation outcomes. Procurement prioritizes A/B-tier suppliers; C-tier selection requires approval only when higher tiers are unavailable.

Supplier Audit Management

- The company's Material Management Center and secondary units conduct daily supervision and quarterly inspections of supplier management. The Audit & Supervision Center exercises jurisdictional authority to audit supplier management practices. A quarterly random inspection (≥ 30% of qualified suppliers) is mandatory, with non-conformities addressed via corrective action notices and 100% closure verification.
- Key audit scope includes non-compliance with supplier access procedures, collusion in falsifying supplier documentation, failure to report major quality risks, unauthorized off-list supplier selection and negligence, corruption, or data tampering in supplier management.

Supplier Management Training

- The company conducted qualification review and approval training for staff in the Material Management Center and secondary units, aiming to strengthen contract execution oversight, ensure supplier delivery quality, enhance on-site material support and after-sales services, and safeguard corporate interests in disputes.



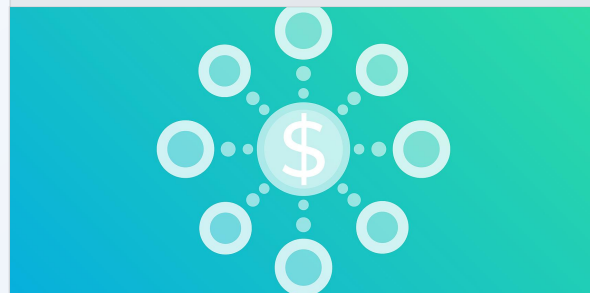
Supply Chain Security

Risks and Opportunities

Against the backdrop of increasingly complex global geopolitics and the restructuring of industrial chains, supply chain security has transcended the traditional scope of logistics and procurement. It has risen to become a strategic issue vital to both corporate survival and national economic security. The company deeply recognizes that building a resilient, highly transparent, and compliant supply chain system is the key to navigating the challenges of uncertainty.

Category	Specific Items/Risk Points	Impact Timeframe	Impact Severity Assessment	Potential Impacts
Risk Geopolitical & Trade Control	Affected by international trade frictions, export control lists (e.g., "Entity List"), and technology blockades, key equipment, components, or software may face supply disruption risks, hindering technical routes or restricted market access.	Medium-Long Term	High	Financial Impact: Compensation due to breach of contract Strategic Impact: Affects business expansion
Risk Single Source & Supply Disruption	Over-reliance on a single supplier or specific geographic region; In the event of a natural disaster, strike, or bankruptcy at this node, it will create a "domino effect," causing severe production capacity losses.	Short-Medium Term	High	Financial Impact: Compensation due to breach of contract Strategic Impact: Affects business expansion
Risk ESG & Compliance Transmission	If upstream suppliers violate environmental protection, labor rights, or anti-corruption laws and regulations, the company will face joint and several liabilities and damage to brand reputation, especially in stringent markets such as the EU.	Medium Term	Medium	Strategic Impact: Affects business expansion Reputational Impact: Brand damage
Opportunity Supply Chain Resilience & Domestic Substitution	Leveraging technological and policy windows to accelerate the domestic substitution of key equipment and technologies, and cultivating high-quality local suppliers, not only reduces external dependence but also enhances industrial chain discourse power by supporting the local ecosystem.	Long Term	High	Financial Impact: Reduce import procurement costs; Strategic Impact: Cultivate new business growth points by building upstream capabilities
Opportunity Digitalization & Transparency Upgrade	Building a digital supply chain by introducing technologies such as AI and blockchain to achieve end-to-end visibility and risk early warning. This not only improves response speed but also optimizes the cost structure through data insights, shifting from a "cost center" to a "value center".	Medium Term	High	Financial Impact: Reduce stagnation of raw materials and spare parts, and lower costs caused by capital occupation;
Opportunity Ecosystem Synergy & Standard Setting	Establishing a close strategic supplier alliance for joint R&D and capacity sharing. By outputting supply chain safety management standards, the safety level of the entire ecosystem is improved.	Long Term	Medium	Strategic Impact: Build corporate advantages from the perspective of industrial chain cooperation Reputational Impact: Create a responsible ESG supply chain

- To address the aforementioned issues, the company has formulated a supply chain strategic plan centered on being "Secure, Precise, Intelligent, Reliable, and Efficient," establishing an evolution roadmap with safety as the cornerstone and intelligence as the driver.
- Strategic Objective: To build a "Secure, Precise, Intelligent, Reliable, and Efficient" supply chain system, achieving a transformation from "passive response" to "proactive prediction."



