Xiamen Tungsten Co., Ltd.

Xiamen Tungsten Co., Ltd.

2025

XTC Sustainability Report

Xiamen Tungsten Co., Ltd.

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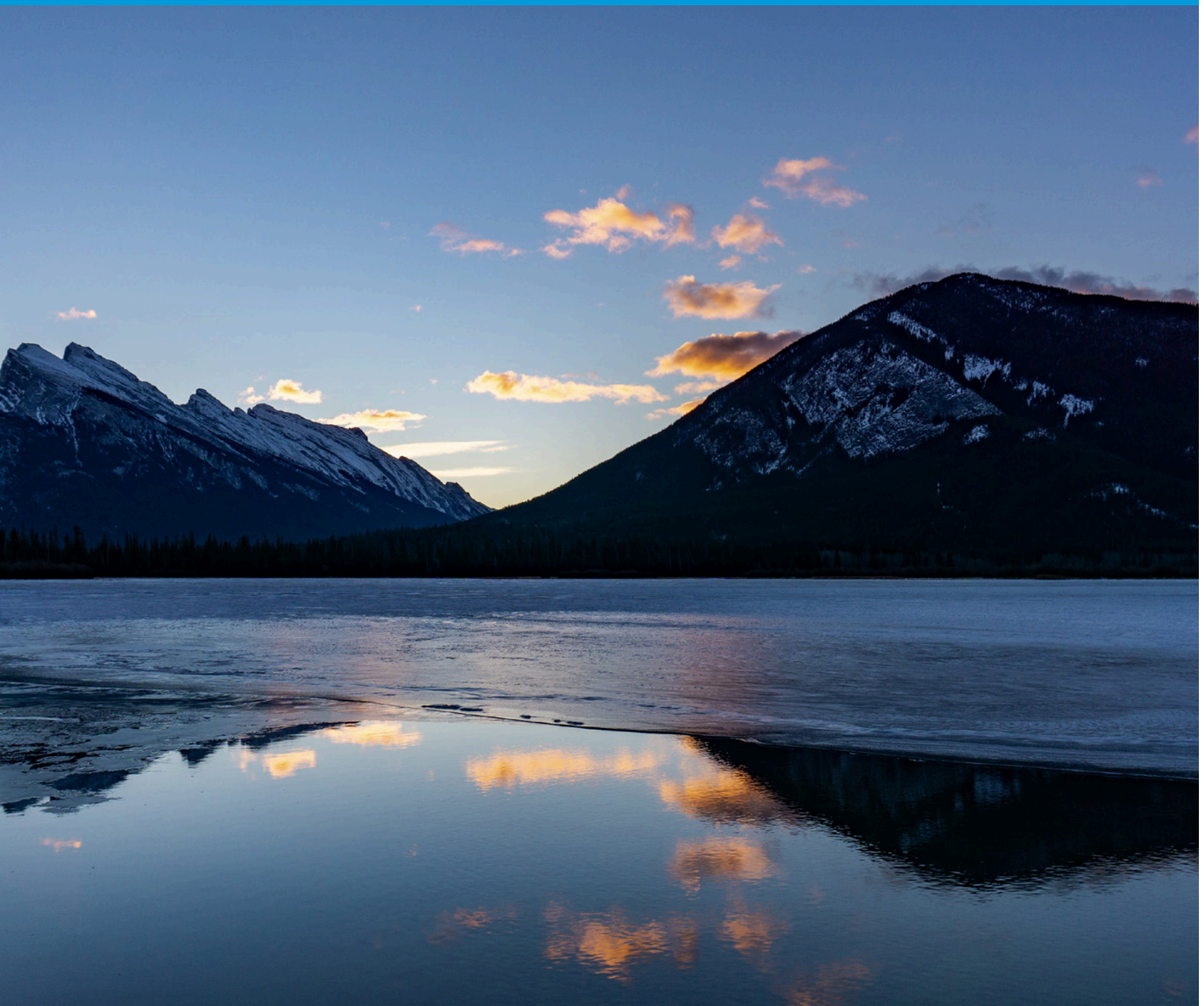


About This Report

This is the 2025 Sustainability Report ("this report") released by Xiamen Tungsten Co., Ltd. (hereinafter referred to as "XTC" or "We"). This report aims to inform stakeholders of the impact of sustainability risks and transition opportunities on the company, as well as the company's environmental and social impacts in 2025. It also outlines the company's initiatives and achievements towards advancing the United Nations Sustainable Development Goals(SDGs).

Reference Guidelines

This report is prepared in accordance with the Corporate Sustainability Disclosure Standards - General Requirements (Trial), jointly formulated by the Ministry of Finance of the People's Republic of China, the Ministry of Foreign Affairs, the National Development and Reform Commission, the Ministry of Industry and Information Technology, the Ministry of Ecology and Environment, the Ministry of Commerce, the People's Bank of China, the State-owned Assets Supervision and Administration Commission of the State Council (SASAC), the National Financial Regulatory Administration, and the China Securities Regulatory Commission. It also follows the Guidelines No. 1 of Shanghai Stock Exchange for Self-Regulation of Listed Companies – Standardized Operation, Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies – Sustainability Report (Trial), and the Guide No.4 for Self-Regulatory Supervision on Listed Companies of the SSE - Compilation of Sustainable Development Reports issued by the Shanghai Stock Exchange, the Sustainability Accounting Standards Board (SASB) Standards, the Reference of ESG Indicators System for ESG Reports of Listed Chinese Central State-Owned Enterprises issued by the SASAC Research Center, Environmental, Social and Governance (ESG) Information Disclosure General Rules for China Mining Association, the European Sustainability Reporting Standards (ESRS) released by the European Commission, the two IFRS Sustainability Disclosure Standards(IFRS S1 and IFRS S2) issued by the International Sustainability Standards Board (ISSB), and Global Reporting Initiative Standards (GRI Standards). Additionally, this report incorporates disclosure requirements aligned with the United Nations Sustainable Development Goals (SDGs).

Reporting Scope

The reporting period of this report is from January 1, 2025 to December 31, 2025. Some contents may include relevant background information or developments outside the reporting period, in order to provide stakeholders with a more comprehensive overview of the Company's sustainability management practices and performance. Unless otherwise stated, the environmental data disclosed in this report cover the Company's operating production entities, while the economic and social data cover all entities within the scope of the Company's consolidated financial statements.

Data Reporting

The financial data in this report is extracted from Annual Report FY2025 of XTC audited. The greenhouse gas emission data is obtained from Greenhouse Gas Verification Report issued by GUANGZHOU CEPREI CERTIFICATION BODY SERVICES CO.,LTD. and SGS-CSTC Standards Technical Services Co., Ltd. Other data is sourced from our internal systems or compiled manually.

External Assurance

RSM China CPA LLP independently guarantees the environmental, social and corporate governance performance key indicators in this report, and the external assurance, working scope, methodology of work and conclusion of assurance are set out in the Appendix.

Report Availability

This report is released annually in electronic format, available in both Simplified Chinese and English versions. In cases where there are discrepancies between the two versions, the Chinese version shall prevail. Electronic copies of the report can be viewed and downloaded from our official website (www.cxtc.com) and the Shanghai Stock Exchange website (www.sse.com.cn). During the report preparation process, we have strived to take into account the interests and expectations of different stakeholders and to keep the content concise, clear, and reader-friendly. Due to various practical constraints, this report may fall short of expectations. Feedback and suggestions are sincerely welcomed, and we remain committed to continuous improvement.

Explanatory Note

Abbreviation	Full Name
XTC, We	Xiamen Tungsten Co., Ltd.
XTC Haicang Branch	Xiamen Tungsten Co., Ltd. Haicang Branch
Xiamen Jialu	Xiamen Tungsten (H.C) Co., Ltd.
Malipo Haiyu Tungsten	Malipo Haiyu Tungsten (H.C) Co., Ltd.
Luoyang Yulu	Luoyang Yulu Tungsten Mining Co., Ltd.
Ninghua Xingluokeng	Ninghua Xingluokeng Tungsten Mining Co., Ltd.
Duchang Jinding	Jiangxi Duchang Jinding Tungsten Co., Ltd.
Xiamen Honglu	Xiamen Honglu Tungsten & Molybdenum Industry Co., Ltd.
Xiamen Golden Egret	Xiamen Golden Egret Special Alloy Co., Ltd.
Haicang Golden Egret	Xiamen Golden Egret Cemented Carbides Co., Ltd.
Jiujiang Golden Egret	Jiujiang Golden Egret Hard Material Co., Ltd.
Luoyang Golden Egret	Luoyang Golden Egret Geotools Co., Ltd.
Ganzhou Hongfei	Ganzhou Hongfei Tungsten and Molybdenum Materials Co., Ltd.
Fujian Xinlu	Fujian Xinlu Tungsten Co., Ltd.
Golden Dragon Rare-earth	Fujian Golden Dragon Rare-earth Co., Ltd.
GANPOWER	Ganzhou Highpower Technology Co., Ltd.
XWXN (Xiamen)	XTC New Energy Materials (Xiamen) Co., Ltd.
XWXN (Sanming)	XTC New Energy Materials (Sanming) Co., Ltd.
XWXN (Ningde)	XTC New Energy Materials (Ningde) Co., Ltd.
XTC(Jinglu)	Xiamen XTC New Energy Materials (H.C) Ltd.
XWXN (Yaan)	XTC New Energy Materials (Yaan) Co., Ltd.
XTC(Hydrogen)	XTC Hydrogen Energy Science and Technology (Xiamen) Ltd.
Chengdu Hongbo Molybdenum	Chengdu Hongbo Molybdenum Co., Ltd.
Chengdu Hongbo Industrial	Chengdu Hongbo Industrial Co., Ltd.
Chengdu Lianhong Molybdenum	Chengdu Lianhong Molybdenum Co., Ltd.
Chengdu Dingtai	Chengdu Dingtai New Material Co., Ltd.
Tianjin SofTool	SofTool Manufacturing Co., Ltd.
Basic Electronic Materials	Fujian Basic Electronic Materials Co., Ltd.
Changting Zorr	Fujian Changting Zorr Technology Co., Ltd.
Bobai Judian	Bobai Judian Mining Co., Ltd.
Xiamen Qianlu	Xiamen Qianlu Information Technology Co., Ltd.
XTC Motor Industry	Xiamen Tungsten Motor Industry Co., Ltd.
Xiamen Ciitto Medical	Xiamen Ciitto Medical Technology Co.，Ltd.
Xiamen Ciitto Jicheng	Xiamen Ciitto Jicheng Technology Co., Ltd.
Xiamen Ciitto Servo-Motor	Xiamen Ciitto Servo-Motor Technology Co., Ltd.
Xiamen Ciitto Yuneng	Xiamen Ciitto Yuneng Technology Co., Ltd.
RMAP	Responsible Minerals Assurance Process

Chairman's Statement

In 2025, as the global economy seeks new drivers of growth amid a reshaping landscape, climate action and the sustainable development agenda have accelerated from consensus to deep implementation. Faced with multiple changes in the external environment, XTC has come to realize more clearly that true sustainability is not about passively responding to external demands, but about proactively integrating responsible practices into every detail of corporate governance and operations. Rooted in our three core business areas—tungsten and molybdenum, new energy materials, and rare earths—and guided by technological innovation, we are advancing profound transformations in corporate management and production models through the dual engines of digital transformation and green and low-carbon transition. While creating economic value, we continue to generate positive social and environmental impacts, fulfilling our responsibilities to protect the ecological foundation and enhance social well-being.

Fulfilling Ecological Responsibility through Green Development

Green development is the core of sustainable business operations. We have consistently placed green transformation and environmental governance at the heart of our operations, progressively establishing a low-carbon development system covering the entire industrial chain. Through concrete actions, we respond to China's "dual carbon" strategy and participate in global climate governance. Grounded in our carbon neutrality strategy and net-zero emission pathway, we continue to build a comprehensive, high-standard green manufacturing system. By focusing on key areas such as energy structure optimization, process technology innovation, and value chain collaboration, we systematically advance carbon reduction efforts across the entire value chain. We deeply implement the concept of green mining, integrating ecological restoration and biodiversity protection into the whole process of mining operations. We conduct nature-dependency and impact assessments and actively carry out ecological protection initiatives to minimize potential negative impacts from production and business activities, achieving an organic balance between responsible resource development and natural ecosystem conservation. We continue to foster the development of a circular economy by increasing the deployment of resource recycling systems in key business areas such as tungsten, rare earths, and battery materials, striving to enable efficient resource circulation throughout the product lifecycle and accelerating the transition toward a resource-efficient, environmentally friendly sustainable development model.

Consolidating the Industrial Foundation through Technological Innovation

Innovation is the core engine driving the leapfrog growth of the enterprise. We are committed to building a full-chain innovation pathway covering basic research, applied development, and industrial transformation, using technological innovation as a powerful driver to promote high-quality development of the enterprise and the upgrading of the industrial chain. By establishing multi-level research platforms and deepening "industry-university-research-application" collaboration, we continue to advance technological breakthroughs in fields such as cemented carbides, refractory metals, battery materials, optoelectronic crystalline materials, and the rare earth permanent magnet motor industry cluster, constantly breaking through technical bottlenecks and expanding the frontiers of innovation applications. Guided by market demand, we promote deep integration of technology R&D and production operations, accelerating the rapid transformation of scientific and technological achievements into productive forces. At the same time, we empower green and circular development through innovation, revolutionizing low-carbon production processes and resource utilization technologies, thereby strengthening our green competitiveness and contributing our wisdom and strength to the green transformation and upgrading of the industry.

Building a Symbiotic Ecosystem through Responsible Commitment

Responsibility is the foundation upon which an enterprise takes root in society. Upholding the philosophy of "symbiotic responsibility," we integrate it into all aspects of our operations, enabling the company's development and community prosperity to resonate in harmony. In project construction and operation, we respect local cultural customs and the rights and interests of community residents, conduct community impact assessments, and build communication bridges through visits, dialogues, and community co-construction initiatives, ensuring timely responses to the concerns of neighboring communities and fostering positive interactions with them. Leveraging our corporate resources and industrial advantages, we support community economic development and help improve community livelihoods through job creation, industrial assistance, infrastructure improvement, educational donations, and collaborative value chain responsibility. In doing so, we strive to be a steadfast practitioner of a symbiotic and prosperous "enterprise-community-supply chain" ecosystem.

Cultivating Endogenous Development Drivers through People-Centered Empowerment

Talent is the key pillar supporting the long-term development of the enterprise. We strive to create a professional ecosystem characterized by equality, safety, growth, and health, enabling every employee to realize their personal value on our platform and share in our development achievements. We adhere to the bottom line of compliance, providing a fair, safe, and inclusive working environment, and fully protecting the fundamental human rights and legitimate rights and interests of all employees. We have built a value-oriented, competitive, and fair compensation system, and a sound long-term incentive mechanism that shares benefits and risks, ensuring that every hard-working employee receives due rewards. We have established a full-cycle growth system and diverse career development paths for our employees, supporting them in continuously enhancing their professional skills and comprehensive capabilities, thereby achieving synergy between employee growth and corporate development.

The tide is high, the shore is wide, and the sail is full; we forge ahead with determination on a new journey. Standing at the forefront of the era of sustainable development, XTC remains committed to its corporate mission: "to enable employees to realize their self-worth, to provide satisfactory services to customers, to deliver substantial returns to shareholders, and to pursue harmonious development with society." Guided by ESG principles and long-termism as our value compass, we are building a solid foundation for development through comprehensive and scientific ESG governance. We strive to innovate within our core businesses, take the lead in the green transition, and move forward together in value creation. We are dedicated to building a sustainable value ecosystem with all stakeholders, contributing to the well-being of human society, and co-creating a new vision for development.

Chairman of XTC

About XTC

We focus on three core businesses: tungsten and molybdenum, new energy materials, and rare earth. Through continuously technological and managerial innovation, we have built a complete front-end tungsten mine selection, mid-end tungsten and molybdenum smelting and production of tungsten and molybdenum powders, high-end deep processing applications such as hard alloys, tungsten and molybdenum wire and cutting tools, and recycling of the entire industry chain, with many technologies leading internationally. We have established a complete new energy material product line to support 3C consumer electronics, new energy vehicles, and energy storage to create more possibilities and provide advanced material solutions for achieving carbon neutrality. We have established a collaborative system covering the entire rare earth industry chain. At the upstream, we strategically invest in mining and smelting separation segments to ensure a stable supply of raw materials. At the downstream, we have deepened our involvement in high-value-added fields through majority-owned subsidiaries, covering the entire industry chain, including high-purity rare earth oxides, rare earth metal processing, phosphorescent materials, high-performance magnetic materials, and optoelectronic crystals, thus creating a complete industry chain loop.

Our Mission

We aim to make XTC a place for employee to realize personal value, a place for customer to find solutions, a place for shareholder to invest in, and also a place for society to benefit from.