Risk Contingency Plans and Diversified Layout

Dynamic Risk Identification: Regularly assess risks such as geopolitical tensions and natural disasters, and formulate specific contingency plans tailored to different risk levels.

Diversification and "Plan B" Strategy:

- Resource Diversification: Firmly implement a multi-sourcing strategy to avoid reliance on a single source.
- Strategic Reserves: Establish strategic inventories for critical raw materials and core components to strike a balance between the efficiency of "zero inventory" and the resilience of "safety stock."



Digitalization and Intelligent Empowerment

- **End-to-End Visibility:** Leverage IoT and big data technologies to break down system data silos, achieving full-chain real-time monitoring from the supplier's factory to the customer's site.
- **Risk Early Warning:** Continuously monitor and analyze external data—such as global public sentiment, weather conditions, and policy changes—to proactively predict potential supply disruption risks.



Ecosystem Synergy and Joint Compliance Building

- **Supplier Empowerment and Compliance:** Integrate ESG and compliance requirements into supplier admission and performance evaluations to jointly build a secure industrial ecosystem.
- **Technological Substitution Breakthroughs:** Conduct independent or joint R&D on critical components or equipment to fundamentally ensure the autonomy and controllability of the supply chain.

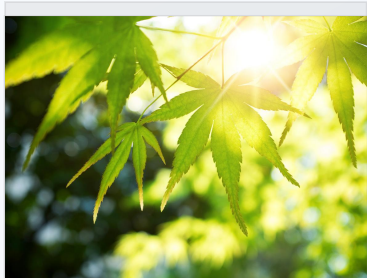
Fair Treatment of SMEs

Risks and Opportunities

JCHX operates in a fully competitive market environment. Although it is not a monopoly, as a core large-scale buyer (Party A) in the industrial chain, it holds a relatively advantageous position compared to the numerous upstream SME suppliers (such as equipment component manufacturers, labor subcontractors, and raw material suppliers). Based on this context, the company has identified the following related risks and opportunities:

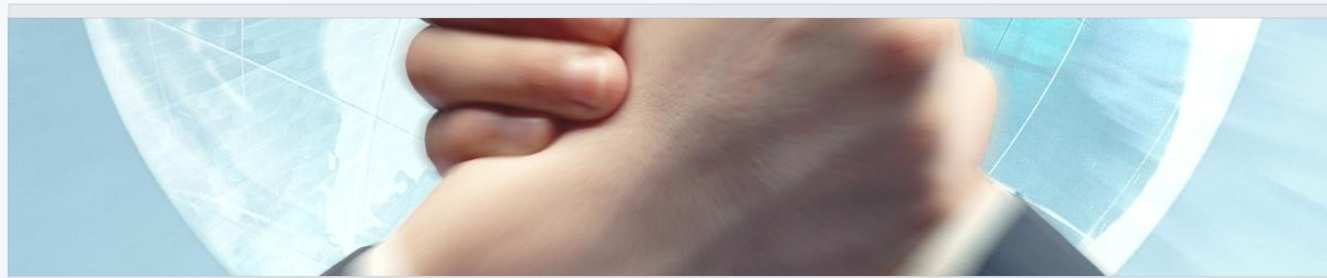
Category	Specific Issue / Risk Point	Time Horizon	Impact Assessment	Potential Impacts
Risk Compliance & Legal Risk	Overdue accounts payable violates relevant laws and regulations, facing risks of regulatory notifications, fines, or litigation.	Short-term - Long-term	High	Financial Impact: Costs and fines resulting from litigation Reputational Impact: Affects corporate image
Risk Supply Chain Disruption Risk	If unfair treatment leads to the loss of key suppliers, the company may face a "money can't buy goods" dilemma during capacity shortages, affecting project delivery schedules.	Medium-term	Medium	Strategic Impact: Affects business operations
Opportunity Cost Optimization & Innovation	Introducing "Specialized, Refined, Differential, and Innovative" (SRDI) SMEs through fair competition can obtain more cost-effective products or innovative technical solutions.	Long-term	High	Financial Impact: Reduces comprehensive costs Strategic Impact: Enhances corporate competitiveness
Opportunity ESG Rating Improvement	Demonstrating empowerment and fair treatment of SMEs in the supply chain in ESG reports helps improve ESG scores and attract responsible investment.	Medium-term	Medium	Reputational Impact: Enhances corporate image and recognition

To address the aforementioned issues, JCHX has formulated a management strategy centered on "Sunshine Procurement, Fair Access, and Timely Payment," aiming to build a symbiotic and prosperous supply chain ecosystem.



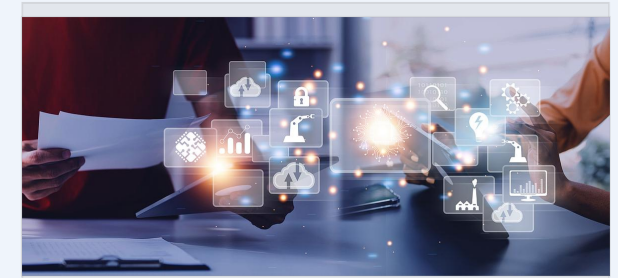
Building a "Sunshine and Win-Win" Supply Chain System

- The company integrates supply chain security and fairness into its corporate governance framework, emphasizing long-term synergistic development with partners rather than engaging in pure zero-sum games or aggressive price squeezing. JCHX is committed to enhancing procurement transparency through digital means, ensuring that suppliers of all sizes enjoy equal opportunities for competition.



Core Management Strategies

- Fair Access:** Breaking down barriers and treating all parties equally. The company has established the Supplier Management Measures, under which a unified process for pre-qualification, access review, and on-site inspection applies to all suppliers, regardless of their size.
- Sunshine Procurement Mechanism:** Adhering to the principles of "openness, fairness, and impartiality" in tendering. Beyond open tenders, invited tenders and price inquiries are conducted by randomly or selectively drawing from the pool of qualified suppliers. This ensures that SMEs can secure fair cooperation opportunities as long as they possess technological, quality, and pricing advantages.
- Protection of Rights and Interests:** Strictly complying with laws and regulations to prevent payment arrears, and rigorously executing payment terms in accordance with contracts.
- Ecosystem Empowerment:** Technology transfer for mutual growth. Given the high-risk nature of the mining industry, JCHX goes beyond merely procuring products; it also transfers its safety management standards and quality control systems to SME suppliers (particularly subcontractors and equipment vendors) to help them enhance their management capabilities and compliance.
- Long-term Strategic Cooperation:** The company is inclined to build long-term strategic partnerships with outstanding enterprises.



Business Model Adjustment

- Digital Supply Chain Platform:** The company is advancing the digital transformation of its financial management. By leveraging information technology platforms to integrate procurement and payment processes, it achieves end-to-end traceability of the procurement process. This further minimizes the scope for human intervention and ensures transaction fairness from a technological standpoint.



Rural Revitalization

Statement

As a large-scale specialized technical service enterprise focused on mining engineering construction, mining operation management, and mining machinery manufacturing, the company has prudently assessed the topic of Rural Revitalization as an issue of low materiality. Consequently, no risk and opportunity identification assessment will be conducted for this topic. The specific rationale is as follows:

Divergence between Business Scope and Core Directions of Rural Revitalization

- The core of the Rural Revitalization Strategy lies in promoting agricultural modernization, rural infrastructure development, and increasing farmers' income. It primarily covers modern planting and breeding, agricultural product processing, local specialty industries, agricultural technology innovation, and agricultural/rural infrastructure. The company's core business—underground construction for non-coal mines, mining services, and high-end mining equipment manufacturing—belongs to producer services in the industrial sector. It is not directly involved in areas directly related to rural revitalization, such as agricultural production, rural development, or the improvement of farmers' livelihoods.
- The company's service targets are large domestic and international mining groups and resource-based enterprises, with a client base concentrated in the industrial sector rather than individual farmers, cooperatives, or rural collective economic organizations. Although some mining projects are located near rural areas, the essence of these projects is industrial extraction activity. Their outputs are mineral resources and industrial technical services, which have no direct connection to core rural revitalization industries such as food security, specialty agricultural product development, or rural tourism.

Divergence between Strategic Focus and Rural Revitalization Tasks

- The company's strategic positioning focuses on the construction and operation of "Safe Mines, Ecological Mines, and Smart Mines," with resources primarily invested in mining technology R&D, intelligent equipment upgrades, and the construction of mine safety production systems. For instance, relying on platforms like the JCHX Research Institute, the company focuses on tackling industrial technologies such as deep shaft mining and paste backfilling, which differ from the technological directions of rural revitalization, such as agricultural tech innovation, biological breeding, and smart agriculture.
- The company's capital expenditures are mainly allocated to purchasing underground mining equipment like drilling jumbos and LHDs (Load-Haul-Dump machines), which differs from investment directions in rural infrastructure such as roads, water conservancy, and power grids. While the company may indirectly impact the local economy through hiring local labor or purchasing daily necessities at project sites, such actions are spillover effects of industrial projects on the regional economy, rather than direct initiatives by the company to actively participate in the Rural Revitalization Strategy.