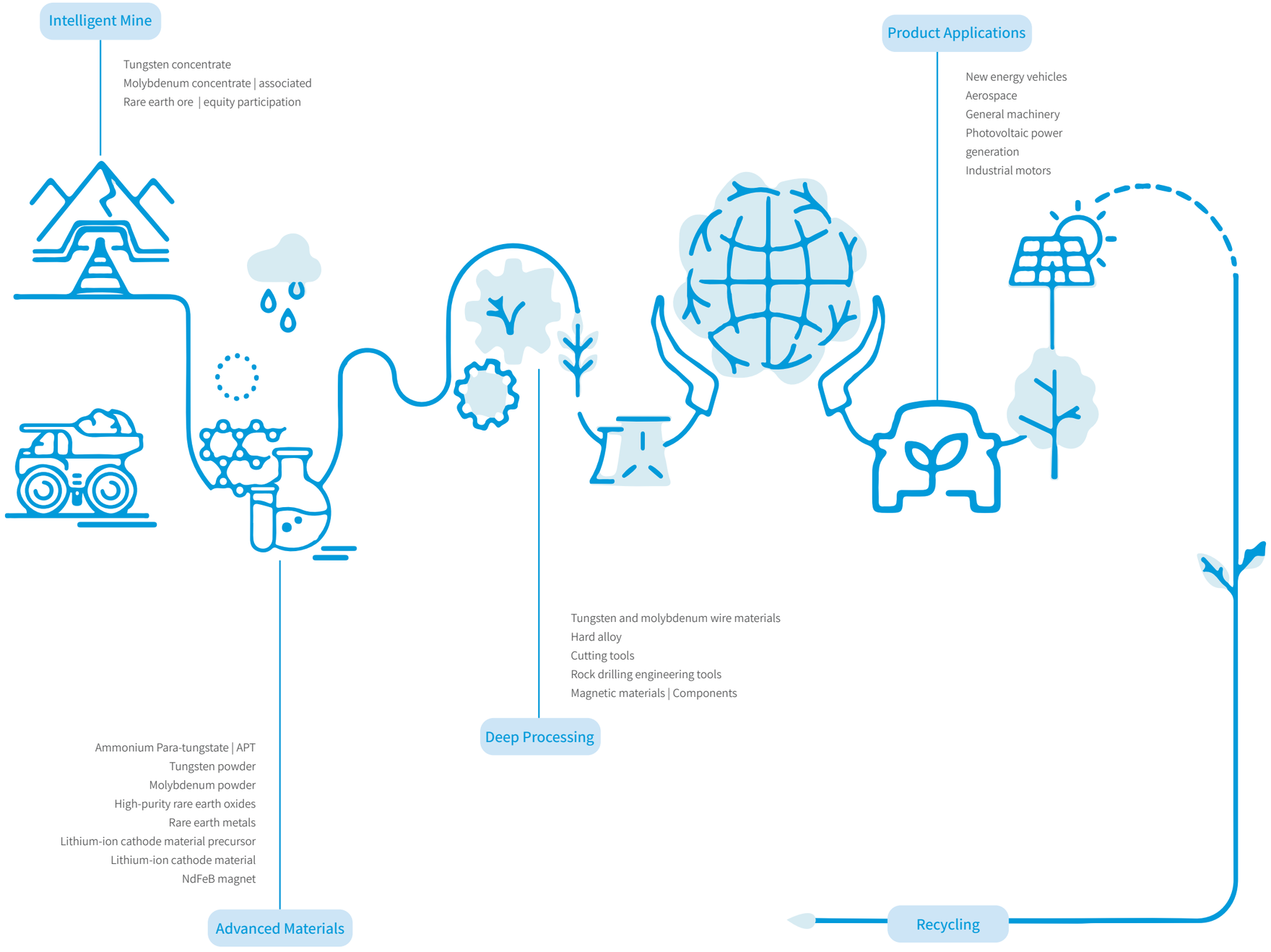
Our Vision

To build XTC into a platform for talent gathering, technology innovation, and industrial development.

Our Business Policy

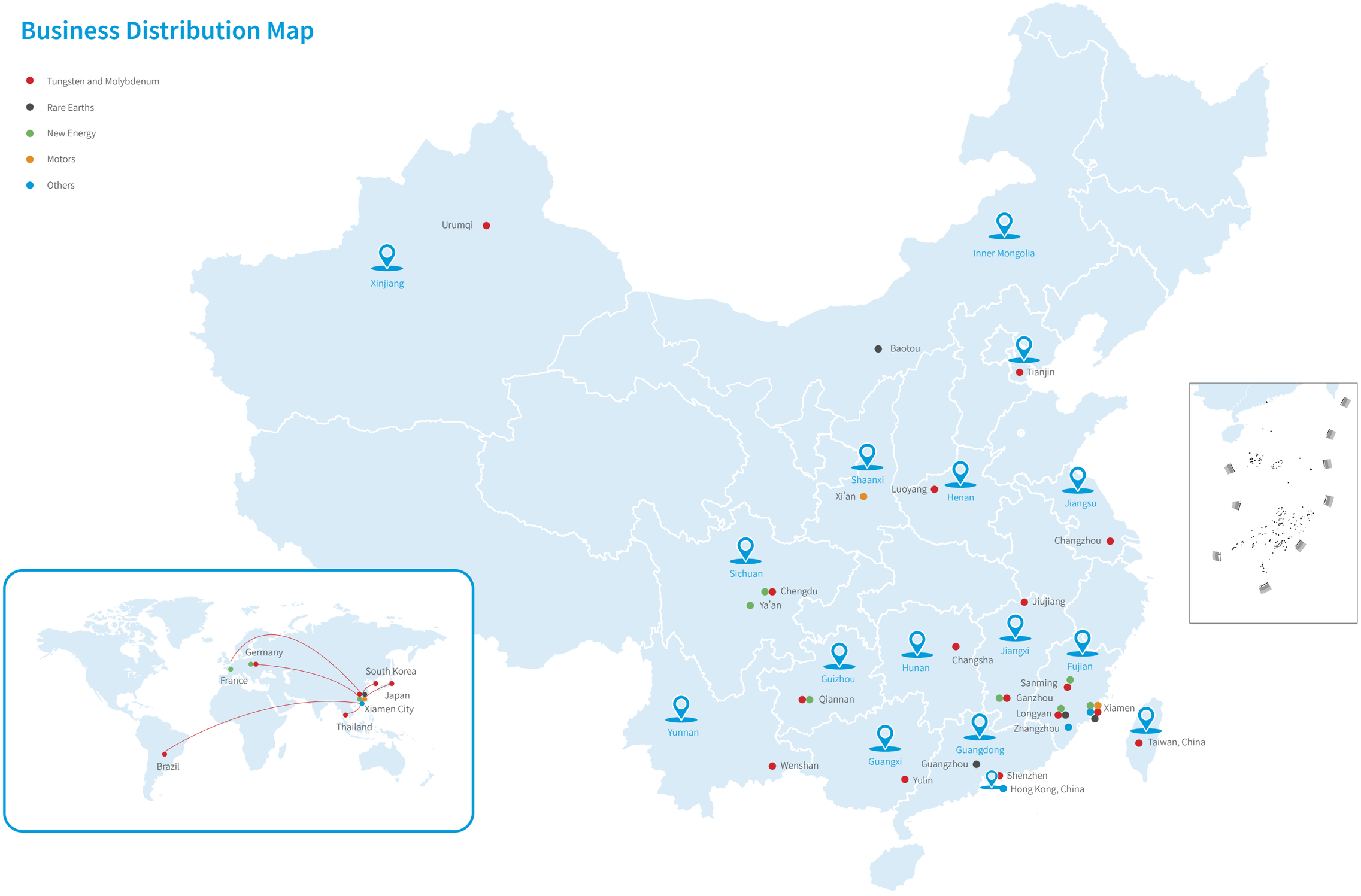
Pay attention to details, strive for progressive technology, advance steadily, endeavor to enhance the market share, and focus on long-term interests.

Our Business



Business Distribution Map

- Tungsten and Molybdenum
- Rare Earths
- New Energy
- Motors
- Others



2025 Economic, Environmental and Social Impact

Economic Impact

Total asset

56,067.29 million CNY

Operating revenue

46,264.58 million CNY

Net profit attributable to shareholders of the parent company

2,309.37 million CNY

Environmental Impact

Total environmental protection input

115.03 million CNY

GHG emissions (Scope 1+ Scope 2) (market-based)

722,946.95 tons of CO_2 equivalent

GHG emission intensity

1,562.64 tons of CO_2 equivalent per hundred million CNY of operating revenue

Energy intensity

727.21 tons of coal equivalent per hundred million CNY of operating revenue

Water use intensity

7,701.98 cubic meters per hundred million CNY of operating revenue

Social Impact

Total social contributions

6,884.34 million CNY

Social contributions per share

4.34 CNY

Including

Total tax payment

1,552.56 million CNY

Number of employees

19,486 persons

Employee compensation

3,445.36 million CNY

Research and development input

1,739.67 million CNY

Dividends paid to shareholders

1,595.80 million CNY

Total volunteering hours

2,890 hours

Interests paid to creditors

285.66 million CNY

Work safety input

153.29 million CNY

Social donations

4.96 million CNY

Safety training participation

137,022 participants

2025 Honor and Awards

XTC

MSCI ESG rating upgraded to **BBB**

XTC

Ranked **No. 395** on the 2025 **Fortune China 500 list** compiled by Fortune China

XTC

Ranked **No. 340** on the 2025 **Top 500 Chinese Manufacturing Enterprises list** jointly selected by the China Enterprise Confederation and the China Enterprise Directors Association

XTC

Selected into the **Forge Ahead with Determination: Case Studies on the Deepening and Upgrading Initiative for the Reform of Local State-owned Enterprises** compiled by the State-owned Assets Supervision and Administration Commission of the State Council

XTC

Selected as a **"2025 Best Practice Case for Sustainable Development of Listed Companies"** by the China Association for Public Companies

XTC

Selected as a **"2025 Best Practice Case for the Board of Directors of Listed Companies"** by the China Association for Public Companies

XTC

Selected as a **"2025 Best Practice Case for Listed Company Board Offices"** by the China Association for Public Companies

XWXN

Selected as a **"Gazelle Enterprise"** under the **"2025 Fujian Provincial Innovation Enterprise in Digital Economy Core Industries"** list issued by the Fujian Provincial Data Administration

Chengdu Hongbo Industrial

Selected as an **"Outstanding Case for the Fourth Batch of Healthy Enterprise Construction"** by the National Health Commission

Assessment and Management of Material Matters

We conducted double materiality assessments in alignment with the methodologies outlined in latest domestic and international disclosure standards, including the Corporate Sustainability Disclosure Standards - General Requirements (Trial), jointly formulated by the Ministry of Finance of the People's Republic of China, the Ministry of Foreign Affairs, the National Development and Reform Commission, the Ministry of Industry and Information Technology, the Ministry of Ecology and Environment, the Ministry of Commerce, the People's Bank of China, the State-owned Assets Supervision and Administration Commission of the State Council (SASAC), the National Financial Regulatory Administration, and the China Securities Regulatory Commission. We also referred to the Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies – Sustainability Report (Trial) and the Guide No.4 for Self-Regulatory Supervision on Listed Companies of the SSE - Compilation of Sustainable Development Reports issued by the Shanghai Stock Exchange, the European Sustainability Reporting Standards (ESRS) released by the European Commission, and the two IFRS Sustainability Disclosure Standards (IFRS S1and S2) issued by the International Sustainability Standards Board (ISSB). Following the double materiality assessment principle (financial materiality and impact materiality), we identified sustainability matters that have a material impact on our enterprise value and the stakeholders.

We conduct a materiality assessment aligned with our development strategy and business practices, focusing on both impact materiality and financial materiality. For impact materiality, we assess and analyze the external impacts of our performance across various topics on the economy, environment, and society. For financial materiality, we evaluate and analyze the potential impacts of each topic on our business operations, financial planning, and performance. We regard stakeholder engagement as a critical component of the materiality assessment process. We distributed questionnaires to directors, senior management, and other stakeholders, collecting a total of 412 valid responses. Based on the survey results and through comprehensive evaluation and analysis, we ultimately identified 12 topics of double materiality.

2025 Double Materiality Assessment Process

Step1
Understanding the Context and Identifying Sustainability Matters

Based on five key dimensions, together with our internal activities and business relationships, we conducted background analysis to identify 30 sustainability topics and developed a comprehensive topic list. We also identified stakeholder categories and defined the scope of the survey.

Step 2
Impact and Financial Materiality Assessment

We conducted surveys of both internal and external stakeholders through questionnaires, and assessed each topic from dimensions such as likelihood of occurrence and severity of impact, performing both impact materiality and financial materiality evaluations.

Step 3
Consolidating Impact and Financial Materiality Outcomes

We conducted a comprehensive analysis and prioritization based on the results of impact materiality and financial materiality assessments, and developed a materiality matrix.

Step 4
Reviewing the outcomes for reporting and practice guidance

We disclose material topics in detail in this report based on the assessment results, which have been reviewed and approved by the Board of Directors.

Step 1:Understanding the Context and Identifying Sustainability Matters

We conducted a systematic background analysis based on the following five dimensions, together with our internal activities and business relationships, and identified 30 sustainability topics relevant to the Company, forming the annual sustainability topic list. At the same time, we identified and categorized nine types of stakeholders[1] to define the scope of stakeholder engagement. Based on our analysis, there were no changes in the topic list or stakeholder categories compared with the previous year.

1 Reporting Standards	The Corporate Sustainability Disclosure Standards – Basic Standard (Trial) jointly issued by the Ministry of Finance of the People's Republic of China, together with the Ministry of Foreign Affairs, National Development and Reform Commission, Ministry of Industry and Information Technology, Ministry of Ecology and Environment, Ministry of Commerce, People's Bank of China, State-owned Assets Supervision and Administration Commission of the State Council, National Financial Regulatory Administration, and China Securities Regulatory Commission; the Self-regulatory Guidelines for Listed Companies No. 14 – Sustainability Report (Trial) and the Self-regulatory Guide No. 4 – Sustainability Report Preparation issued by the Shanghai Stock Exchange; the first set of European Sustainability Reporting Standards (ESRS) issued by the European Commission; as well as the International Financial Reporting Sustainability Disclosure Standards (IFRS S1 and S2) issued by the International Sustainability Standards Board (ISSB).
2 International Initiatives	United Nations Sustainable Development Goals (SDGs), the 30th Conference of the Parties to the United Nations Framework Convention on Climate Change (COP30), and the OECD Due Diligence Guidance for Responsible Business Conduct
3 Global Economic and Macroeconomic Policy Trends	International: Global temperature control targets under the Paris Agreement, the Science Based Targets initiative (SBTi), the EU Carbon Border Adjustment Mechanism (CBAM), and developments in international trade conditions and policy changes. Domestic: The 14th Five-Year Plan and Long-Range Objectives Through 2035, China's carbon peaking and carbon neutrality goals, and industry regulatory policies.
4 Changes in Market Environment	Market and consumer preferences are shifting toward green and low-carbon products, with continued expansion and consumption growth in sectors such as new energy vehicles, aerospace, and general machinery. Meanwhile, international markets are continuously raising requirements and thresholds for product quality, green and low-carbon performance, and circular and recycled content.
5 Corporate Strategy and Development Needs	We focus on our three core business segments, uphold innovation-driven development, strengthen industrial chain synergy, and build a dual circulation model integrating domestic and international markets. We advance the development of a new green and low-carbon development framework and accelerate digital and intelligent transformation, while enhancing the Company's resilience in risk management and response. These efforts support the sustainable development of both the Company and society.

Sustainability Matters List

Dimension	Sustainability Matters
Environmental	• Climate Change Tackling • Pollutant Discharge • Waste Disposal • Ecosystem and Biodiversity Protection • Environmental Compliance Management • Energy Usage • Usage of Water Resources • Circular Economy
Social	• Rural Revitalization • Contributions to the society • Innovation-Driven • Ethics of Science and Technology • Responsible Sourcing • Supply Chain Security • Equal Treatment to Small and Medium-sized Enterprises • Safety and Quality of Products and Services • Data Security and Customer Privacy Protection • Promoting Industry Development • Equal Employment • Human Rights Protection • Employee Communication • Employee Development and Training • Employee Compensation and Benefits • Occupational Health and Safety
Governance	• Due Diligence • Communications with Stakeholders • Risk Control and Compliance • Anti-Commercial Bribery and Anti-Corruption • Anti-unfair Competition • Tax Compliance

1 Stakeholders: Employees, suppliers, customers, investors, financial institutions, media organizations, government and regulatory authorities, non-governmental organizations, and local communities.

Step 2：Impact Materiality and Financial Materiality Assessment

◎ Impact Materiality Assessment

We conducted a preliminary assessment of the impact materiality of identified sustainability topics through a questionnaire survey. Directors, senior management, and stakeholders were invited to participate. The survey evaluated the Company's performance across its own operations and value chain in relation to each topic, and assessed the significance of impacts on the economy, environment, and society across four dimensions: likelihood of occurrence, scale of impact, scope of impact, and irremediability of impact (applicable to negative impacts only). A comprehensive score was derived based on these dimensions.

Based on the survey results, and taking into account our business characteristics, operational conditions, and input from internal and external experts, weighting coefficients were applied to calculate the impact materiality level and prioritization of each sustainability topic. We set the 30th percentile as the materiality threshold, and topics with impact materiality scores above this threshold were identified as impact material topics, forming the final impact materiality assessment results.

Impact Material Topics of the Company in 2025

- Climate Change Tackling
- Occupational Health and Safety
- Risk Control and Compliance
- Innovation-driven
- Circular Economy
- Environmental Compliance Management
- Pollutant Discharge
- Waste Disposal
- Energy Usage
- Usage of Water Resources
- Safety and Quality of Products and Services
- Anti-Commercial Bribery and Anti-Corruption
- Supply Chain Security
- Data Security and Customer Privacy Protection
- Promoting Industry Development
- Equal Employment
- Ecosystem and Biodiversity Protection
- Human Rights Protection
- Employee Development and Training
- Responsible Sourcing
- Employee Communication

◎ Financial Materiality Assessment

We conducted a preliminary assessment of the financial materiality of identified sustainability topics through a questionnaire survey. Directors and senior management were invited to participate in the survey. The assessment evaluated the importance of each sustainability topic to the Company's short-, medium-, and long-term financial performance, based on two dimensions: the likelihood of financial impact and the magnitude of financial impact. A comprehensive score was assigned to each topic accordingly.

Based on the survey results, and taking into account our business characteristics and operational conditions as well as the recommendations of internal and external experts, the financial materiality level and prioritization of each sustainability topic were determined. The median value was used as the materiality threshold, and topics with financial materiality scores above the median were identified as financially material topics, forming the final financial materiality assessment results.

Assessment Reference Indicators	
Revenue	Revenue from core businesses such as tungsten and molybdenum non-ferrous metal products, rare earth products, and battery materials, as well as revenue growth driven by new technologies and new products.
Costs	Direct costs such as raw material procurement, smelting and processing, equipment depreciation and maintenance, as well as energy consumption, R&D investment, labor costs, and environmental compliance costs.
Profit	Comprehensive consideration of revenue and costs to assess the impact on profitability.
Assets	Inventory turnover efficiency, as well as the scale, utilization, and renewal status of fixed assets such as plants, production lines, and equipment.
Investment	Return period and effectiveness of capital expenditures, including investments in new production lines, introduction of new technologies, and digital and intelligent transformation initiatives.
Liabilities	Interest-bearing debt levels, financing costs, and financial resilience in response to policy changes and market fluctuations.
Cash Flow	Cash flow from operating activities, including project collection cycles and payment speed.
Long-term Value	Potential long-term impacts on revenue driven by the green competitiveness of products and services, customer repurchase rates and loyalty, and brand reputation.