Divergence between CSR Practices and Core Rural Revitalization Goals

- The community public welfare activities conducted by the company at project sites, such as donating to education or building roads, fall under the category of corporate social responsibility fulfillment. These differ from the systematic goals of the Rural Revitalization Strategy, which encompass "industrial, talent, cultural, ecological, and organizational revitalization." For example, the scholarships established by the company are primarily oriented toward university students majoring in mining-related fields, regardless of their rural or non-rural backgrounds.

Conclusion

In summary, JCHX's business model, strategic focus, and social responsibility practices all revolve around the mining industrial sector. There is no direct correlation with the Rural Revitalization topic in terms of industrial attributes, service targets, or implementation paths.

The company is committed to specialized development in the field of mining technical services while fulfilling its corporate social responsibilities in compliance with laws and regulations, thereby contributing to regional economic development. Relevant social contributions will be elaborated in detail in the next chapter.



Social Contribution

Policy, Regulatory and Management Framework

The company actively fulfills its social responsibilities and maintains continuous investment in public welfare and charitable endeavors. These efforts include collaborating with universities to establish scholarships and provide social practice opportunities in the field of education, as well as building infrastructure and public facilities for residents surrounding mining areas in community assistance. Additionally, the company proactively provides relief and aid in the face of sudden disasters. Through systematic and standardized social contribution activities, the company earnestly fulfills its duties as a corporate citizen and contributes to promoting harmonious social development. In terms of social contributions, the company strictly complies with relevant national laws, regulations, and policy provisions, including the Charity Law of the People's Republic of China, the Public Welfare Donations Law of the People's Republic of China, and relevant departmental policies regarding the pre-tax deduction of corporate income tax for public welfare donation expenditures. Furthermore, based on its specific circumstances, the company has also established internal regulations regarding financial expenditures and information disclosure for social welfare activities such as donations. During the reporting period, the company released the JCHX Mining Management Co., Ltd. Community and Public Welfare Policy Statement. This statement clearly articulates the company's commitment to building a multi-level, trust-based, and mutually beneficial community relationship network ranging from local to national levels. It emphasizes the philosophy of comprehensively enhancing the well-being of communities where projects are located through ESG practices and long-term value investment.

Currently, the company's public welfare initiatives in the education sector are primarily executed by the Human Resources Management Center. Community assistance for surrounding areas is carried out by individual project departments or resource companies, which submit proposed public welfare donations or assistance initiatives based on local community conditions for execution following internal approval procedures. For temporary relief efforts related to sudden disasters, the Comprehensive Administration Management Center is responsible for overall coordination and liaison.

Risks and Opportunities

As a large-scale enterprise in the mining services and resource development sector, and guided by the philosophy of "harmonious coexistence," the company views its social contribution activities in education assistance, disaster relief, and infrastructure development not merely as the fulfillment of civic duties, but as a vital bond for sustaining a symbiotic relationship between the enterprise and the community.

Category	Specific Matters/Risk Points	Time Scope of Impact	Impact Degree Assessment	Potential Impacts
Risk Compliance and Fund Management	Social donations involve a large outflow of funds. If the internal approval process is not standardized and the supervision of fund use is not in place, there may be a risk of financial non-compliance.	Short-term	Medium	Financial impact: Improper tax treatment and information disclosure
Risk Expectation Management and Public Opinion	With the increase of social contribution investment, the expectations of donees or the public may rise rapidly. If the company's operating performance fluctuates and leads to a reduction in the scale of donations, or if the project results fail to meet expectations, it may trigger negative public opinion.	Medium-term	Medium	Reputation impact: Affect the corporate image
Opportunity Educational Equity and Talent Reserve	The "College Student Sponsorship and Employment" project directly alleviates the financial difficulties of students from impoverished families. In the long run, it cultivates and reserves potential professional and technical talents for the industry, easing the future "recruitment difficulty" and "talent reserve" problems.	Long-term	High	Strategic impact: Talent cultivation, reserving strength for business
Opportunity Policy Support and Tax Optimization	Social contribution activities in line with national policy orientations (such as rural revitalization and educational donations) can enjoy corporate income tax preferential policies such as tax pre-deduction, directly optimizing the company's financial statements; at the same time, it helps to strive for policy倾斜 in project approval and resource acquisition from local governments.	Short-term - Long-term	High	Financial impact: Enjoy tax preferential policies Strategic impact: Conducive to the long-term stability of business
Opportunity ESG Rating and Responsible Investment	In the context of the global and domestic capital markets increasingly emphasizing ESG (Environment, Social and Governance) performance, excellent social contribution performance is a core plus factor for ESG ratings, which helps to attract ESG fund investments that focus on long-term value.	Medium-term	High	Strategic impact: Attract investment from long-term capital



Social Contribution

Risks and Opportunities

➤ To address the aforementioned issues, the company has formulated a management strategy centered on "harmonious coexistence".



01 Focus on Core, Deep Cultivation

- Education as the Foundation: Concentrate resources on the field of "College Student Sponsorship and Employment" to establish a full-chain assistance mechanism ranging from "enrollment sponsorship" to "internship and employment." Through cooperation with universities, achieve a seamless connection between talent cultivation and enterprise needs, effectively resolving the dual contradictions of "unemployment upon graduation" and "difficulty in recruitment."
- Combining Emergency Response with Normalized Operations: For "Natural Disaster Donations," establish a rapid-response emergency fund mechanism; for "Infrastructure Construction," adopt a strategy of long-term planning and phased implementation to ensure the quality and sustainability of the aided projects.

02 Standardize Processes, Ensure Transparent Operations

- Institutional Framework First: Establish and improve comprehensive management systems, clearly defining the approval authorities, decision-making processes, and supervision mechanisms for donations. Ensure that all donation activities undergo legitimate and compliant internal reviews, and that the flow of funds is clear and traceable.

03 Empowerment through Skill Transfer, Synergistic Development

- Industrial Stimulation: While assisting in infrastructure construction, and in accordance with the relevant requirements of Zambia's localization act, prioritize the employment of local residents and the procurement of raw materials or services from local SMEs. This aims to drive the local community to achieve self-sustaining capabilities ("self-blood-generation").
- Employee Participation: Establish an employee volunteer service system, encouraging employees to utilize their professional skills (such as engineering technicians) to participate in facility maintenance and technical guidance in the aided areas. This enhances employees' sense of belonging and social responsibility, realizing the mutual growth of the enterprise and its employees.

• In 2025, leveraging the "Ministry of Education's 4th Supply-Demand Matching Employment Education Project," JCHX organized 22 teachers and over 30 students from 11 universities across the country to visit the company's project departments, headquarters, and intelligent assembly centers. Together, they participated in JCHX's summer internship and practical activities. During this period, 18 students reached employment intentions with the company. In the subsequent 2026 autumn recruitment, a total of 120 graduates from 25 universities signed contracts with the company.



• The company offers career guidance courses to university students. Since 2023, in collaboration with institutions such as Central South University, Northeastern University, China University of Mining and Technology (Beijing), Jiangxi University of Science and Technology, and Southwest University of Science and Technology, the company has systematically explained industry trends and job-hunting skills to junior-year students, effectively addressing their employment concerns. Building on these existing partnerships and actively fulfilling its social responsibility, the company rolled out the "Career Guidance Courses — Corporate Campus Outreach" program at Beijing University of Science and Technology, Sichuan International Studies University, Kunming University of Science and Technology, and other institutions in 2025.



As of the end of the reporting period, the JCHX Scholarship has benefited a cumulative total of over 4,500 recipients.

No.	School Name	Cumulative Number
1	Central South University	1035
2	University of Science and Technology Beijing	352
3	Xi'an University of Architecture and Technology	612
4	Kunming University of Science and Technology	1170
5	Northeastern University	360
6	Jiangxi University of Science and Technology	470
7	China University of Mining and Technology (Beijing)	500
8	Southwest University of Science and Technology	75

Social Contribution

Public Welfare, Charity and Community Engagement

JCHX's Lubambe Company Wins Prestigious Annual CSR Award in Zambia

At the 7th "CSR and Sustainability Awards" ceremony hosted by CSR Network Zambia, JCHX's subsidiary, Lubambe Company, stood out among numerous participating enterprises. In recognition of its outstanding contributions to supporting community education infrastructure, Lubambe was honored with the "CSR Excellence Award – Education Infrastructure Development Award."



As the Zambian government continues to advance its policy of free, quality education, helping surrounding communities build sound teaching facilities and supporting spaces — enabling more children to translate their dreams of schooling into reality right on their doorstep—has always been a key focus of Lubambe Company's social responsibility efforts. To date, Lubambe Company has built a total of 16 new classrooms for the Konkola United School, Miyanda Primary School, Golden Eagle Primary School, and the New Konkola School in the neighboring towns of Konkola and Kasumbalesa. This initiative has benefited over 4,000 students, serving as a tangible response to Zambia's policies supporting the development of basic education.