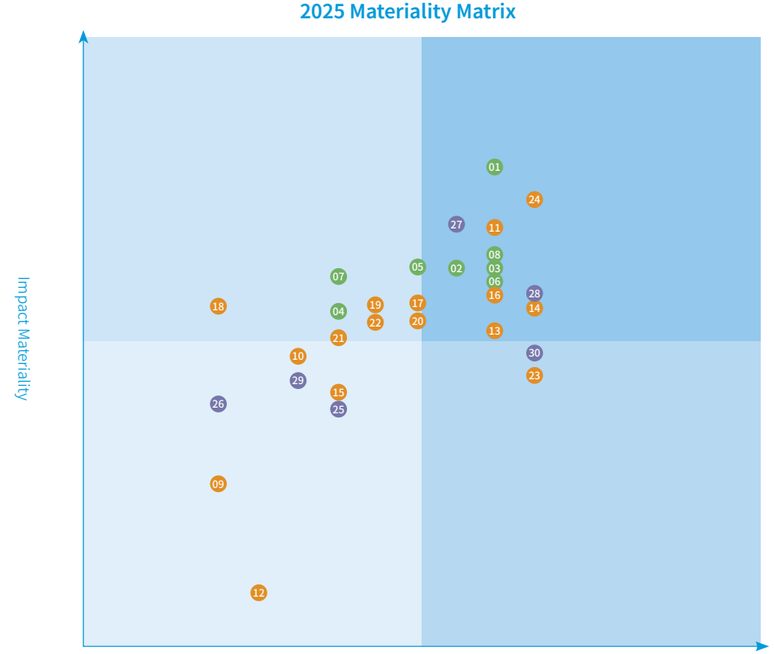
Financial Material Topics of the Company in 2025

- Anti-Commercial Bribery and Anti-Corruption
- Tax Compliance
- Employee Compensation and Benefits
- Occupational Health and Safety
- Supply Chain Security
- Waste Disposal
- Circular Economy
- Safety and Quality of Products and Services
- Innovation-driven
- Responsible Sourcing
- Energy Usage
- Climate Change Tackling
- Pollutant Discharge
- Risk Control and Compliance

Step 3：Consolidating Impact and Financial Materiality Outcomes

We conducted a comprehensive analysis and prioritisation of sustainability matters based on the results of both the impact materiality and financial materiality assessments. The final prioritisation results for each sustainability matter were determined and visually presented in a materiality matrix. Based on the double materiality assessment, we identified 12 sustainability matters with double materiality, 2 matters with financial materiality only, and 9 matters with impact materiality only.

2025 Materiality Matrix



With both financial materiality and impact materiality
With financial materiality but without impact materiality
With impact materiality but without financial materiality
With neither financial materiality nor impact materiality

Environmental

- 01 Climate Change Tackling
- 02 Pollutant Discharge
- 03 Waste Disposal
- 04 Ecosystem and Biodiversity Protection
- 05 Environmental Compliance Management
- 06 Energy Usage
- 07 Usage of Water Resources
- 08 Circular Economy

Social

- 09 Rural Revitalization
- 10 Contributions To The Society
- 11 Innovation-Driven
- 12 Ethics of Science and Technology
- 13 Responsible Sourcing
- 14 Supply Chain Security
- 15 Equal Treatment to Small and Medium-sized Enterprises
- 16 Safety and Quality of Products and Services
- 17 Data Security and Customer Privacy Protection
- 18 Promoting Industry Development
- 19 Equal Employment
- 20 Human Rights Protection
- 21 Employee Communication
- 22 Employee Development and Training
- 23 Employee Compensation and Benefits
- 24 Occupational Health and Safety

Governance

- 25 Due Diligence
- 26 Communications with Stakeholders
- 27 Risk Control and Compliance
- 28 Anti-Commercial Bribery and Anti-Corruption
- 29 Anti-unfair Competition
- 30 Tax Compliance

Reviewing the Outcomes for Reporting and Practice Guidance

Guided by these results, we aim to enhance sustainability reporting and management practices, with detailed management measures and specific actions for the material matters provided in the relevant sections of this report.

Double Materiality Matters	Scope of Impact: Value Chain Upstream	Scope of Impact: Operations	Scope of Impact: Value Chain Downstream	Scope of Impact: Communities	Affected Stakeholders	Risks	Opportunities	Time Duration[2]	Corresponding SDGs	Location in the Report
Occupational Health and Safety	✓	✓	✓	✓	• Employees • Clients • Suppliers • Communities	• **Operational Risk:** If safety management measures are not properly implemented in the course of production and operations, and potential safety hazards are not identified and rectified in a timely manner, production safety accidents may occur, resulting in personal injury, facility damage and production interruption, thereby affecting production and operations as well as order fulfilment. • **Compliance Risk:** If safety management and protective measures are inadequate and fail to comply with occupational health and safety laws, regulations and regulatory requirements, the Company may face compliance risks such as regulatory penalties, suspension of production for rectification and legal proceedings. • **Financial Risk:** Continuous investment is required in safety facilities and equipment, employee protective equipment, health monitoring and safety training, which will increase the Company's operating costs. In the event of a safety accident, expenditure on facility and equipment maintenance, work-related injury compensation, insurance payouts and administrative fines may also arise, thereby increasing the Company's financial costs. • **Reputational Risk:** Major accidents or negative incidents in the fields of production safety and occupational health may attract public attention and social scrutiny, undermine the responsible employer image the Company has built over time, reduce public trust in the Company, and damage its reputation and public standing.	• **Market Opportunity:** Standardised and well-established occupational health and safety management can meet the supply chain due diligence requirements of international markets and downstream customers, enhance competitiveness in sustainable development, strengthen customers' confidence in cooperation, and create more business opportunities. • **Operational Opportunity:** Establishing a sound occupational health and safety management system and strengthening risk control and hazard identification can effectively reduce the incidence of safety accidents, safeguard the normal order of the Company's production and operations, and also reduce hidden costs such as fines and compensation arising from safety accidents. • **Brand Opportunity:** Attaching importance to employees' occupational health and upholding the bottom line of production safety helps establish the image of a responsible corporate employer, enhance the Company's attractiveness to talent, and further strengthen its brand value and market influence.	Short-term Medium-term Long-term	3 GOOD HEALTH AND WELL-BEING	Occupational Health and Safety
Climate Change Tackling	✓	✓	✓	✓	• Employees • Clients • Suppliers • Investors • Financial Institutions • Media Institutions • Government and Regulatory Bodies • Non-governmental Organizations • Local Communities	• **Market Risk:** Failure to adapt to the shift in market and consumer preferences towards green products may adversely affect the Company's market share and business revenue. • **Technological Risk:** Failure to keep pace with industry technology development trends and to acquire green and low-carbon technologies in a timely manner may result in low production efficiency, higher costs and weakened competitiveness in the green and low-carbon market. • **Policy Risk:** Increasingly stringent climate-related regulations and compliance requirements, both domestically and internationally, may lead to higher carbon compliance costs. • **Operational Risk:** Extreme weather events may affect the Company's buildings and plant premises, equipment and facilities, and stored materials, adversely affecting short-term operational continuity, causing asset depreciation and increasing operating costs. • **Reputational Risk:** If the research, development and application of green and low-carbon technologies fail to meet expectations, the Company's technological leadership may be weakened, thereby affecting its brand reputation.	• **Market Opportunity:** Promoting the certification of green and low-carbon products can enhance the green competitiveness of products and expand market share. Enterprises with clear emissions reduction pathways and advantages in low-carbon products are also more likely to gain favour in international markets, access green financing support and obtain improved ESG ratings, thereby strengthening their competitive position in the sustainable economy. • **Operational Opportunity:** Actively expanding the application of renewable energy can reduce reliance on traditional fossil fuels, enhance the Company's ability to respond to long-term energy price volatility, and ensure the continuity and stability of production and operations. • **Financial Opportunity:** By continuously optimising process flows and improving raw material utilisation and energy use efficiency, the Company can reduce production costs and enhance its cost competitiveness and profitability.	Medium-term Long-term	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 13 CLIMATE ACTION	Climate Change Tackling
Innovation-Driven	✓	✓	✓		• Employees • Clients • Suppliers • Investors • Non-governmental Organizations	• **Market Risk:** As industry technologies continue to iterate at a faster pace, if the Company fails to respond in a timely manner to market changes and industrial policy directions in its technology research and development, or if its technological achievements cannot be effectively commercialised, the market competitiveness of its products may be weakened. • **Technological Risk:** Insufficient R&D resources or deviations in R&D direction may cause the Company to miss critical windows for technological upgrading and low-carbon transformation. Leakage of core technologies or the loss of key R&D personnel may adversely affect the Company's technological advantages. If technological achievements are not duly registered and protected in a timely manner, there is also a risk of intellectual property disputes. • **Financial Risk:** Technological innovation is highly dependent on sustained R&D investment, which will increase financial and labour costs. Given the substantial investment and long cycle of R&D activities, deviations in technical routes or failure in technology R&D may also result in wasted resources.	• **Market Opportunity:** Continuous technological upgrading and iteration help improve product quality and production efficiency, while reducing energy consumption and emissions, thereby better responding to market demand for green, environmentally friendly, safe and high-quality products, enhancing market performance and competitive advantages, and supporting expansion into the high-end market. • **Technological Opportunity:** By advancing technological innovation and forward-looking technology deployment, the Company can take a leading position in new technological fields, build differentiated technological barriers, and enhance its technological competitiveness. • **Financial Opportunity:** Technological innovation can improve production efficiency and reduce energy consumption, thereby lowering production costs and enhancing economic benefits and overall value. • **Policy Opportunity:** R&D projects and enterprises aligned with policy directions may receive policy support such as fiscal incentives and subsidies, thereby supporting the sustainability of innovation activities.	Medium-term Long-term	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	Innovation-Driven

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Double Materiality Matters	Scope of Impact: Value Chain Upstream	Scope of Impact: Operations	Scope of Impact: Value Chain Downstream	Scope of Impact: Communities	Affected Stakeholders	Risks	Opportunities	Time Duration[2]	Corresponding SDGs	Location in the Report
Anti-Commercial Bribery and Anti-Corruption	✓	✓	✓		• Employees • Clients • Suppliers • Investors • Financial Institutions	• **Compliance Risk:** If the Company is involved in illegal or non-compliant conduct such as commercial bribery, corruption or fraud in its business activities, it may face risks such as regulatory penalties, criminal liability, legal proceedings, international trade restrictions or market exclusion, which may result in high fines, compensation, litigation expenses and other costs and economic losses. • **Operational Risk:** If illegal or non-compliant conduct such as commercial bribery, corruption or fraud occurs, the Company may be restricted from participating in tendering, bidding or government procurement activities, resulting in constraints on or interruption to its business and affecting its operating performance. If corrupt conduct involves management or key positions, it may also lead to loss of control in internal management, failure of decision-making mechanisms, and adverse effects on organisational stability and strategy execution. • **Reputational Risk:** If negative incidents such as commercial bribery or corruption are exposed, they will seriously damage the Company's brand image of operating with integrity, reduce the trust of customers, investors, business partners and the public, and undermine its reputation in the capital market and brand credibility.	• **Market Opportunity:** Sound business ethics management and responsible business practices make it easier for the Company to gain recognition from customers and business partners in international markets, thereby expanding business opportunities. • **Operational Opportunity:** Effective integrity supervision and risk prevention and control mechanisms can close loopholes in internal management and business processes, avoid compliance risks and economic losses, and safeguard the Company's healthy and stable operations. • **Brand Opportunity:** Operating with integrity and in compliance with laws and regulations helps maintain the brand image of a responsible enterprise that upholds the bottom line, enhances the trust of the capital market, stakeholders and the public, and increases brand value.	Short-term Medium-term Long-term	16 PEACE, JUSTICE AND STRONG INSTITUTIONS 17 PARTNERSHIPS FOR THE GOALS	Anti-Commercial Bribery and Anti-Corruption
Circular Economy	✓	✓	✓	✓	• Clients • Suppliers • Investors • Non-governmental Organizations • Local Communities	• **Technological Risk:** If the Company fails to keep pace with industry trends in resource recovery technologies, lags behind in iterative upgrading, and is unable to meet the requirements for improving resource recovery rates, it may face the risk of weakened cost competitiveness and squeezed market share. • **Financial risk:** Investments in resource recycling technologies may increase the company's short-term financial burden. • **Policy risk:** Stricter policies related to the use of recycled materials and battery recycling may raise the company's compliance costs.	• **Technical opportunity:** The development trend of the circular economy will drive the company to achieve technological breakthroughs in the field of resource recycling, helping to build technical advantages. • **Financial Opportunity:** Resource recycling can reduce the Company's financial costs in areas such as raw material procurement and waste disposal, improve its profitability, reduce reliance on external resources, and enhance resilience in responding to the risks arising from fluctuations in raw material prices. • **Brand Opportunity:** Continuously strengthening the business layout for resource recovery and utilisation can effectively reduce the potential negative environmental impacts of production and operating activities, establish a green and low-carbon corporate image, and enhance the Company's brand value and social reputation.	Medium-term Long-term	11 SUSTAINABLE CITIES AND COMMUNITIES 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Circular Economy
Supply Chain Security Responsible Sourcing	✓	✓	✓		• Clients • Suppliers • Investors	• **Market Risk:** If the supplier assessment and supervision mechanisms are not sufficiently sound, causing the Company to fail to meet customers' supply chain due diligence requirements, it may miss important market opportunities. Negative incidents involving suppliers in areas such as safety and environmental protection, product quality, human rights protection and business ethics may also be transmitted to the Company, thereby triggering a market trust crisis and affecting its market competitiveness. • **Operational Risk:** Supply chain disruptions caused by geopolitical risks, mineral depletion or environmental protection policies affecting the raw materials required for the Company's products may adversely affect normal production and operations as well as delivery capability. • **Financial Risk:** Changes in the global supply and demand landscape for resources and significant fluctuations in raw material market prices will increase the difficulty of controlling procurement costs, thereby affecting the Company's profitability.	• **Market Opportunity:** Building a resilient and sustainable supply chain security management system helps the Company better meet the supply chain access requirements of international markets and downstream customers, thereby expanding the scope for business cooperation and further enhancing brand value and market influence. • **Operational Opportunity:** By establishing a systematic and comprehensive supply chain management mechanism, the Company can strengthen its ability to identify and respond to supply chain risks, effectively reduce the impact of supply chain disruptions on production and operations, ensure continuity and stability in product delivery, reduce the risk of order default, and reinforce customer relationships.	Short-term Medium-term Long-term	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 17 PARTNERSHIPS FOR THE GOALS	Supply Chain Security
Risk Control and Compliance	✓	✓	✓		• Employees • Clients • Suppliers • Investors	• **Operational Risk:** If the Company fails to establish a comprehensive risk management system aligned with its strategic objectives and business development, and its risk control efforts are inadequate, this may lead to delays in identifying major risks, failure of response measures, or risks such as interruption of key business operations, thereby affecting business stability and the achievement of strategic objectives. • **Financial Risk:** The occurrence of risk events may cause the Company economic losses such as substantial compensation, fines and litigation expenses. It may also affect the credit assessment of the Company by financial institutions, resulting in tightened credit limits and increased financing costs, and placing potential pressure on its capital chain. • **Reputational Risk:** Illegal, non-compliant or negative incidents relating to business ethics or compliant operations may damage the Company's brand image and market credibility, thereby affecting customer trust, business partner relationships and public perception.	• **Market Opportunity:** Effective risk management helps improve the scientific and forward-looking nature of the Company's business decision-making, enables it to better respond to a complex and changing external environment, strengthens market adaptability, and enhances market competitiveness. A sound and compliant operational image can also strengthen the trust and recognition of investors, business partners and customers, improve capital market evaluations and access to international markets, and create favourable conditions for expanding business cooperation. • **Operational Opportunity:** Building a comprehensive and systematic risk management system can significantly enhance the Company's ability to respond to and address internal and external uncertainties, strengthen resilience in risk response, effectively prevent the impact of unexpected risk events on business continuity, and ensure stable and orderly operations.	Short-term Medium-term Long-term	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	Risk Management Internal Control and Compliance