Beyond constructing school buildings, Lubambe Company also built a water well for the New Konkola School, solving a long-standing drinking water challenge that had troubled over 2,500 teachers and students for years. Previously, due to the lack of an on-campus water supply, teachers and students had to walk approximately two kilometers round-trip every day to fetch water from a nearby private lodge, making the improvement of water conditions an urgent need for the school. Since the well's completion, clear water now flows continuously with just a gentle turn of the tap. This has not only completely freed the teachers and students from the hardship of long-distance water collection but has also deeply touched their hearts. Meanwhile, the well provides a stable water source for vegetable gardening and fruit tree irrigation on campus, helping students acquire agricultural knowledge and practical life skills, thereby further expanding the depth and breadth of the company's educational support initiatives.

- The 3rd "Lonshi Cup" Football Tournament, sponsored by Sabwe Company, was held in Lonshi Village, Kipilingu Community, Lubumbashi, Democratic Republic of the Congo (DRC), near JCHX's Lonshi Copper Mine project. Since renovating the football pitch in Lonshi Village in November 2022, Sabwe Company has sponsored local community football tournaments for three consecutive years, demonstrating JCHX's ongoing commitment and concrete plans to support the development of the communities surrounding the Lonshi Copper Mine.
- While steadily advancing its overseas projects, JCHX consistently places high importance on fulfilling its social responsibilities. The value of football lies not only in the on-field competition but also in fostering individual growth and promoting the spirit of sportsmanship. Looking ahead, Sabwe Company will continue to actively fulfill its responsibilities as a "Good Neighbor," bringing continued benefits to the communities surrounding the mining area. The company aims to foster closer collaboration and co-development mechanisms, growing together with the local community.



Social Contribution

Public Welfare, Charity and Community Engagement

- **JCHX Donates 1 Million RMB to Miyun District for Emergency Flood Response and Post-Disaster Reconstruction**

In the summer of 2025, Beijing experienced consecutive periods of heavy rainfall, with Miyun District being particularly severely affected. During the critical phase of flood prevention and disaster relief, JCHX, as a company registered in Miyun District, donated 1 million RMB to support the local emergency flood response and post-disaster reconstruction efforts.



- **A New Desk, A New World: Sabwe Company's Public Welfare Donation**

Lonshi School, located in the community surrounding Sabwe Company's Lonshi Project, serves over 1,400 teachers and students. Since its establishment, the school has faced a persistent shortage of desks and chairs. Since 2022, while providing subsidies to school staff, Sabwe Company has donated desks, chairs, school uniforms, and other supplies to the school's teachers and students in four separate batches. On May 28, 2025, Sabwe Company donated another 188 sets of desks and chairs, bringing the cumulative total of donated and repaired sets to over 400. While actively contributing to the economic development, social harmony, local employment, and public welfare in the Lonshi Copper Mine area, JCHX's Sabwe Company continues to support and build upon the community's educational initiatives.



- **JCHX-Constructed Lonshi Border Facilities Officially Handed Over and Put into Use in Zambia**

On April 11, 2025, the infrastructure and supporting facilities of the Lonshi border post in Zambia's Copperbelt Province, constructed with the assistance of JCHX, were officially handed over to the Zambian government and put into use. Located at the junction of Zambia and the Democratic Republic of the Congo (DRC), the Lonshi border post serves as a vital gateway connecting the two nations. To improve working conditions at the border and promote regional connectivity, JCHX launched the Lonshi border infrastructure assistance project in April 2023. The project includes the construction of a comprehensive office building, three staff dormitories, and a public restroom, along with related office and living facilities and equipment, representing a total investment of over 1 million USD. During the design phase, full consideration was given to practical usage needs and local climatic conditions, with strict adherence to Zambian engineering construction standards throughout the building process. Furthermore, the project prioritized hiring local residents during construction, effectively driving regional employment and enhancing local workforce skills.



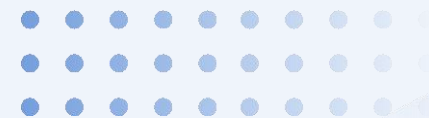
- **Caring for Children, Empowering Youth: Lubambe Company Continues to Practice ESG Principles**

Lubambe Copper Mine has handed over newly constructed school buildings to the Golden Eagle School in the local community on multiple occasions, greatly alleviating the previous severe overcrowding where 554 students had to share just two classrooms. Beyond infrastructure construction, Lubambe Copper Mine will continue to provide the school with essential supplies such as learning materials and desks. In addition to supporting basic education, Lubambe Copper Mine is currently sponsoring 80 students pursuing higher education and research at universities. Empowering the growth and success of young people is a crucial initiative in Lubambe Company's active practice of ESG principles. Committed to the personal development of youth in the community, Lubambe Copper Mine opens employment opportunities to all job seekers aged 18 and above. The mine also customizes long-term and short-term training programs for young employees. By establishing comprehensive talent development schemes and implementing mentorship programs guided by seasoned professionals, the company helps young staff accumulate practical experience and rapidly enhance their professional skills. Currently, Lubambe Copper Mine employs 132 young staff members, 13 of whom have already advanced to management positions.



Appendix

- Key Performance Data
- Benchmarking Index



Key Performance Data

Indicator Name	Unit	2023	2024	2025	
Economic Performance					
Operating Revenue	10,000 CNY	739,921.45	994,240.64	1,389,396.83	
Net Profit	10,000 CNY	103,122.73	158,382.50	233,870.33	
Total Tax Payment	10,000 CNY	63,170.49	108,894.34	158,026.06	
Cash Dividend per Share	CNY	0.2	0.45	0.66	
Governance Performance					
Average Tenure of Board Members	Year	6.1	7.1	7.6	
Whether CEO Serves as Chairman	/	No	No	No	
Proportion of Female Directors	%	11.11%	11.11%	11.11%	
Proportion of Independent Directors	%	33.33%	33.33%	33.33%	
Proportion of Independent Directors on Audit & Risk Management Committee	%	67%	67%	67%	
Whether Convener of Audit & Risk Management Committee is an Accounting Professional	/	Yes	Yes	Yes	
Proportion of Independent Directors on Remuneration Committee	%	67%	67%	67%	
Proportion of Independent Directors on Nomination Committee	%	67%	67%	67%	
Environmental Performance					
Total Annual Environmental Protection Investment	10,000 CNY	4,681.99	13,771.32	8,951.75	
Number of Annual Environmental Training Sessions ⁶	Times	5,955	6,496	2,652	
Total Energy Consumption*	Tons of Standard Coal	39,135.90	51,820.93	57,069.20	
Energy Consumption*	Natural Gas	Cubic Meters	33,336.00	32,968.30	59,164.07
	Coal	Tons	279.20	168.97	18.02
	Diesel	Liters	12,971,563.54	24,846,840.60	24,880,327.19
	Gasoline	Liters	79,475.33	75,822.51	91,624.57
	Purchased Electricity	kWh	181,973,525.14	172,819,597.87	215,670,914.52
Greenhouse Gas Emissions*	Scope 1 GHG Emissions ¹	Tons of CO2 Equivalent	35,346.99	65,124.55	65,191.24
	Scope 2 GHG Emissions ²	Tons of CO2 Equivalent	97,646.99	92,734.99	115,729.01
	Total GHG Emissions	Tons of CO2 Equivalent	132,993.98	157,859.54	180,920.25
Water Resource Use*	Total Water Consumption	Tons	690,158.40	723,450.83	729,828.56
Energy Intensity	Tons of Standard Coal / 10k CNY Revenue	0.05	0.05	0.04	
GHG Emission Intensity	Tons of CO2 Equivalent / 10k CNY Revenue	0.18	0.16	0.13	
Water Resource Use Intensity	Tons / 10k CNY Revenue	0.93	0.73	0.53	

Indicator Name	Unit	2023	2024	2025	
Environmental Performance					
Waste Emissions*	Total Non-hazardous Waste ³	tons	9	11	985.97
	Total Hazardous Waste ⁴	tons	-	-	57.35
	Total Recycled Waste ⁵	tons	-	-	1,007,508.54
Air Pollutant Emissions*	Total Exhaust Gas Emissions	tons	-	-	35,894.00
	Suspended Particles and Particulates	tons	-	-	2.83
	Non-methane Total Hydrocarbons	tons	-	-	0
	Nitrogen Oxides	tons	-	-	0
	Sulfur Oxides	tons	-	-	0.008
	Mercury and its Compounds	tons	-	-	0
	VOC Emissions	tons	-	-	0
Water Pollutant Emissions*	Total Wastewater Discharge	tons	-	-	32,053,287.00
	Chemical Oxygen Demand (COD)	tons	-	-	232.46
	Biochemical Oxygen Demand (BOD5)	tons	-	-	5.00
	Suspended Solids	tons	-	-	460.62
	Ammonia Nitrogen	tons	-	-	7.51
Social Performance					
Total Number of Employees		Persons	11,225	12,424	14,099
By Gender	Male	Persons	10,717	11,803	13,394
	Female	Persons	508	621	705
By Type of Employment	Labor contract system	Persons	11,225	12,424	14,099
	Dispatch system	Persons	375	408	-
By Age	51 and above	Persons	1,614	1,445	1,652
	41-50	Persons	3,560	2,964	3,653
	31-40	Persons	3,532	4,471	4,890
By Region	30 and below	Persons	2,519	3,544	3,904
	Mainland China	Persons	3,938	4,796	3,971
	Other countries and regions	Persons	7,287	7,628	10,128
By Rank	Senior Management	Persons	17	16	20
	Mid-level Management	Persons	3,128	3,674	4,152
	Operational Staff	Persons	8,080	8,734	9,927
Number of New Employees		Persons	4,380	4,292	4,365
Number of Ethnic Minority Employees		Persons	328	363	503