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Double Materiality Matters	Scope of Impact: Value Chain Upstream	Scope of Impact: Operations	Scope of Impact: Value Chain Downstream	Scope of Impact: Communities	Affected Stakeholders	Risks	Opportunities	Time Duration[2]	Corresponding SDGs	Location in the Report
Energy Usage		✓	✓	✓	• Clients • Local Communities	• **Market Risk:** As international markets and customers continue to raise their requirements for supply chain enterprises in areas such as the use of clean energy, energy conservation and consumption reduction, failure to gradually optimise the energy structure may lead to challenges such as restricted access to international markets and higher thresholds for customer cooperation, thereby affecting the expansion of overseas business and the stability of market share. • **Operational Risk:** As renewable energy resources are relatively limited and costly, adjustments to the energy structure may expose the Company to risks such as unstable energy supply and energy price fluctuations, adversely affecting production continuity and cost controllability. • **Financial Risk:** Traditional energy sources or high energy-consuming equipment may be phased out or replaced, resulting in asset depreciation. The procurement of low-emission energy and the construction of photovoltaic power generation facilities, among others, will increase the Company's financial costs in the short to medium term and create pressure on cash flow.	• **Market Opportunity:** By increasing the proportion of clean energy use, optimising the energy structure, and continuously reducing carbon emissions from operations and the full life-cycle carbon footprint of products, the Company can better meet the green and low-carbon access requirements of domestic and international markets. This helps strengthen its market competitiveness in the context of low-carbon transition, further enhance market recognition and customer retention, and increase cooperation opportunities and market share. • **Financial Opportunity:** Reducing reliance on fossil energy in production activities can help avoid additional costs arising from instability or price fluctuations in traditional energy supply chains. In the long term, this can optimise overall energy costs, reduce the potential cost pressure arising from future policies such as carbon tariffs and carbon emissions trading, and enhance financial resilience.	Short-term Medium-term Long-term	7	Climate Change Tackling Energy Usage
Waste Disposal Pollutant Discharge		✓	✓	✓	• Employees • Local Communities	• **Compliance Risk:** As policies, laws, regulations and regulatory requirements relating to pollutant emissions and waste disposal become increasingly stringent, failure to meet discharge standards may expose the Company to regulatory accountability and penalty risks, thereby resulting in economic losses. • **Financial Risk:** The introduction of advanced equipment and the upgrading of technological processes to reduce pollutant emissions and waste generation will increase the Company's operating costs. • **Reputational Risk:** If the Company fails to meet public expectations in relation to pollutant emissions or waste disposal, or if it increases negative impacts on the environment, this may trigger public attention or scrutiny, thereby affecting its environmental image, reputation and social recognition.	• **Operational Opportunity:** Strengthening standardised and resource-based waste disposal can improve the comprehensive utilisation efficiency of waste, helping realise value-added resource recovery and reduce raw material consumption and disposal costs. • **Brand Opportunity:** Strict control over pollutant emissions and waste treatment, and minimising the negative environmental impacts of production activities as far as possible, can enhance the Company's brand credibility and strengthen public recognition of its value.	Short-term Medium-term Long-term	11, 14, 12, 15	Waste Disposal Pollutant Discharge
Safety and Quality of Products and Services	✓	✓	✓		• Clients • Suppliers • Employees	• **Market risk:** If safety incidents or quality issues arise from products, they may lead to customer complaints, returns, or recalls, potentially resulting in customer loss and negatively impacting the company's business performance. • **Financial Risk:** If domestic or international product safety standards and industry norms change, greater investment in product testing and quality management will be required, thereby increasing operating costs. Product safety or quality issues may also expose the Company to administrative penalties, legal proceedings and compensation claims, thereby increasing financial costs. • **Reputational risk:** Public exposure of product safety or quality incidents could trigger a crisis of trust among customers and the public, damaging the company's brand value and reducing brand loyalty.	• **Market Opportunity:** Continuously building a high-quality and highly safe product and service system can effectively enhance customer retention and market recognition, strengthen the core competitiveness of products, support the expansion into quality customer segments and high-end markets, and improve the industry influence and market position of the Company's products and services. • **Brand Opportunity:** High-quality, safe and reliable products and services will enhance the Company's market reputation, improve customer satisfaction and trust, and strengthen its corporate brand image.	Short-term Medium-term Long-term	3, 12, 17	Safety and Quality of Products and Services
Tax Compliance		✓			• Investors • Government and Regulatory Bodies	• **Compliance Risk:** Inadequate tax management may result in violations of tax-related laws, regulations and policies in the jurisdictions where the Company operates, thereby exposing it to compliance risks such as regulatory inspections and accountability actions. • **Financial Risk:** Tax-related non-compliance may require the Company to make additional tax payments and pay late payment surcharges and fines, thereby causing economic losses. • **Reputational Risk:** Negative public opinion relating to tax non-compliance may adversely affect the Company's brand image and reputation for integrity and compliance.	• **Brand Opportunity:** Strengthening tax governance and paying taxes in accordance with laws and regulations help the Company maintain a high tax credit rating, uphold its image and brand reputation as a responsible enterprise, and enhance the trust of government authorities, investors and the public.	Short-term Medium-term Long-term	16	Tax Compliance
Employee Compensation and Benefits		✓			• Employees	• **Compliance Risk:** If the Company fails to properly implement compliance management in relation to employee compensation and benefits, it may face risks such as labour inspection penalties and labour dispute litigation. • **Operational Risk:** A compensation and benefits system that lacks competitiveness, together with inadequate incentive mechanisms, may lead to the loss of key talent and a decline in employees' sense of belonging, thereby affecting workforce stability and production and operational efficiency. • **Financial Risk:** Adjustments to the compensation system or the implementation of new benefit plans may increase the Company's capital input and management costs in the short term. If labour arbitration or litigation arises, this may also result in arbitration, litigation and compensation expenses, thereby increasing the financial burden.	• **Operational Opportunity:** A competitive compensation incentive and benefits system can stimulate employees' motivation and creativity, enhance their sense of belonging and loyalty, reduce staff turnover, and improve production and operational efficiency. • **Brand Opportunity:** This helps enhance the employer brand image, improve employee satisfaction and social reputation, and strengthen the soft power and core competitiveness that support the Company's long-term development.	Short-term Medium-term Long-term	8, 10	Employee Compensation and Benefits

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Communications with Stakeholders

Guided by our mission of "making XTC a place for employee to realize personal value, a place for customer to find solutions, a place for shareholder to invest in, and also a place for society to benefit from.", we have established smooth and diversified stakeholder communication mechanisms to gain an in-depth understanding of, and respond in a timely manner to, the concerns and expectations of all parties. We integrate these into our sustainability governance practices and are committed to working with all stakeholders to continuously deepen a development pattern featuring symbiosis, mutual prosperity and win-win cooperation, so as to achieve the joint enhancement of corporate value as well as environmental and social value.

Stakeholders	Matters of Concern	Communication Channels
Employees	Occupational Health and Safety Safety and Quality of Products and Services Anti-Commercial Bribery and Anti-Corruption Risk Control and Compliance	Employees Consultation Employee Training and Activities Employee Complaints Employee Satisfaction Surveys Trade Union Committee and Employee Representative Congress
Clients	Safety and Quality of Products and Services Anti-unfair Competition Data Security and Customer Privacy Protection Supply Chain Security	Customer Service and Complaint Management Online Communications and On-site Visits Customer Satisfaction Surveys
Suppliers	Occupational Health and Safety Tax Compliance Anti-unfair Competition Responsible Sourcing	Supplier Conferences Supply Chain Management Platform Supplier Training Online Communications and On-site Visits
Investors	Anti-unfair Competition Supply Chain Security Risk Control and Compliance Anti-Commercial Bribery and Anti-Corruption	Information Disclosure of Listed Company Shareholders' Meetings / Earnings Conference Call and Webcast Investor Hotline / Investor Interactive Platform Investor Visits and Research Roadshow Event / Brokerage Strategy Meeting

Stakeholders	Matters of Concern	Communication Channels
Financial Institutions	Risk Control and Compliance Supply Chain Security Tax Compliance Anti-Commercial Bribery and Anti-Corruption	Information Disclosure of Listed Company Project Cooperation
Media Institutions	Climate Change Tackling Environmental Compliance Management Pollutant Discharge Risk Control and Compliance	Information Disclosure of Listed Company Media Communications Public Opinion Monitoring
Government and Regulatory Bodies	Circular Economy Waste Disposal Risk Control and Compliance Tax Compliance	On-site Visits Cooperation on Government Project Meeting and Training Roundtable Discussions
Non-governmental Organizations	Circular Economy Usage of Water Resources Promoting Industry Development Innovation-Driven	On-site Visits Industry Exchanges and Participation in Standard Setting Welfare Activities Public Opinion Monitoring
Local Communities	Ecosystem and Biodiversity Protection Human Rights Protection Environmental Compliance Management Pollutant Discharge	Online Communications and On-site Visits Community Grievance Roundtable Discussions Public Welfare and Assistance Services

01

Sustainability-Related Governance

- Governance Structure and Mechanisms
- Shareholders' Rights and Interests
- Party Building

Governance Structure and Mechanisms

Amid intensifying climate change, tightening resource constraints, and increasingly prominent public safety and health risks, we remain steadfast in our responsibility and commitment as a corporate citizen. Centered on the three dimensions of environmental, social, and governance (ESG) considerations, we have embedded sustainability into our corporate DNA and every facet of value creation. By establishing a systematic, institutionalized, and standardized sustainability management system, we continuously coordinate and proactively respond to diverse stakeholder interests across strategic planning, risk management, and daily operations. We are dedicated to achieving long-term mutual success: enabling employees to realize their personal value, delivering satisfactory solutions to customers, generating substantial returns for shareholders, and fostering harmonious development with society.

Guided by the United Nations' 17 Sustainable Development Goals (SDGs) outlined in the 2030 Agenda for Sustainable Development, we focus on key areas including climate change response, industrial and technological innovation, responsible production and consumption, and employee development and economic growth. We continuously refine our sustainability governance mechanisms and deepen relevant practices, enhancing our sustainability capabilities and business resilience to address external changes and stakeholder expectations, while driving the coordinated development of our operations with environmental and social progress.

The Company has established a multi-layered, comprehensive ESG governance structure and accountability system under the leadership of the Board of Directors, forming a two-way collaborative mechanism that coordinates top-down deployment with bottom-up reporting and improvement.
This integrates sustainability principles into every aspect of our operations and ensures the effective implementation of sustainability strategies and management objectives:

At the highest governance level

The Board of Directors assumes ultimate responsibility for sustainability development strategies and performance. The Board has established a Strategy and Sustainable Development Committee, which is responsible for guiding and overseeing the Company's ESG-related matters. The Committee convenes regular meetings to review major sustainability development issues. To ensure governance effectiveness, the Company continuously optimizes and improves its supervision and evaluation mechanisms, including internal audits, external third-party verification, and periodic performance assessments. The Board's Strategy and Sustainable Development Committee conducts annual supervision and evaluation of the Company's strategies, ESG management objectives, and processes to ensure their adaptability and effectiveness, thereby systematically enhancing the outcomes of sustainability management.

At the strategic leadership level

We have established an ESG Leadership Group, composed of senior executives, responsible for ESG strategy implementation, target decomposition, and daily management.

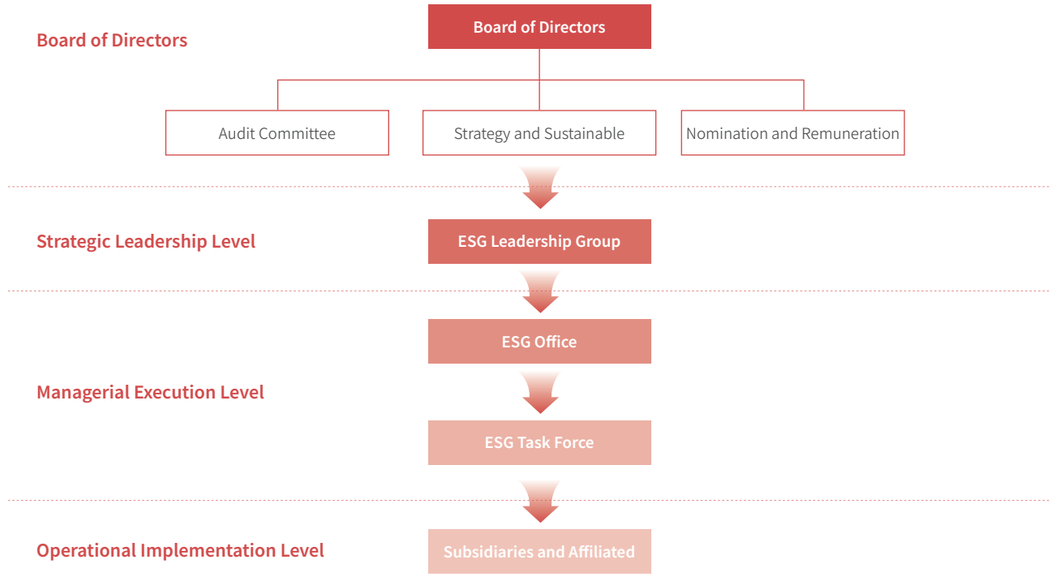
At the managerial execution level

We operate an ESG Office and ESG Task Force, which coordinate ESG-related efforts across departments and subsidiary companies, provide professional guidance and support, and execute routine management tasks for ESG initiatives.

At the operational implementation level

All subsidiary companies are accountable for executing sustainability policies and ESG operational practices. To strengthen the integration of sustainability into business operations, subsidiary companies develop tailored implementation plans within the overarching strategic and policy frameworks set by headquarters, aligning with their unique operational characteristics. We integrate sustainability objectives into our performance evaluation system, covering areas such as carbon emission reduction, resource utilization efficiency, work safety performance, and employee growth and development, thereby reinforcing employees' sense of responsibility and proactive engagement in ESG practices.

ESG Governance Structure



Designated	Composition	Responsibilities
Board of Directors	• Strategy and Sustainable Development Committee • Audit Committee • Nomination and Remuneration Committee	• Research and propose recommendations on ESG strategy, material matters, and ESG related matters • Monitor and inspect the implementation and improvement of ESG work • Review of Sustainability and ESG-related
ESG Leadership Group	• Chairman(Leader of the Group) • CEO • Executive Vice President • Administrative Vice President • Finance Vice President • Secretary of the Discipline Inspection Commission • Board Secretary • General Manager of Mining Business Unit • President Assistant	• Review and establish ESG goals and strategies based on significant ESG matters and risks, formulate annual work tasks • Review ESG-related policies and matters, and report to the Strategy and Sustainable Development Committee • Listen to and review the ESG work plans and outcome reports of ESG working group, and subsidiaries and affiliated enterprises
ESG Office	• Strategic Development Center • Operational Management Center • Work Safety and Environmental Protection Management Department • Board Secretary Office • Human Resources Management Center • Financial Management Center • Discipline Inspection Office • Office • Legal Affairs Department • Audit Department	• Collaborate with subsidiaries and affiliated enterprises to jointly formulate, promote, and implement ESG goals, strategies, and policies, regularly monitor and report on the execution of related tasks • Manage daily ESG information and collect annual ESG information, assisting in compiling ESG reports
ESG Task Force	• ESG Strategy and Investment • Environmental (Carbon Peaking and • Carbon Neutrality, Energy, Environmental • Management) • Social • Governance	
Subsidiaries and Affiliated Enterprises	• Relevant Functional Departments of • Subsidiaries and Affiliated Enterprises	• Implement ESG goals, strategies, and policies, and carrying out related work

In advancing the development of our sustainability management system, we have built and continuously refined our sustainability policy framework based on the laws and regulations of our operating regions, combined with business development needs. Through the issuance of various sustainability policy statements, we convey our determination to become an honest and responsible enterprise to stakeholders including shareholders, employees, business partners, communities, and local residents, expressing our vision of jointly building a resilient and sustainable business ecosystem. These policies also provide unified principles and action guidelines for all consolidated entities and employees across the Company in their sustainability practices.

The Sustainability Policies

01 Code of Business Conduct

02 Management Regulations on Anti-Corruption and Anti-Bribery

03 Supplier Code of Conduct

04 Basic Specifications for Work Safe

05 Basic Norms of Environmental Protection

06 Environmental Protection Statement

The Company establishes annual management objectives around various sustainability matters, regularly tracks and evaluates progress, and continuously optimizes and updates these objectives based on changes in the internal and external environment and feedback from management practices. This ensures the orderly advancement of all initiatives, effective implementation of management requirements, and continuous improvement in sustainability management capabilities. For specific objectives and progress, please refer to the "Environment," "Social," and "Governance" sections.

Appointment of Directors and Senior Management

The Company has established standardized and transparent nomination and appointment procedures for directors and senior management in accordance with the "Articles of Association " and the "Working Rules of the Nomination and Remuneration Committee of the Board of Directors," ensuring compliant and transparent selection of governance and management personnel. The Board's Nomination and Remuneration Committee comprehensively considers multidimensional factors including independence, diversity, and professionalism to formulate lists of director and senior management candidates, and submits recommendations to the Board of Directors after conducting qualification reviews. Director candidates, upon approval by the Board of Directors, are elected by the Shareholders' General Meeting as members of the new Board; senior management candidates, upon approval by the Board of Directors, are formally appointed to their positions.

◎ Diversity and Professionalism

We are committed to building a Board of Directors and senior management team with diverse perspectives across multiple dimensions including professional expertise, gender, age, and cultural background, to better address the complexities of the global business environment and sustainability challenges.

Regarding Board composition, the Company follows the following diversity policy as a reference for director nomination and selection:

- Independent directors shall account for no less than one-third of Board members, with at least one accounting professional among them;
- Director appointments adhere to the principle of merit-based selection, while comprehensively considering factors including gender, age, cultural and educational background, professional experience and expertise, skills, work history, and length of service, avoiding the exclusion of qualified candidates based on non-business-related factors such as gender, race, or cultural background, to ensure diversity and balance in Board composition.

The Board of Directors currently comprises 9 directors, including 3 independent directors and 2 external directors. In terms of professional composition, Board members possess diverse academic backgrounds spanning materials science and deep processing, engineering management, financial management, risk control management, human resource management, economics, accounting, law, compliance management, and journalism, forming a structurally complete and mutually complementary professional matrix that enhances the Board's in-depth understanding and effective oversight of sustainability-related matters.

Within the Board's Strategy and Sustainable Development Committee, Audit Committee, and Nomination and Remuneration Committee, independent directors constitute over 50% of membership, with the chairperson of each committee being an independent director. Independent directors fully leverage their professional strengths, strictly adhere to relevant laws, regulations, and company rules and policies, and fulfill their duties of professional guidance and supervisory review. They provide professional support for the Board's scientific decision-making, ensure standardized governance and stable operations, and effectively safeguard the overall interests of shareholders and the Company.

The senior management team currently comprises 9 members, including 1 female executive. All team members possess extensive years of industry and management experience, with diversified professional capabilities in strategic planning, operational management, technological innovation, financial management, and risk management. We attach great importance to cultivating sustainability leadership within our senior management team, continuously enhancing their awareness and management capabilities in climate change, social responsibility, and corporate governance through various forms including specialized training programs, international exchanges, and practical projects.