Key Performance Data

Indicator Name		Unit	2023	2024	2025	
Social Performance						
Number of Local Employees Hired Overseas		Persons	7,287	7,628	8,173	
Total Employee Turnover Rate		%	25.62%	25.85%	17.02%	
Total Number of Employees Trained ⁶		Person-times	26,702	33,679	32,236	
Total Number of Training Courses Conducted ⁶		Times	5,955	6,496	2,652	
Total Hours of Employee Training ⁶		Hours	219,710.00	242,282.22	244,525.50	
Average Training Hours per Employee ⁶		Hours	8.23	7.19	7.59	
Employee Safety	Number of Work Injuries		Persons	11	9	10
	Injury Rate per Thousand Employees		‰	0.71	0.48	0.58
	Number of Work Injury Accidents		Incidents	11	9	10
	Number of Fatalities in Safety Production Accidents ⁷		Persons	0	3	0
	Work Injury Fatality Rate		%	0	33.33	0
	Number of Safety Emergency Drills		Times	110	164	211
	Safety Training Coverage Rate		%	100	100	100
	Number of Occupational Disease Cases		Persons	2	0	2
	Fatality Rate per Million Hours Worked		%	0	0.09	0
	LTIFR		Times	0.32	0.26	0.27
TRIFR		Times	2.41	3.44	2.76	
Health and Safety Investment	Safety Production Investment Amount		10k CNY	15,469.86	16,149.39	16,118.65
	Total Safety Training Hours		Hours	219,710.00	242,282.22	244,525.50
	Social Insurance Coverage Rate		%	100	100	100
Number of Disabled Employees Assisted		Persons	17	21	10	
Total Amount of Social Welfare Investment		10k CNY	790.69	1,716.01	4,177.02	

*The data scope disclosed by the Company in its relevant reports for 2023 and 2024 was limited to the Miyun office area where JCHX is registered; starting from 2025, the disclosure scope covers JCHX and its subsidiaries, with corresponding retrospective adjustments made to the 2023 and 2024 data.

Notes 1, 2: Reference is made to the "General Principles for Calculation and Reporting of Industrial Enterprise Greenhouse Gas Emissions" (GB/T 32150-2025) and the "Guidelines for Calculation and Reporting of Corporate Greenhouse Gas Emissions - Power Generation Facilities". Referencing their calculation logic for fossil fuel combustion emissions (activity data × emission factor) and key parameter updates: Electricity emission factor: the latest national grid average emission factor of 0.5366 kgCO₂ /kWh released by the Ministry of Ecology and Environment; Fuel emission factors - Diesel/Gasoline: standard calculated values based on the net calorific value and carbon content per unit calorific value of the fuel were adopted (diesel approx. 3.11tCO₂ /t, gasoline approx. 3.10tCO₂ /t); Coal: the default value recommended by the standard (0.7482 tCO₂ /t) was adopted.

Note 3: The statistical scope for non-hazardous waste includes office and domestic waste, excluding waste rock.

Note 4: The statistical scope for hazardous waste includes waste oil and oil-containing waste, excluding tailings.

Note 5: The statistical scope for recycled and reused waste includes tailings used for backfilling.

Note 6: The statistical scope includes the Company, its subsidiaries, and project departments.

Note 7: In 2025, the Company received accident determination conclusions for incidents that occurred in 2024: 1) In June 2024, a fatal accident occurred at the Company's Yingshan Project Department, resulting in 1 fatality; 2) In August 2024, a vehicle injury accident occurred at the Company's Yingshan Project Department, resulting in 1 fatality; 3) In August 2024, a fall-from-height incident involving 1 person occurred at the Company's Haikuang Shilu Project Department, and the individual died despite rescue efforts.



Benchmarking Index

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