The Directors and Senior Management Profile

Name	Position	Age	Professional Background				Board Committees			Attendance (Board meetings and Board committee meetings) during the reporting period	Shares Held at the End of Reporting Period (Shares)
			Industry Experience	Operations Management	Risk Management and Compliance	Financial Accounting	Strategy and Sustainable Development Committee	Audit Committee	Nomination and Remuneration Committee		
Huang Changgeng (Male)	Director Chair	61	●	●	●					100%	200,000
Wang Yuzhen (Female)	Vice Director Chair(Assumed office on December 15, 2025)	43		●	●	●				100%	0
Hou Xiaoliang (Male)	Director	60		●	●				●	100%	0
Wu Gaochao (Male)	Director and CEO	59	●	●	●					100%	150,000
Zhong Kexiang (Male)	Director and Executive Vice President	53	●	●	●		●			100%	100,000
Wang Yulong (Male)	Employee Director (Assumed office on October 17, 2025)	40		●	●			●		100%	0
Ye Xiaojie (Male)	Independent Director	40				●	●	●		100%	0
Cheng Wenwen (Male)	Independent Director	62		●		●		●	●	100%	0
Zhu Haomiao (Male)	Independent Director	47	●				●		●	100%	0
Wang Dan (Female)	Vice Director Chair(Departed from office on November 25, 2025)	44		●	●	●				100%	0
Xie Xiaotong (Male)	Director(Departed from office on October 17, 2025)	58			●	●				100%	0
Hong Chao'e (Male)	Vice President	59		●	●	●				/	100,000
Zhong Bingxian (Male)	Vice President and CFO	50		●	●	●				/	100,000
Zhou Yujun (Female)	Vice President and Board Secretary	39		●	●					/	100,000
Xu Huoyao (Male)	Vice President(Assumed office on February 10, 2026)	55		●	●	●				/	60,000
Yang Wei (Male)	Vice President(Assumed office on February 10, 2026)	50	●	●	●					/	0
Fang Qi (Male)	Vice President(Assumed office on February 10, 2026)	52	●	●	●					/	176,000
Zeng Xinping (Male)	Vice President(Assumed office on February 10, 2026)	49	●	●	●					/	0

◎ Governance Capability Enhancement

The Board of Directors strictly adheres to relevant laws, regulatory requirements, and the Board Meeting Procedures, continuously improves decision-making mechanisms, and fulfills its duties diligently and in compliance. During the reporting period, the Company convened a total of 14 Board meetings, reviewing 91 proposals; held 6 special meetings of independent directors, reviewing 17 proposals; 9 Audit Committee meetings, reviewing 56 proposals; 3 Nomination and Remuneration Committee meetings, reviewing 8 proposals; and 2 Strategy and Sustainable Development Committee meetings, reviewing 4 proposals.

We attach great importance to the professional competency development of directors and senior management, regularly organizing relevant training programs to help the governance layer and core management personnel enhance their understanding of sustainability trends and response capabilities, thereby strengthening the Company's scientific governance capabilities. During the reporting period, our directors, senior management, and relevant management personnel participated in a total of 45 training sessions and study visits organized by the China Securities Regulatory Commission, stock exchanges, listed company associations, and internal programs. The training covered multiple areas including interpretation of laws and regulations, compliant operations of listed companies, risk management, information disclosure, market value management, mergers and acquisitions, fundraising management, and ESG special topics. Regarding ESG-specific training, the focus was on ESG policy trends, ESG information disclosure for listed companies, dual carbon initiatives, and green supply chains, supporting relevant personnel in continuously enhancing their professional capabilities in sustainable development.

Compensation of Director and Senior Management

We have established and implemented a scientific, transparent, and equitable compensation system that balances fairness and efficiency, upholding the principle of combining incentives with constraints. We closely align the compensation of directors and senior management with the Company's long-term development strategies and sustainable governance performance, ensuring that the Board and senior management team attach great importance to managing sustainability-related risks and seizing opportunities while achieving financial performance. Through incentive mechanisms that closely align the interests of the governance layer with the Company's long-term value and stakeholder well-being, we drive the coordinated enhancement of comprehensive economic, environmental, and social value.

◎ Compensation Plan Development

We have formulated the "Articles of Association" and the "Working Rules of the Nomination and Remuneration Committee of the Board of Directors, "clarifying the formulation and decision-making procedures for compensation policies and plans for directors and senior management.

The compensation policies and plans for directors and senior management serving in the Company are drafted by the Board's Nomination and Remuneration Committee, reviewed by the Board of Directors, and implemented upon resolution by the Shareholders' General Meeting. Independent directors and non-independent directors not serving in the Company receive allowances in accordance with standards approved by the Shareholders' General Meeting. Independent directors constitute over 50% of the Board's Nomination and Remuneration Committee, with an independent director serving as the committee chairperson, ensuring the independence and objectivity of compensation decisions.

◎ Compensation and Performance Reviews

Under the "Annual Compensation Implementation Plan" the total annual compensation for our Chairman and senior management comprises a base salary and performance-based bonuses linked to corporate economic performance (including financial metrics such as net profit attributable to shareholders) and individual performance assessments. Within the performance evaluation framework, we have progressively increased the weighting of ESG factors, such as work safety metrics, ensuring that environmental and social responsibilities are prioritized alongside financial performance. to ensure that management attaches equal importance to environmental and social responsibilities while achieving financial objectives.

◎ Clawback Mechanism

To restrain short-term profit-seeking behavior, we have implemented a remuneration risk control mechanism. We set aside 30% of the annual performance-based salary as a risk fund, which is disbursed only after the completion of tenure or post-tenure audits. In cases of major violations or misconduct during the term of service, the corresponding amount may be deducted or forfeited from the risk fund. This mechanism is designed to strengthen senior management's long-term accountability and effectively align compensation with long-term performance.

◎ Equity Incentive Mechanism

To encourage long-term value creation, the Company has established a long-term incentive mechanism, including employee stock ownership plans and restricted stock incentive plans. The granting of equity incentives is subject to rigorous performance assessments, with corresponding lock-up and vesting periods, further reinforcing the long-term nature of the incentives.

To broaden the coverage of incentives, the Company's equity incentive plan and employee stock ownership plan extend to key talent below the senior management team, currently covering approximately 101 mid-to-senior managers and technical experts globally. This has established a long-term incentive mechanism extending from senior executives to core backbone personnel, promoting the realization of the value concept of co-creation and sharing. As of the end of the reporting period, the Company's directors and senior management collectively directly held 75 ten thousand shares of the Company's stock, accounting for 0.0472% of the Company's total share capital.

Related Party Transaction

Regarding related-party transaction management, the Company has established and improved a long-term management mechanism. In accordance with relevant laws, regulations, regulatory rules, and internal management practices, we continuously refine the "Approval Policy on Related-Party Transactions, "systematically reviewing and clearly defining matters including the identification of related parties and related-party transactions, decision-making procedures for related-party transactions, recusal mechanisms, pricing principles and methodologies, and information disclosure. These measures are designed to ensure the fairness, transparency, and necessity of transactions and to safeguard the legitimate rights and interests of all shareholders, particularly minority shareholders.

Regarding transaction pricing, the Company requires all related-party transactions to adhere to market-oriented principles, with prices comparable to those in independent third-party transactions, ensuring fair pricing. In terms of decision-making procedures, related-party transactions submitted to the Board of Directors for review must obtain prior approval from more than half of all independent directors; for material related-party transactions, independent financial advisors may be engaged to provide professional opinions. Through independent judgment by independent directors and professional assessment by external institutions, objective support is provided for Board decision-making.

We continuously optimize the identification and management mechanisms for related parties, enhancing the systematicity and effectiveness of related-party transaction management through establishing a related-party information database and strengthening substantive reviews, ensuring consistency and standardization in group-level control.

Conflict of Interest

In terms of conflict of interest prevention, the Company has clarified the fiduciary duties of directors and senior management through internal rules and regulations including the "Articles of Association, "strictly prohibiting them from exploiting their positions to seize business opportunities that rightfully belong to the Company for themselves or others, or from operating competing businesses either independently or on behalf of others. Meanwhile, the "Code of Business Conduct" formulated by the Company further articulates its stance and requirements regarding conflict of interest prevention.

To prevent and manage the potential impact of conflicts of interest on the interests of the Company and all shareholders, the Company requires directors and senior management to promptly declare any circumstances that may involve conflicts of interest, ensuring timely identification and proper handling of potential conflicts. When the Board of Directors deliberates on relevant matters, directors with conflicts of interest must declare such interests and recuse themselves from voting; when senior management encounters conflicts of interest in business decision-making, they must report the matter and have decision-making authority transferred to non-conflicted superiors or peers to ensure objectivity and independence in decision-making.

The Company encourages employees and external partners to report potential conflicts of interest and has established independent reporting channels. We implement strict protections for whistleblowers and prohibit any form of retaliation.

Shareholders' Rights and Interests

Protecting shareholders' rights and interests is an important component of corporate governance. We are committed to building a fair, transparent, and efficient system for safeguarding shareholder rights and interests. Through continuous optimization of governance mechanisms, high-quality information disclosure, and regular communication with shareholders, we actively safeguard the legitimate rights and interests of all shareholders, particularly minority shareholders, continuously enhancing shareholders' trust in and identification with the Company, thereby laying a solid foundation for the enterprise's long-term sustainable development.

Shareholder Rights Protection

In terms of protecting shareholder rights, the Company has clearly defined shareholders' fundamental rights including the right to know, participate, vote, inquire, and receive profits in accordance with internal governance systems such as the "Articles of Association" and the "Shareholders' Meeting Procedures." We fulfill procedures for convening, conducting, and voting at shareholders' meetings in accordance with laws and regulations, ensuring all shareholders can fully exercise their rights. The Company has also established mechanisms such as separate vote counting and cumulative voting, combining on-site and online voting methods to facilitate the participation of minority investors in shareholders' meetings and the expression of their opinions, ensuring fair treatment for all shareholders of the same class. During the reporting period, the Company held a total of 4 shareholders' meetings, deliberating 30 proposals.

To standardize information disclosure practices and guarantee all investors' equal access to company information, we have strictly formulated internal management policies including the "Information Disclosure Policy" and the "Information Disclosure Management Policy for Debt Financing Instruments in the Interbank Bond Market" in accordance with relevant laws and regulations. These policies clarify the principles, scope, formats, and internal review procedures for information disclosure, and are strictly implemented to ensure that disclosed information is timely, truthful, accurate, complete, and equitable. Meanwhile, we actively respond to investor needs, continuously improving the quality of information disclosure in terms of accessibility and comprehensiveness, making disclosed information more understandable and usable for investors to support their rational investment decision-making.

Investor Relations Management

Upholding the philosophy of "Interaction Builds Trust, Communication Creates Value," we have established a multi-tiered investor relations management system, continuously improving diversified communication mechanisms with investors, dedicated to delivering value through interaction and building consensus through communication.

In terms of institutional development, we have formulated and implemented the Investor Relations Management Policy, systematically standardizing and guiding investor relations management work from dimensions including fundamental principles, responsible departments and duties, and operational content and methodologies. In management practice, we continuously advance the application of information systems for investor relations management, achieving proactive and refined communication management; meanwhile, we constantly expand interaction formats and communication channels, deepening interactive engagement with investors through multiple carriers including our corporate website, social media platforms, telephone, fax, email, and stock exchange interactive platforms, as well as various formats such as Shareholders' General Meetings, earnings briefings, corporate roadshows, analyst conferences, investor site visits, and online Q&A sessions.

During the reporting period, we actively carried out investor relations management work, continuously enhancing investor communication experience and capital market recognition. Our main initiatives included:

- We held 7 earnings communication events throughout the year, actively responding to investor inquiries through multiple channels including on-site, online, and telephone formats. Among these, the 2024 Annual and First Quarter 2025 Earnings Briefing was jointly hosted by the Company together with its subsidiary companies XWXN and Golden Dragon Rare-earth, adopting diverse formats combining "on-site + live webcast + conference call + online interaction" to engage in in-depth exchanges with investors. This event received widespread acclaim and was selected by the China Association for Public Companies as a "Best Practice in 2024 Annual Report Earnings Briefings."
- We maintained close communication with investors through the SSE E-Interactive platform, responding to 277 investor inquiries with a 100% response rate.
- We organized a total of 260 investor research activities, encompassing 58 strategy meetings, 80 one-on-one on-site research sessions, and 14 production line visits, receiving approximately 1,500 investor visits.
- We leveraged authoritative media including Xinhua News Agency and China Securities Journal to multi-dimensionally present our corporate brand image and communicate enterprise value through integrated approaches combining print, video, online, and offline channels.
- Focusing on market hotspots including humanoid robots, controlled nuclear fusion, solid-state batteries, and national important projects, we worked in close coordination with our subsidiary companies to actively expand our communication network in power and new energy, machinery, and other sectors, promptly responding to market concerns and enhancing the relevance and effectiveness of investor engagement.

2024 Annual and First Quarter 2025 Earnings Briefing

Continuously Rewarding Shareholders

In terms of shareholder returns, we implement a stable, proactive, and sustainable dividend policy, dedicated to enhancing long-term shareholder returns and strengthening shareholder investment confidence.

In June 2025, we completed the distribution for the 2024 fiscal year, paying a cash dividend of 4.20 CNY (inclusive of tax) per 10 shares to all shareholders. The total cash dividend distributed amounted to 666,786,046.92 CNY (inclusive of tax), representing 38.59% of the net profit attributable to shareholders of the listed company as reported in the 2024 consolidated financial statements.

In September 2025, we completed the 2025 interim dividend distribution, paying a cash dividend of 1.84 CNY (inclusive of tax) per 10 shares to all shareholders. The total cash dividend distributed amounted to 292,115,790.31 CNY (inclusive of tax), representing 30.05% of the net profit attributable to shareholders of the listed company as reported in the first half of 2025 consolidated financial statements.

Smooth Feedback Channels

We attach great importance to feedback from investors, including minority shareholders. The "Information Disclosure Policy" clearly establishes complaint handling procedures and mechanisms for investors. For circumstances that may harm investors' legitimate rights and interests, such as violations of information disclosure regulations, unauthorized external guarantees, or ineffective investor communication, investors may submit complaints to the Company through telephone, written correspondence, or email. Relevant complaints are received, coordinated, and handled by the Board Secretary Office to ensure timely response and proper resolution of investors' reasonable requests.

Party Building

As a state-owned enterprise, we consistently uphold Party building as the guiding force for development. Under the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, we align with the Party and national policies and guidelines, focus on corporate development strategic planning and objectives, continuously advance the standardization of governance systems, democratization of decision-making procedures, and effectiveness of Party building innovation. We carry out in-depth disciplinary education, vigorously implement project-based Party building management under the "Benchmarking and Empowerment" initiative, and promote the deep integration of Party building with production and operations, ensuring high-quality Party building safeguards the Company's high-quality development.

Enhancing the Party Committee's Role in Setting Direction and Consolidating the Foundation of Corporate Governance

We adhere to leveraging the Party Committee's role in "setting the direction, overseeing the overall situation, and ensuring implementation," deeply advancing the integration of Party leadership into corporate governance, effectively implementing the rules of procedure for Party organization deliberations, and improving the collective leadership mechanism to ensure that major decisions are made democratically, scientifically, and in a standardized and efficient manner. During the reporting period, we continuously optimized the list of major business management matters subject to prior review and discussion by the Party Committee, organized and convened 33 Party Committee meetings, and conducted prior reviews of 415 major matters involving corporate reform and business management under the "major issues, major personnel appointments and dismissals, and significant bidding decisions" framework. We advanced organizational structure adjustments for industrial groups, building a management model of "strategic headquarters coordination, specialized industrial group operations, and market-oriented product business unit execution" to enhance overall operational efficiency. We deepened the "Four Grassroots Visits" system, with leading cadres at all levels taking the lead in conducting frontline research, face-to-face listening to opinions and suggestions, and practically assisting the grassroots in solving actual problems.

Strengthening Grassroots Construction to Empower Business, Continuously Forging a Solid "Frontline Fortress"

We continuously strengthen organizational standardization and consolidate organizational foundations, with "Benchmarking and Empowerment" as the main thread to deepen project-based management, promoting the resonance of Party building and business operations, and continuously enhancing the "combat effectiveness" of grassroots organizations. During the reporting period, we continuously optimized organizational structures, completed the re-election of 6 Party organizations and dynamic adjustments to the organizational structure of 5 Party organizations. Meanwhile, we continued to use the "Standard Compliance and Star Creation" initiative as a vehicle to advance branch construction, enhancing the political and organizational functions of grassroots Party organizations. Focusing on high-attention, high-difficulty, and high-coordination tasks, we relied on the "Party Building + Project" mechanism to form 77 Party member commando teams and task force teams, achieving significant results in key technological breakthroughs, major project construction, and cost reduction and efficiency improvement. We innovated project-based carriers such as "Leading in the 'Battlefield' by Announcing" and "Party Member Mentor-Apprentice Programs" to stimulate Party members' vitality in innovation and efficiency creation, producing landmark practical achievements in technological transformation, process optimization, and market expansion.

Deepening the Development of Talent and Cadre Teams, Continuously Activating the Momentum of Vanguard Leadership

We continuously strengthen talent team building and Party member education and management, focusing on forging a robust backbone force and activating the vanguard leadership role, laying a solid talent foundation for the Company's high-quality development. During the reporting period, while optimizing the composition of the Party member team, we deepened the "Dual Cultivation" initiative, cultivating Party members into middle-level cadres and developing business backbones into Party members. We held 2 specialized training sessions for Party organization secretaries and Party-mass publicity cadres, building a high-quality, professional Party affairs cadre team through stratified and categorized precision training. We organized 39 specialized skill training sessions for Party members, comprehensively enhancing their overall quality and professional capabilities. We innovatively implemented the "Master-Apprentice Pairing" and "Mentor-Apprentice" mechanisms, establishing 289 assistance pairs and formulating 156 personalized development plans.

02

Environmental

- Climate Change Tackling
- Energy Usage
- Usage of Water Resources
- Pollutant Discharge
- Waste Disposal
- Ecosystem and Biodiversity Protection
- Environmental Compliance Management
- Circular Economy

We fully recognize that, in the face of the severe challenges posed by global climate change and the historic opportunities presented by the national "dual carbon" strategy, environmental governance is a core element of corporate sustainable development. We strictly adhere to the national requirements for ecological civilization, and have fully integrated environmental protection into our strategic planning and operational practices. We are committed to building a green, low-carbon, and circular development model across the entire industrial chain of tungsten and molybdenum, rare earths, and new energy materials.

We uphold the philosophy of "green mining" throughout our mine development and operations, with a strong emphasis on ecological restoration and biodiversity conservation, thereby achieving a harmonious coexistence between resource extraction and nature. Concurrently, leveraging advanced material recycling technologies, we are actively establishing a closed-loop resource system encompassing "extraction, manufacturing, utilization, and recycling," thereby enhancing resource efficiency across the full life cycle and contributing to the development of a circular economy. Driven by technological innovation as a key engine, we are accelerating the clean energy transition of our energy structure and systematically reducing the carbon intensity of our production processes through process optimization and energy efficiency improvements. We consistently strengthen pollution prevention and resource recycling, rigorously enforce emission standards, and promote the synergistic treatment and value-added utilization of wastewater, exhaust gases, and solid waste. Together with our value chain partners, we are committed to addressing climate and environmental challenges, and we dedicate our corporate efforts to advancing the green transformation of the industry and contributing to the modernization of a society where humanity and nature coexist in harmony.

Environmental Matters	Strategic Objectives	Management Goals	Key Initiatives
Climate Change Tackling	Build a green and low-carbon development system covering the entire industrial chain, significantly reducing operational carbon intensity, systematically address climate risks and opportunities, and lay the foundation for achieving long-term carbon neutrality goals (reaching an emissions peak by 2030 and achieving operational carbon neutrality by 2050).	• Strengthen the carbon accounting capability across the entire industrial chain: complete carbon verification and certification for the headquarters and 42 subsidiaries in accordance with the ISO 14064-1:2018 standard, and gradually incorporate Scope 3 carbon emissions into management and disclosure categories. • Strengthen operational carbon intensity management: reduce greenhouse gas emission intensity per hundred million CNY of revenue by 3.6% compared to 2024.	• Continuously improve the greenhouse gas management system: promote carbon emission inventory and verification certification for subsidiaries in accordance with the ISO 14064-1:2018 standard, gradually expand the scope of verification coverage, and incorporate Scope 3 emissions into management and disclosure categories in phases. • Set carbon reduction targets for each subsidiaries, continuously advance actions such as energy structure optimization, production process upgrading, and equipment energy-saving retrofits.
Energy Usage	Establish a clean, low-carbon, safe, and efficient energy management system, promote the optimization and transformation of the energy structure, and achieve continuous improvement in energy utilization efficiency.	• Further optimize the energy structure: increase the proportion of clean electricity used to 50% through measures such as self-built distributed photovoltaics, purchasing green electricity, or buying green certificates. • Enhance energy management capacity construction: ensure that no less than 40% of major production-oriented subsidiaries achieve ISO 50001 energy management system certification.	• Implement an energy target responsibility system to reduce the comprehensive energy consumption per unit of product. • Steadily increase the proportion of green electricity (such as photovoltaic) used, accelerate the deployment of distributed photovoltaics and green electricity trading, and build a clean, low-carbon energy consumption system. Achieve a clean electricity usage rate of 61%. • Advance the development and certification of the ISO 50001 energy management system, and the proportion of the Company's major production subsidiaries that obtained ISO 50001 certification reached 48%.
Usage of Water Resources	Establish a water resource management system featuring "water conservation priority, circular efficiency, and smart control", promote full-chain optimization of production and domestic water use, thereby achieving a significant improvement in water resource utilization efficiency.	• Increase water resource recycling rate: improve the water resource recycling rate through process modification and technological iteration. • Promote the use of water-saving fixtures: increase the proportion of water-saving fixtures used in office premises.	• Constantly advance water-saving technology transformation and process optimization, introduce high-efficiency water-saving equipment and advanced production processes, and reduce freshwater intake at the source. • Establish a water resource recycling system, enhance wastewater recovery and reuse levels through technological upgrades and system retrofits, and reduce water resource consumption. • Comprehensively promote water-saving fixtures, increase the proportion of water-saving fixtures used in office and living premises, and strengthen water conservation awareness among all employees.
Pollutant Discharge	Establish a monitoring system for waste gas, wastewater, solid waste, and noise ("three wastes and noise"), achieve 100% compliance in emissions of waste gas, wastewater, and noise, reduce pollutant discharge, protect terrestrial and aquatic ecosystems, and contribute to the sustainable development of cities and communities.	• Ensure compliant emissions: achieve 100% compliance in waste gas, wastewater, and noise emissions throughout the year for all owned enterprises. • Improve emission performance: ensure that pollutant emission concentrations and total quantities meet or exceed national and local standards. • Increase source investment: ensure annual growth in environmental protection R&D investment, and cut off or reduce pollutant generation at the process source.	• Adopt industry-leading clean production processes and end-of-pipe treatment technologies, and continuously improve the operational efficiency of pollution prevention and control facilities. • Increase environmental protection R&D investment, carry out green process innovation, and reduce pollutant generation at the production source. • Establish an environmental monitoring and early warning system, and ensure that the emission concentrations and total quantities of all types of pollutants meet or exceed the requirements of national and local standards. • Explore the resource utilization pathways of pollutants, promote the "synergistic reduction of pollution and carbon emissions for enhanced efficiency", and protect underwater and terrestrial ecosystems. • Conduct environmental compliance training and assessment, and strengthen the sense of responsibility among all employees.
Waste Disposal	Follow the working principles of "source reduction, reuse where applicable, classified management, and whole-process control", strive to achieve the goals of "effectively fulfilling principal responsibilities, reducing generation at the source, promoting resource utilization, and preventing environmental risks", and achieve both environmental and economic benefits.	• Achieve compliant disposal: ensure 100% safe and compliant disposal of waste throughout the year for all owned enterprises. • Improve the waste recycling rate: gradually increase the waste recycling rate.	• Establish a solid waste management responsibility system with clear hierarchies and well-defined roles and responsibilities, and achieve traceability and controllability across the entire process. • Improve the level of comprehensive waste utilization through technological innovation and improvement. • Conduct clean production audits, optimize raw material structures and production processes, and reduce waste generation at the source. • Establish a mechanism for waste classification, recycling, and disposal, and strengthen compliance management and risk prevention and control. • Explore pathways for waste resource utilization, and collaborate with upstream and downstream partners to build a circular economy industrial chain.
Ecosystem and Biodiversity Protection	Implement the ecological restoration strategy of "mining while restoring", actively seek a sustainable path for harmonious coexistence between business development and nature, reduce the impact of corporate operations on natural ecosystems, and promote harmonious coexistence between corporate development and the ecosystem.	• Conduct risk assessment: complete a natural capital risk assessment for core mining areas in alignment with the TNFD framework. • Perform ecological restoration: achieve a 100% vegetation restoration rate / ecological reclamation rate for reclaimable land in closed or temporarily completed mining areas.	• Reference the TNFD framework, identify and assess the level of dependence on nature, the scope of impact, the risks faced, and the potential opportunities related to your operations. • Implement the ecological restoration strategy of "mining while restoring", and ensure a 100% vegetation restoration rate and ecological reclamation rate for reclaimable land in closed or temporarily completed mining areas. • Undertake diversified biodiversity conservation practices, and reduce operational disturbance to surrounding ecosystems. • Establish an ecological monitoring and assessment mechanism, dynamically track restoration effectiveness, and promote the coordinated evolution of corporate development and ecosystem. • Collaborate with government, communities, NGOs and other stakeholders to jointly build an ecological conservation network.
Environmental Compliance Management	Establish an environmental compliance management system, and deeply integrate environmental compliance requirements into daily operations and decision-making.	• Provide organizational support: establish an ecological civilization construction leading group, and strengthen environmental responsibilities at all levels. • Obtain system certification: further improve the construction of the environmental management system, and ensure that no less than 65% of subordinate production-oriented enterprises obtain ISO 14001 environmental management system certification • Achieve zero major environmental incidents: achieve zero major environmental pollution incidents in the year. • Guarantee zero regulatory penalties: achieve zero major administrative penalty events due to environmental violations. • Maintain zero environmental emergencies: achieve zero general or higher-level environmental emergencies.	• Establish an ecological civilization construction leading group, embed environmental compliance requirements into operational processes and decision-making mechanisms, and strengthen responsibilities at all levels. • Promote subordinate production-oriented enterprises to obtain ISO 14001 environmental management system certification, and the proportion of the Company's major production subsidiaries that have obtained ISO 14001 certification is 71%.. • Develop an environmental risk early warning and emergency response mechanism, and strengthen the closed-loop management of hazard identification, rectification, and follow-up. • Conduct environmental compliance training and assessment, and enhance the environmental responsibility awareness and compliance capability of all employees. • Implement regular environmental compliance audits and assessments, and ensure the effective operation and continuous optimization of the management system.
Circular Economy	Develop a full life-cycle circular economy system of "resource extraction - material manufacturing - deep processing - secondary resource recovery", expand the layout of resource recycling in areas such as tungsten, rare earths, and battery materials, and create a demonstration benchmark for the circular economy.	• Enhance resource recovery: gradually increase the comprehensive recovery rate of secondary resources of metals such as tungsten, lithium, cobalt, and nickel. • Optimize recycled materials: increase the proportion of recycled materials used. • Lead by example: actively participate in the formulation of relevant national and industry standards, and establish a national-level demonstration benchmark for the circular economy.	• Increase investment in the layout of recycled tungsten, cobalt, nickel, rare earths, and other high-value-added metals, and strengthen resource recycling capabilities. • Participate in the formulation of national and industry standards for cascade utilization and material recycling of retired power batteries, and lead the standardized development of the industry. • Optimize production processes, and increase the proportion of recycled materials used in the production of tungsten, rare earths, and battery materials.

Climate Change Tackling

Against the backdrop of accelerating global climate governance and the rapid transformation of energy structures, addressing climate change has become a key issue for corporate sustainable development. We deeply understand the profound impact of climate change on corporate operations, industrial chain resilience, and social development, actively respond to the national "dual carbon" strategy, and fully integrate climate governance into our strategy and daily operations.

Centered around the long-term commitment of "reaching an emissions peak by 2030 and achieving operational carbon neutrality by 2050", we are dedicated to systematically building a comprehensive and efficient green manufacturing system. By optimizing the energy structure, deepening process technology innovation, and strengthening collaborative emission reduction across the industrial chain, we systematically reduce our operational and value chain carbon emissions. At the same time, we proactively identify, assess, and manage the risks and opportunities posed by climate change, continuously improve our climate adaptation and governance capabilities, and effectively fulfill our responsibilities in global climate governance.

Climate Strategy

We commit that, during the period from **January 1, 2023 to December 31, 2050,** we will achieve carbon neutrality for Scope 1 and Scope 2 emissions from our organizational operations in compliance with PAS 2060, reach an emissions peak by **2030** , and achieve operational carbon neutrality by **2050** .

2011

In 2011, we published our first social responsibility report and have been releasing it annually.

2021

In 2021, we published our first ESG report.

2023

Baseline year

In 2023, we released our first sustainability report.

Taking 2023 as the baseline year, we conducted a greenhouse gas (GHG) inventory across all entities within our consolidated scope in accordance with ISO 14064-1:2018. In 2023, our total GHG emissions amounted to **674,990 tCO_2e**, including:

– Direct emissions (Scope 1): **119,051 tCO_2e**

– Energy indirect emissions (Scope 2): **555,939 tCO_2e**

Carbon Peaking Phase

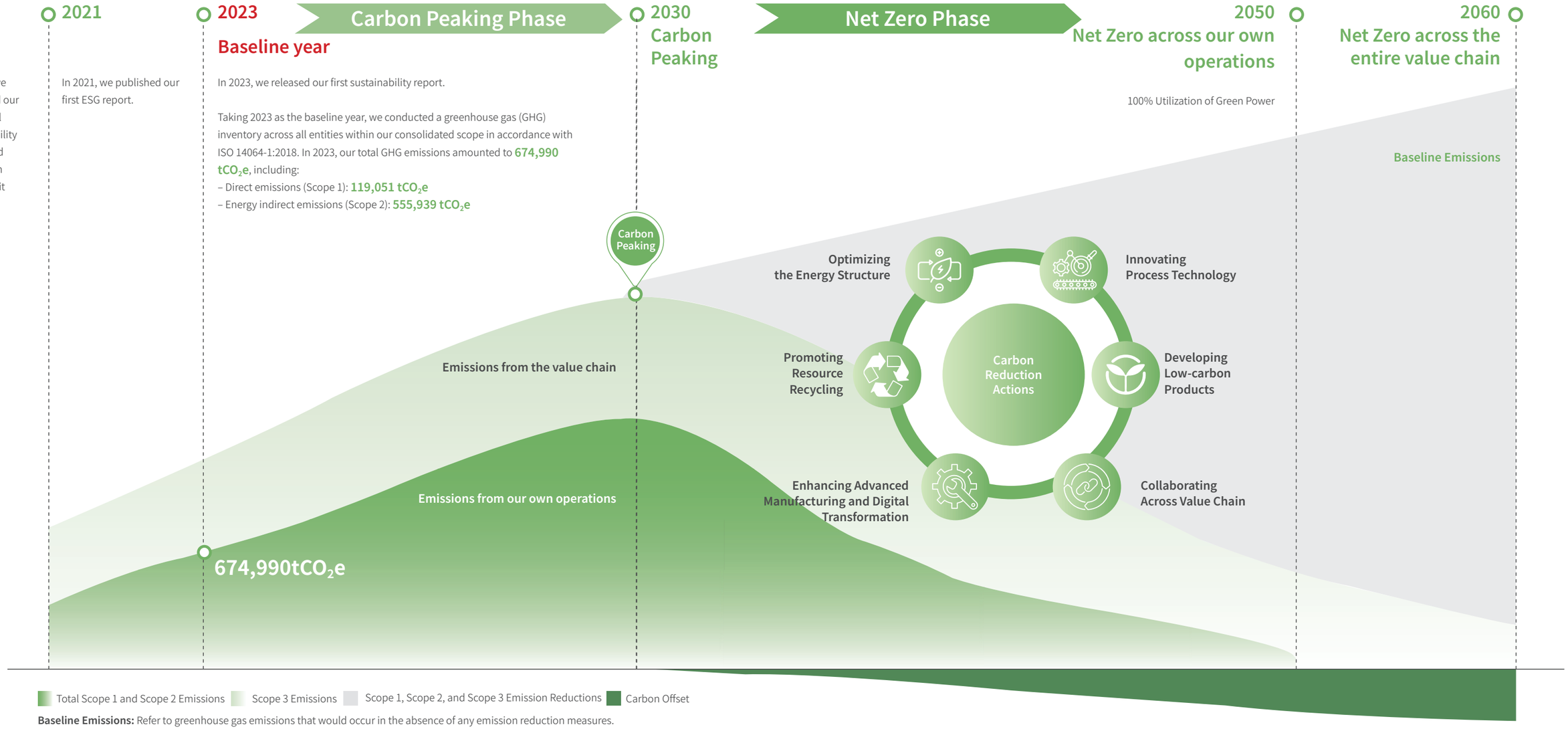
2030 Carbon Peaking

Net Zero Phase

2050 Net Zero across our own operations

100% Utilization of Green Power

2060 Net Zero across the entire value chain



Total Scope 1 and Scope 2 Emissions | Scope 3 Emissions | Scope 1, Scope 2, and Scope 3 Emission Reductions | Carbon Offset

Baseline Emissions: Refer to greenhouse gas emissions that would occur in the absence of any emission reduction measures.

◎ Carbon Reduction Actions

Climate change presents profound challenges for industry development, while also creating significant opportunities for the green and low-carbon transition. Focusing on key areas such as energy structure optimization, process technology innovation, resource recycling, low-carbon product development, smart manufacturing and digital transformation, and value chain collaborative emission reduction, we systematically advance carbon reduction actions across the entire value chain, striving to make green development a distinctive foundation for our high-quality corporate growth.

⊕ Energy Structure Optimization

Accelerating the green transformation of energy constitutes not only a pivotal pathway for attaining the "dual carbon" objectives, but also a strategic imperative for enhancing corporate competitiveness, safeguarding energy security, and fulfilling climate-related responsibilities. We position energy structure optimization as a fundamental pillar of our emission reduction strategy. Through the continuous expansion of clean electricity utilization, notably photovoltaic power, the expeditious deployment of distributed photovoltaic systems, active engagement in green electricity trading, and the systematic establishment of a clean, low-carbon, and highly efficient energy supply system, we are committed to infusing a sustained and robust stream of clean energy into our corporate green and low-carbon development trajectory.

【Highlight】 Establishing a Clean Energy Framework to Drive the Green Energy Transition

We have made sustained efforts to advance the green energy transition, systematically increasing the proportion of clean energy utilized and effectively reducing carbon emissions through various measures, including the deployment of distributed photovoltaic systems and participation in green electricity trading.

- Our subsidiary, Golden Dragon Rare-earth, has been proactively optimizing its energy structure. On one hand, it has accelerated the construction of distributed photovoltaic projects to increase the proportion of self-generated and self-consumed clean energy. On the other hand, it has actively participated in Fujian's electricity market trading, giving priority to low-carbon electricity such as nuclear power and wind power, thereby steadily reducing its reliance on traditional fossil fuels. In 2025, the proportion of non-emitting electricity used by Golden Dragon Rare-earth reached 87%, of which renewable energy accounted for approximately 14%. Through the utilization of non-emitting electricity, we achieved a reduction in greenhouse gas emissions of approximately 106,168tCO_2e

Golden Dragon Rare-earth's Green Electricity Consumption Certificate

- Our subsidiary, XWXN, has been continuously advancing clean energy substitution. Through measures such as the construction of rooftop distributed photovoltaic systems and the procurement of green electricity, it has actively introduced clean energy sources including photovoltaic, wind power, and nuclear power, steadily increasing the proportion of renewable energy utilized. In 2025, the photovoltaic power generation of XWXN reached approximately 1.8 million kWh, achieving a carbon emission reduction of approximately 955.08 tCO_2e. At the Jinglu Base, th participated in green certificate trading through the Guangzhou Electric Power Trading Center, successfully purchasing 10,000 green electricity certificates, corresponding to 10,000 MWh of green electricity generated by the Fujian Pingtan Changjiang'ao Offshore Wind Power Project. Through market-based mechanisms, XWXN supports the development of renewable energy, effectively reducing its Scope 2 indirect emissions and further solidifying the foundation for its green transformation.

Photovoltaic Rooftop at XWXN (Ningde)

Green Electricity Certificate Transaction Vouchers of XTC (Jinglu)

Photovoltaic Rooftop at Tianjin SofTool

- Our subsidiary, Tianjin SofTool, has innovatively developed a "photovoltaic + industrial" energy consumption model, fully utilizing factory rooftops and idle spaces to construct photovoltaic power generation facilities. The green electricity generated not only meets its own production demands and reduces reliance on fossil fuels, but also feeds surplus electricity into the grid, thereby promoting the consumption of renewable energy. Following the commissioning of the project, our annual electricity consumption was reduced by approximately 5.04 million kWh, achieving a carbon emission reduction of 2,674.22 tCO_2e, making a positive contribution to the realization of regional "dual carbon" goals.

⊕ Process Technology Innovation

Process technology innovation serves as the core driving force for manufacturing enterprises to achieve their carbon reduction targets. We remain committed to innovation-driven development, continuously advancing the optimization and upgrading of process technologies. By undertaking technological breakthroughs and process reengineering around key core areas, we strive to integrate process technology innovation with the green and low-carbon transition, promote the application of energy-saving and emission-reduction technologies as well as clean production practices, and achieve synergistic improvements in both economic and environmental performance.

【Highlight】 Multi-Track Advancement, Exponential Efficiency Gains: Systemic Retrofits Fueling Low-Carbon Transformation

At Golden Dragon Rare-earth, we have continuously advanced the energy-saving upgrade and systematic optimization of key energy-consuming equipment in pursuit of its green and low-carbon development goals, steadily improving energy utilization efficiency and emission reduction performance. In 2025, through a series of targeted technological retrofits and lean operational management, we achieved significant dual improvements in both energy and environmental performance, accumulating savings of approximately 3,537,700 kWh of electricity and reducing carbon emissions by approximately 1,877.10 tCO_2e. The core projects implemented include:

- **Air Compressor System Upgrade and Retrofit:** A energy-saving upgrade of the air compressor system was implemented, reducing the specific power from 8.6 kW/(m^3/min) to 6.5 kW/(m^3/min), achieving an energy efficiency improvement of approximately 24%, with expected annual electricity savings of 1,175,400 kWh and a reduction of carbon emissions by approximately 623.67tCO_2e.
- **Refrigeration System Energy Optimization:** In conjunction with routine maintenance work, the non-environmentally friendly R22 refrigerant is being gradually replaced with the eco-friendly R433B refrigerant, which is expected to reduce refrigeration energy consumption by approximately 3%, achieving annual electricity savings of 119,600 kWh and reducing carbon emissions by approximately 623.67 tCO_2e.
- **Energy-Saving Retrofit of High-Energy-Consumption Equipment:** Energy-saving technological retrofits and process optimization were carried out for high-energy-consumption production equipment such as single-chamber furnaces and continuous furnaces to improve operational efficiency, achieving annual electricity savings of approximately 2,017,300 kWh and reduced carbon emissions by approximately 1,070.40tCO_2e.
- **Photovoltaic System Efficiency Enhancement:** Through regular cleaning and maintenance of photovoltaic modules, power generation efficiency was improved. Measured data shows a power generation efficiency increase of approximately 7%, resulting in an annual increase in power generation (equivalent to electricity savings) of 225,400 kWh and a reduction in carbon emissions of approximately 119.61tCO_2e.

At Xiamen Golden Egret, we have continuously advanced energy-saving optimization and equipment upgrades across key production processes in response to its green and low-carbon development goals. Through process improvements, system integration, and technological upgrades of critical equipment, we have achieved enhanced production energy efficiency and reduced carbon emissions. In 2025, we carried out a series of energy-saving retrofit projects, achieving total electricity savings of approximately 2,526,000 kWh and reducing carbon emissions by approximately 1,340.30tCO_2e. The core projects implemented include:

- **Charger Upgrade at the Carbonization Station:** Chargers were fully installed at the carbonization station to enable automated operation, achieving cumulative annual electricity savings of 216,200 kWh and reducing carbon emissions by approximately 114.72tCO_2e.
- **Water Circulation System Optimization:** Power optimization and replacement of water pumps in the water circulation system were carried out, achieving cumulative annual electricity savings of 58,600 kWh and reducing carbon emissions by approximately 31.09 tCO_2e.
- **Motor System Inventory and Upgrade:** A comprehensive inventory of the workshop motor system was conducted, followed by benchmarking upgrades and motor optimization in the circulating water system. This achieved cumulative annual electricity savings of approximately 900,000 kWh and reduced carbon emissions by approximately 477.54tCO_2e.

- **Energy-Saving Retrofit of Air Conditioning and Ventilation Systems:** Twelve Variable Air Volume air handling units were upgraded to energy-efficient, silent variable-frequency fan cabinets, achieving a 25% reduction in power per unit. This resulted in cumulative annual electricity savings of 78,800 kWh and a reduction in carbon emissions of approximately 41.81 tCO_2e. Additionally, the power of air conditioning pump units and seasonal operation controls were optimized, achieving annual electricity savings of 879,900 kWh and a reduction in carbon emissions of approximately 466.87 tCO_2e.
- **Process Optimization for Energy Conservation:** A new process for vacuum pressure sintering furnaces was developed, and pressure sintering technology was adopted for products prone to porosity issues, thereby reducing re-sintering and porosity abnormalities. This achieved annual electricity savings of 155,400 kWh and reduced carbon emissions by approximately 82.46tCO_2e.
- **High-Efficiency Motor Replacement:** Five high-energy-consumption conventional motors were replaced with high-efficiency permanent magnet motors, achieving a 5%–10% reduction in equipment energy consumption. This resulted in annual electricity savings of 44,900 kWh and a reduction in carbon emissions of approximately 23.82tCO_2e.
- **Water Pump System Integration and Optimization:** Two 30 kW water pumps were integrated into one 45 kW water pump, coupled with power regulation of the sintering external circulation water pump. This achieved cumulative annual electricity savings of 96,400 kWh and reduced carbon emissions by approximately 51.15 tCO_2e.
- **Application of Small Variable-Frequency Air Compressor:** One 50 kW small variable-frequency air compressor was added as a power air source, achieving annual electricity savings of 95,800 kWh and reducing carbon emissions by approximately 50.83tCO_2e.

At Xiamen Jialu, we carried out several key energy-saving technological retrofits for production processes and equipment in 2025:

- **High-Energy-Consumption Motor Upgrades:** High-efficiency permanent magnet motors were introduced to replace conventional motors in core equipment such as pressure cooking kettles and circulating water pumps, with power precisely matched to actual loads. This retrofit is expected to save over 286,600 kWh of electricity annually and reduce carbon emissions by approximately 152.07 tCO_2e.
- **Waste Heat Recovery from Reactors:** A cascade utilization of thermal energy in the evaporation system was implemented. The collected high-temperature exhaust gas serves as the heat source for the first effect, while a falling film evaporation unit was added as the second effect. This enables efficient recovery of heat from multiple reactors, significantly reducing fresh steam consumption.
- **MVR Continuous Evaporation Crystallization Retrofit:** The conventional single-kettle batch operation was abandoned in favor of a comprehensive continuous evaporation crystallization system, which is equipped with advanced Mechanical Vapor Recompression (MVR) technology, which compresses and recirculates the generated secondary vapor as the primary heat source, thereby achieving ultimate thermal energy closure and deep energy savings.

At XWXN, we reduce energy consumption through two parallel pathways: systematic optimization and refined process management.

- At the Sanming Production Base, we focused on the sintering process to carry out internal energy efficiency benchmarking and process optimization. By identifying and eliminating energy consumption discrepancies among similar equipment and strengthening process management, annual electricity savings of approximately 4,698,300 kWh were achieved, reducing carbon emissions by approximately 2,492.92 tCO_2e.
- At the Ningde Production Base, we achieved energy savings of approximately 851,500 kWh in auxiliary systems by optimizing the operating area of the HVAC system, adjusting temperature and humidity control parameters, and improving the operation mode of the air vibration system, thereby reducing carbon emissions by approximately 451.81 tCO_2e.

At Jiujiang Golden Egret, we carried out a waste heat recovery retrofit project for multiple air compressors operating 24 hours a day in the plant, aiming to improve energy utilization efficiency.

This project targeted oil-cooled screw air compressors, which feature high thermal oil temperatures (80°C -95°C) and stable, high-quality waste heat. Utilizing a "thermal oil-to-water heat exchange" technology, we integrated an oil injection heat recovery system into the existing oil circuit cooling system. Through oil-water heat exchange, we converted the thermal energy from the compressor oil into water heat, enabling the continuous generation of 50°C -70°C hot water (temperature adjustable) on a daily basis. The hot water is used for winter heating of adjacent workshop pressing areas (from November to March of the following year) and for supplying hot water to the RTP workshop for production purposes (from April to October). This system is equipped with an intelligent temperature control system, a water circulation system, and thermal insulation facilities, ensuring priority utilization of waste heat and automatic switching control while maintaining safe and stable operation of the air compressors. Taking a 400 kW air compressor as an example, operating 16 hours per day and 300 days per year, we recover approximately 1,440,000 kWh of heat annually, equivalent to saving approximately 177 tons of standard coal and reducing carbon dioxide emissions by approximately 764.06 tCO_2e. Additionally, we reduce the usage of gas-fired boilers and the load on cooling systems, extend equipment service life, and effectively achieve cascading energy utilization, cost reduction, and emission mitigation.

Resource Recycling

Circular economy is a critical pathway for advancing green and low-carbon development, as well as a key lever for reducing the overall carbon footprint across the value chain. We fully integrate the principles of circular economy into all stages of production, operations, and product life cycles, systematically establishing a closed-loop management system of "resources-products-recycled resources." Built on the foundation of efficient recycling and regenerative utilization, this approach not only significantly reduces the environmental impact of waste generation and disposal but also effectively cuts the substantial energy consumption and associated carbon emissions resulting from the extraction and processing of upstream raw materials. In doing so, it achieves a win-win outcome for both resource efficiency and environmental benefits.

【Highlight】 Unlocking Resource Potential to Forge a Green Mine

To implement the principles of circular economy and green mining development, we have systematically advanced a number of projects aimed at efficient and comprehensive resource utilization at the Ninghua Xingluokeng and the Duchang Jinding mining area. These initiatives have not only enhanced the value of mineral resources but also effectively reduced the environmental burden.

Ninghua Xingluokeng: Processing Innovation Coupled with Associated Resource Recovery

At the Ninghua Xingluokeng, we have continuously advanced projects on waste rejection processes and non-metallic resource recovery, focusing on efficient resource utilization, to enhance the comprehensive utilization level of mineral resources. Through the implementation of the waste rejection process, we preemptively remove ores that do not meet grade requirements, thereby reducing the processing volume and energy consumption in subsequent beneficiation stages. Meanwhile, the rejected ores are crushed and processed into construction materials for external sale, and the non-compliant sand and gravel generated during production are valorized as construction sand, achieving parallel progress in both reduction and resource utilization. Furthermore, we have invested in the construction of a feldspar and quartz recovery project to further unlock the value of associated resources, thereby improving the recovery rate and utilization efficiency of mineral resources.

Duchang Jinding: Establishing a Systematic Comprehensive Recovery System

At the Duchang Jinding, we have systematically advanced a comprehensive mineral resource utilization project, focusing on the recovery and utilization of low-grade ores, tailings, and co-associated resources, thereby continuously improving the comprehensive resource utilization rate and the recovery level of valuable elements. Guided by the principles of "source reduction and process efficiency enhancement," the project encompasses two core components: the separation and recovery of ore-bearing waste rocks and the pre-concentration through waste rejection in the crushing system. The project is being implemented in two phases. In Phase I, a pre-concentration and waste rejection facility within the crushing system was constructed, achieving an annual processing capacity of 1.31 million tons for crushing and pre-concentration, and producing 450,000 tons of construction aggregates per year. In Phase II, an ore-bearing waste rock separation and recovery facility was built, enabling a waste rock crushing and sorting capacity of 1.65 million tons annually and producing 670,000 tons of construction aggregates per year. Upon project commissioning, it is expected to generate an additional annual output of approximately 400 tons of tungsten metal and 80 tons of molybdenum metal, significantly enhancing the comprehensive recovery efficiency of valuable elements. While delivering substantial economic benefits, the project has also effectively reduced solid waste emissions and land occupation by converting a large quantity of low-grade ores and waste rocks into construction materials, thereby achieving efficient circular utilization of resources.

【Highlight】 Technology-Driven, Full-Chain Circularity: Developing a High-Value Recycling System for Secondary Metals and a Green Regeneration System for Spent Batteries

We have continuously deepened our expertise in the recovery and utilization of secondary tungsten raw materials, as well as high-value-added metals such as cobalt, nickel, and rare earths. Through independent research and development, we have established a world-leading green and clean recycling technology system for the tungsten industry, along with a short-process, low-energy-consumption technical pathway for spent battery recycling, continuously improving the efficiency of resource circular utilization.

In the area of cascaded utilization, we have established processes for the recovery of spent battery packs, whole-pack charging and testing evaluation, as well as classification of new energy battery packs by grade. The recovered battery packs are then applied in scenarios such as energy storage products, backup power products, low-speed vehicle products, and solar streetlights, thereby extending the product lifecycle.

In the area of resource regeneration, we have established a complete production line covering the entire process of disassembly, discharging, high-temperature pyrolysis, crushing and separation, leaching, extraction and separation, and evaporation crystallization. This facility has an annual processing capacity of 10,000 tons of spent power batteries and related scrap materials. While enhancing the recovery rate of high-value-added metals, it also reduces resource consumption and environmental impact, providing a replicable commercial and technical model for the green transformation of the industry.

Low-Carbon Product Development

Against the backdrop of green and low-carbon transition becoming a global consensus, developing low-carbon products that meet market demand has become our core strategic direction. We focus on enhancing the company's market competitiveness and sustainable development capacity through technological innovation and product iteration, and are committed to providing efficient and reliable low-carbon solutions through innovative product design and advanced material applications. In doing so, we aim to help downstream customers and society at large reduce carbon emissions, thereby providing solid support for the green transformation of society.

【Highlight】 Implementing Life-Cycle Carbon Footprint Management to Build Green Competitiveness of Low-Carbon Products

We place great emphasis on product carbon footprint management and have actively carried out greenhouse gas emission accounting covering the entire life cycle, including raw material extraction, manufacturing, transportation, use, and end-of-life disposal. Relying on internationally recognized standards, we have established a scientific and traceable carbon footprint accounting system, and are progressively advancing third-party verification and certification to enhance the transparency and credibility of information disclosure.

Through systematic carbon footprint management, we are able to continuously identify emission reduction opportunities, optimize production processes and energy structures, and reduce the carbon intensity of our products. This enables us to offer solutions with enhanced green and low-carbon attributes to the market, forming a key competitive advantage that distinguishes us from our peers. To date, we have completed comprehensive carbon footprint accounting for several of our core products and obtained ISO 14067 certification. This provides our downstream customers with reliable and comparable carbon emission data, helping them more clearly assess the carbon footprint of their own supply chains and work together with us to build a greener and more sustainable industrial chain.

Carbon Footprint Certificate for Ammonium Dimolybdate Product

Carbon Footprint Certificate for High-Purity Molybdenum Trioxide Product

Carbon Footprint Certificate for Molybdenum Powder Product

Carbon Footprint Certificate for Tungsten Trioxide Product

Carbon Footprint Certificate for Ammonium Paratungstate Product

Carbon Footprint Certificate for Tungstic Acid Product

Carbon Footprint Verification Statement for S-Type 0.18mm Wire-Cutting Molybdenum Wire Product

Carbon Footprint Verification Statement for Cobalt Sulfate Product

Carbon Footprint Verification Statement for Cobalt Chloride Product

Carbon Footprint Verification Statement for Tungsten Oxide Product

Carbon Footprint Verification Statement for Lithium Cobalt Oxide Product

Carbon Footprint Verification Statement for NCM (811) Product

Advanced Manufacturing and Digital-Intelligent Transformation

With advanced manufacturing and digital-intelligent transformation serving as the cornerstone of our production paradigm shift, we regard this evolution as an essential pathway for systematically enhancing energy efficiency and attaining low-carbon emission reduction. We are deeply committed to the seamless integration of information technology with our core manufacturing processes, the comprehensive implementation of lean and flexible production models, and the establishment of an integrated intelligent production management platform.

Through real-time data acquisition, process optimization, and intelligent decision-making, we are able to identify critical points of energy consumption and implement targeted optimization measures, thereby effectively reducing the energy cost per unit of product. This has led to a significant decrease in both our operational costs and overall carbon footprint. By doing so, we provide a practical and replicable industry example for exploring a smart manufacturing pathway that harmonizes high quality, high efficiency, and low carbon emissions, thereby driving the green transformation and upgrading of the manufacturing sector.

【Highlight】 Digital-Intelligent Empowerment: Establishing a New Benchmark for Efficient, Safe, and Green Modern Smart Mines

As the scale of mining operations continues to expand and the working environment grows increasingly complex, traditional mining operation models are facing systemic challenges in areas such as production scheduling, safety control, and energy utilization. On the one hand, dispersed operational processes and information lags make it difficult to achieve precise and efficient overall scheduling, leaving blind spots in end-to-end process control. On the other hand, high-intensity manual labor and substantial equipment energy consumption pose difficulties in striking a balance between safety risks and the requirements of green and low-carbon development.

To address the above challenges, we have launched and implemented the "5G Smart Mine (Phase II) Construction Project" at the Ninghua Xingluokeng mining area, systematically advancing the transformation of mining operations toward advanced manufacturing and digitalization. Centered on the three core principles of "data-driven, intelligent equipment, and collaborative management," the project has established an integrated digital mining system encompassing functions such as geological modeling, UAV digital surveying, stripping and mining planning and acceptance, and intelligent ore blending. Concurrently, an intelligent mining truck dispatch system and the "Eagle Eye" safety management system based on AI visual recognition have been rolled out, enabling real-time data acquisition and intelligent analysis of mining production data.

We have introduced four autonomous mining trucks and one fully intelligent down-the-hole drill rig to advance the automation and unmanned operation of processes such as drilling and transportation, thereby reducing manual labor intensity and safety risks. By establishing an integrated operational system featuring "5G communication, intelligent equipment, and digital platforms," we have not only significantly enhanced mining safety and production efficiency but also optimized the energy consumption structure through intelligent production management and precise equipment control. This has effectively reduced energy waste and carbon emissions, driving the transformation and upgrading of mining operations toward a modern, efficient, safe, and green direction.

Value Chain Collaborative Emission Reduction

Achieving systematic and deep-level emission reductions hinges on breaking down barriers across the value chain and enabling collaborative actions among upstream and downstream stakeholders. We are committed to establishing close coordination mechanisms with suppliers, customers, and industry partners to jointly promote the deep integration of green technologies, management standards, and data systems throughout the entire chain—from research and development, production, and logistics to product use and end-of-life recovery—thereby working together to reduce the carbon footprint across the full value chain.

Through joint research and development, collaborative establishment of green standards, information sharing, and carbon data traceability, we are partnering with ecosystem stakeholders to enhance our own green competitiveness while jointly building a more resilient, efficient, and low-carbon-advantaged industrial ecosystem. Together, we strive to effectively address the shared challenge of global climate change, seize the opportunities presented by the era of green development, and achieve a win-win outcome for both business value and social value.

【Highlight】 Full-Chain Collaboration, Green Development: Building a Green Supply Chain System for New Energy Materials

Our subsidiary, XWXN, has adopted green supply chain management as a key lever for its low-carbon transition. It has systematically established a full-chain carbon reduction mechanism covering raw material procurement, energy optimization, carbon footprint verification, energy conservation and efficiency enhancement, and logistics upgrading. Committed to collaborating with suppliers to drive the green transformation of the industry, XWXN provides a replicable and instructive model for low-carbon development within the new energy materials sector.

- **Source Control and the Establishment of a Green Procurement System:** We have continuously increased the proportion of recycled materials used, particularly for key metals such as nickel, cobalt, manganese, and lithium. By incorporating secondary resources, we have effectively reduced the overall carbon footprint of our products. Meanwhile, based on procurement value and strategic importance, we have been urging and assisting our major suppliers in a phased and staggered manner to establish carbon emission management systems that comply with international standards such as ISO 14064 (organizational carbon accounting) and ISO 14067 (product carbon footprint). We also encourage our suppliers to accelerate their energy structure transition, gradually increase the share of clean energy in their operations, and reduce their dependence on fossil fuels.
- **Transportation Upgrading and the Advancement of Green Logistics Transformation:** We have systematically pursued the new energy transformation of our transportation system. By progressively replacing and introducing new energy transport vehicles, optimizing transport routes, and exploring multimodal transport, we aim to effectively reduce greenhouse gas emissions during product transportation and establish a clean and efficient green logistics network.

Through the aforementioned closed-loop management and collaborative innovation spanning from procurement sources to product delivery, XWXN has not only systematically reduced the carbon footprint of its own operations and products but has also driven green upgrades across the upstream and downstream of its supply chain. Together with its partners, XWXN has built a more resilient and sustainable industrial ecosystem, leading the industry toward a green and low-carbon future through concrete actions.

Climate-Related Risks, Opportunities, and Financial Impacts

To proactively address the systemic challenges and potential opportunities arising from climate change, and drawing upon our business portfolio and operational characteristics, we have systematically identified and assessed the physical and transition risks that the company may face in the short, medium, and long term, while simultaneously identifying strategic opportunities that may emerge during the low-carbon transition. This assessment comprehensively references various climate scenario models developed by authoritative institutions such as the International Energy Agency (IEA) and the Intergovernmental Panel on Climate Change (IPCC).

On the basis of scientific assessment, we have developed layered, phased, and targeted risk management and response measures. These are designed to continuously enhance the company's adaptability, resilience, and transformation capability in the face of a complex climate environment, thereby strengthening long-term sustainable development resilience. Furthermore, we have integrated climate change considerations as a key factor in our strategic decision-making and day-to-day operations.

◎ Physical Risk

To proactively address the potential impacts of global climate change, and in line with the current scientific consensus, we have adopted the high carbon emission scenario (SSP5-8.5) under the Shared Socioeconomic Pathways (SSPs) outlined in the Sixth Assessment Report (AR6) of the Intergovernmental Panel on Climate Change (IPCC) as the foundation for a systematic and quantitative analysis of the physical climate risks our company may potentially face.

Under the high carbon emission scenario (SSP5-8.5), should global greenhouse gas emissions continue to grow at a high rate, the global average surface temperature by the end of the 21st century (2081-2100) is very likely to rise by 3.3°C to 5.7°C compared to pre-industrial levels (1850-1900). The regions where our company operates will face significant climate change impacts:

- Annual average temperatures will continue to rise;
- The frequency and intensity of extreme weather and climate events—such as extreme heat, heavy precipitation, and tropical cyclones (e.g., typhoons)—will increase;
- Sea levels will continue to rise.

Although this scenario assumes relatively lenient policy regulations, the aforementioned changes in physical risks will pose challenges to the our assets, operations, and supply chains that cannot be overlooked.

Based on the high carbon emission scenario (SSP5-8.5), we have systematically identified ten categories of physical risks, including river flooding, extreme precipitation-induced flooding, typhoons, extreme heat, landslides, drought, sea-level rise, rising average temperatures, water supply scarcity/water quality deterioration, and ecosystem degradation. We have comprehensively utilized authoritative assessment tools and data such as "Think Hazard!", the OASTAL RISK SCREENING TOOL, and Aqueduct 4.0 of the World Resources Institute to conduct quantitative assessments of the likelihood of these risks and their potential impacts on our operations, assets, and supply chains. The risks have ultimately been classified into four levels: high, medium, low, and very low. In response to different levels of risk, we have developed and implemented layered and categorized coping strategies to systematically enhance our resilience and adaptive capacity against climate-related physical risks.

Physical Risk Level Matrix

Risk Level: Very Low | Low | Medium | High

Acute Physical Risks	Xiamen City, Fujian Province, China	Sanming City, Fujian Province, China	Longyan City, Fujian Province, China	Jiujiang City, Jiangxi Province, China	Wenshan Zhuang and Miao Autonomous Prefecture, Yunnan Province, China	Yulin City, Guangxi Zhuang Autonomous Region, China	Gunsan City, Jeonbuk Special Self-Governing Province, South Korea	Si Racha District, Chonburi Province, Thailand
Fluvial Flooding								
Pluvial Flooding								
Typhoon								
Extreme Heat								
Landslide								
Drought								

Chronic Physical Risks	Time Horizon of the Assessment[1]	Xiamen City, Fujian Province, China	Sanming City, Fujian Province, China	Longyan City, Fujian Province, China	Jiujiang City, Jiangxi Province, China	Wenshan Zhuang and Miao Autonomous Prefecture, Yunnan Province, China	Yulin City, Guangxi Zhuang Autonomous Region, China	Gunsan City, Jeonbuk Special Self-Governing Province, South Korea	Si Racha District, Chonburi Province, Thailand
Sea Level Rise	Short-term								
	Medium-term								
	Long-term								
Average Temperature Rise[2]	Short-term								
	Medium-term								
	Long-term								
Water Supply Scarcity	Short-term								
	Medium-term								
	Long-term								
Biodiversity Loss and Habitat Displacement[3]	Short-term								
	Medium-term								
	Long-term								

1 Short-term refers to the period within one year (inclusive); medium-term refers to the period from one year to five years (inclusive); and long-term refers to the period beyond five years.
2 Based on the climate scenario analysis data from the IPCC Sixth Assessment Report (AR6), under the SSP5-8.5 scenario and compared to the baseline period, the projected increases in average temperature for East Asia are 1.4° C, 1.9° C, and 2.4° C for the short-, medium-, and long-term, respectively (at a 95% confidence level). For Southeast Asia, the corresponding projected increases are 1.0° C, 2.0° C, and 4.3° C (at a 95% confidence level). Drawing on these temperature projections and following the relevant IPCC criteria, a tiered assessment of the risks associated with rising average temperatures has been conducted.
3 In accordance with the relevant assessment criteria of the IPCC Sixth Assessment Report (AR6) and based on projected regional average temperature changes, the risk level of ecosystem degradation has been evaluated and classified.

Risk Type		Risk Description	Mitigation Measures	Impact Duration [4]	Scope of Impact			Financial Impact [5]
					Upstream	Corporate Operations	Downstream	
Acute Physical Risks	Typhoons and Floods	• Typhoons and their associated extreme weather phenomena (e.g., gale-force winds, heavy rainfall, storm surges, and flooding) may directly damage the company's buildings, production equipment, and warehoused materials, while also posing a threat to employee safety. • Related disasters may lead to supply chain disruptions, logistics delays, and other issues, which can in turn result in production stoppages and operational interruptions, while also incurring additional maintenance, repair, and emergency response costs. These factors collectively impact the company's short-term operational continuity and financial condition.	• **Establish a robust early warning and response system for extreme weather events:** Develop and enhance dynamic monitoring and tiered early warning mechanisms for extreme weather events such as typhoons, heavy rainfall, storm surges, and flooding. Achieve accurate forecasting of disaster information and rapid response to mitigate the impact of sudden weather events on the company's operations. • **Enhance the disaster resilience of critical facilities:** Focus on production bases and warehousing and logistics hubs located in coastal and disaster-prone areas by conducting structural safety assessments and engineering reinforcement, systematically improving windproof, flood control, waterlogging prevention, and drainage facilities, thereby strengthening their physical protection and operational reliability under extreme weather conditions.	Short-term Medium-term Long-term	√	√	√	Minor Impact
	Extreme Heat	• Extreme heat poses a serious threat to public health, including an increased risk of heat-related illnesses. • Extreme heat events often lead to a surge in energy demand, intensifying the strain on power grids, while also presenting challenges to the normal functioning of agriculture, forestry, and urban infrastructure.	• **Strengthen health protection and labor management for high-temperature operations:** During periods of extreme high-temperature weather, dynamically adjust on-site work schedules, reasonably reduce or avoid high-intensity labor outdoors or in hot environments. Concurrently, enhance heatstroke prevention and cooling measures, providing employees with adequate protective equipment, cold beverages, and emergency support, thereby effectively reducing occupational heatstroke and related health risks. • **Enhance temperature control and warehouse management in heat-sensitive areas:** For temperature-sensitive work environments such as production workshops and storage areas, establish an effective temperature control management system by installing additional air conditioning, ventilation, and insulation facilities, and optimizing air circulation solutions. Ensure appropriate storage conditions for key raw materials, semi-finished products, and finished goods, thereby mitigating quality degradation, material loss, and potential safety hazards caused by high temperatures.	Medium-term Long-term	√	√	√	Minor Impact
	Landslide	• In regions with heavy rainfall or unstable geological conditions, landslides may damage production facilities, block critical roads and logistics routes, resulting in supply chain disruptions and asset losses. At the same time, they increase the complexity and cost of safety management and emergency response, posing a direct threat to the company's operational continuity and safety management.	• **Strengthen slope stability and dynamic monitoring:** For facilities located in geologically risky areas, systematically implement engineering measures such as slope reinforcement and the optimization of intercepting and drainage systems. Meanwhile, establish a continuous geological safety monitoring and early warning mechanism using technologies such as sensor networks and remote sensing, thereby enhancing real-time awareness and proactive prevention capabilities regarding landslide risks. • **Promote ecological restoration and source-based risk mitigation:** Continuously carry out vegetation restoration and mountain protection projects. Through scientific afforestation, soil and water conservation, and surface cover measures, enhance soil structural stability and surface erosion resistance. At the ecological level, reduce the probability of secondary disasters such as landslides, thereby achieving risk prevention and control at the source.	Medium-term Long-term		√		Medium Impact
	Drought	• Prolonged or seasonal drought may lead to water resource scarcity, affecting the availability of water for production, raw material processing, and the stable operation of energy systems. At the same time, it increases water procurement costs and environmental compliance pressures, imposing potential constraints on the company's continued operations and production planning.	• **Implement water-saving process optimization:** Systematically review and optimize water-intensive production processes, promote water-saving technologies such as high-efficiency cooling, counter-current cleaning, and dry processes, and progressively reduce water withdrawal and consumption per unit of product. • **Strengthen water resource recycling:** Accelerate the construction of reclaimed water reuse and advanced wastewater treatment and recycling facilities, increase the recovery rate of production wastewater and the utilization rate of recycled water, and gradually achieve closed-loop circulation or cascaded utilization of production water. • **Establish an intelligent water management system:** Deploy an intelligent water metering and monitoring platform to track water usage at key points in real time. Through data analysis and leakage alerts, achieve refined water management and continuously improve water resource utilization efficiency.	Long-term	√	√	√	Minor Impact

4 The impact duration is divided into short-term, medium-term, and long-term. The short term refers to the period within one year (inclusive); the medium term refers to the period from one year to five years (inclusive); and the long term refers to the period beyond five years.

5 The financial impact is classified into five levels: minimal, minor, moderate, major, and extreme. Minimal impact refers to an effect on monetary value (e.g., revenue) of less than 1 million CNY, or a net profit impact of less than 1%. Minor impact refers to an effect on monetary value (e.g., revenue) between 1 million CNY and 5 million CNY, or a net profit impact of 1% to 5%. Moderate impact refers to an effect on monetary value (e.g., revenue) between 5 million CNY and 10 million CNY, or a net profit impact of 5% to 10%. Major impact refers to an effect on monetary value (e.g., revenue) between 10 million CNY and 50 million CNY, or a net profit impact of 10% to 15%. Extreme impact refers to an effect on monetary value (e.g., revenue) exceeding 50 million CNY, or a net profit impact exceeding 15%.

Risk Type		Risk Description	Mitigation Measures	Impact Duration [4]	Scope of Impact			Financial Impact [5]
					Upstream	Corporate Operations	Downstream	
Chronic Physical Risks	Sea Level Rise	• The continuous rise in sea levels poses long-term, systemic, and compound risks to coastal ecosystems, economic activities, and infrastructure. As global warming intensifies further, the frequency and intensity of disasters such as coastal erosion, storm surges, and saltwater intrusion are expected to increase significantly, thereby exerting sustained impacts on ports, transportation networks, coastal industrial facilities, and residential communities. This not only leads to direct asset damage and production disruptions but also drives up costs related to insurance, maintenance, and adaptive retrofitting, posing a serious challenge to regional economic resilience and the sustainable operations of enterprises.	• **Promote the optimization of supply chain geographical layout:** Gradually reduce over-reliance on supply chains concentrated in high-risk coastal areas by actively expanding inland and multi-regional sourcing channels. Through supplier base diversification and strategic reserves of critical raw materials, mitigate the risks of logistics disruptions and supply shortages that may be triggered by sea-level rise. • **Strengthen climate risk early warning and response for the supply chain:** Establish a supply chain risk monitoring system that encompasses climate scenario analysis and vulnerability assessments of logistics nodes. Improve early warning mechanisms for extreme weather events and emergency dispatch contingency plans, thereby enhancing the rapid response and recovery capacity of the supply chain under disasters such as typhoons and storm surges, and ensuring the continuity and stability of production and operations. • **Explore resilient logistics and warehousing solutions:** Promote the relocation of warehousing facilities to higher-elevation areas with strong disaster resilience, and collaborate with logistics partners to develop multimodal transport and flexible transportation networks, thereby reducing the impact of single-route disruptions on the overall supply chain.	Long-term		√		Minor Impact
	Average Temperature Rise	• High-temperature weather will significantly increase the demand for ventilation and cooling within facility premises, leading to a rise in energy consumption and operational costs. • High-temperature environments may affect the operational stability and production efficiency of manufacturing equipment, while also posing a threat to the health and safety of personnel working outdoors or in high-temperature positions. This increases the complexity of production organization and the risks associated with occupational health management.	• **Strengthen comprehensive management of the thermal environment within facility premises:** Improve ventilation and air circulation systems, optimize plant layout and insulation design, and promote the upgrade of high-efficiency and energy-saving cooling equipment along with intelligent control, thereby reducing the overall cooling load during high-temperature seasons. • **Enhance heat resistance and operational assurance of critical equipment:** Carry out specialized maintenance and adaptive retrofits for heat-sensitive equipment to improve heat dissipation capacity and environmental regulation capabilities. Establish a monitoring and early warning mechanism for equipment operation under high-temperature conditions, ensuring stable performance during periods of extreme heat. • **Optimize coordinated management of energy and production:** Take the electricity consumption patterns into account during high-temperature periods, implement off-peak production and flexible scheduling. Explore the coordinated application of distributed energy and energy storage systems in power supply and cooling, thereby improving energy utilization efficiency and system resilience.	Long-term	√	√	√	Minor Impact
	Water Scarcity	• Water supply scarcity and water quality deterioration may directly disrupt production processes, raw material treatment, and energy system operations, thereby reducing overall operational efficiency. • Water supply scarcity and water quality deterioration may propagate through the supply chain, affecting the stable availability of raw materials, logistics efficiency, and the normal operations of partners, thereby increasing operational uncertainty and systemic risks for the enterprise.	• **Strengthen water conservation culture and management capacity building:** Regularly organize company-wide training on water resource protection and water-saving techniques to enhance employees' awareness and behavioral habits regarding water conservation. Integrate water-saving targets into departmental performance appraisal systems, thereby embedding the principle of water conservation into all aspects of daily operations. • **Promote high-efficiency water-saving technologies and process optimization:** Gradually deploy high-efficiency water-use equipment, recirculating water systems, and intelligent water metering technologies across production processes. Optimize water-intensive process steps to continuously reduce water consumption per unit of product and enhance overall water resource utilization efficiency. • **Enhance the water resource monitoring and risk early warning system:** Establish a dynamic water resource monitoring platform covering the entire process of water intake, usage, and discharge. Based on regional water resource conditions and climate scenarios, develop tiered early warning and emergency dispatch contingency plans, thereby strengthening proactive response capabilities regarding water supply availability and water quality variations.	Medium-term Long-term	√	√	√	Minor Impact
	Biodiversity Loss and Habitat Displacement	• Biodiversity loss and habitat displacement will weaken the comprehensive functions of ecosystems, affecting the supply capacity of essential ecosystem services such as water conservation, soil retention, and climate regulation. This, in turn, will reduce agricultural productivity and the inherent regulatory resilience of ecosystems, ultimately increasing the vulnerability of regional ecosystems and the risks to long-term development.	• **Implement systematic ecological restoration projects:** Based on the natural conditions and degradation levels of mining areas and their surrounding regions, formulate and implement phased, differentiated ecological restoration plans. Through measures such as vegetation recovery, soil improvement, and micro-topography reshaping, gradually rebuild a stable and healthy ecosystem structure. • **Strengthen soil and water conservation and land function restoration:** Scientifically deploy soil and water conservation facilities in reclaimed areas, and enhance surface coverage and soil erosion resistance through vegetation reconstruction. • **Establish an ecological monitoring and adaptive management mechanism:** Develop a long-term monitoring system for ecological elements in restored areas, regularly assess indicators such as vegetation recovery, soil quality, and biodiversity, and dynamically optimize restoration strategies based on monitoring results, thereby enhancing the ecosystem's capacity for self-sustenance and continuous evolution.	Long-term		√		Minor Impact

4 The impact duration is divided into short-term, medium-term, and long-term. The short term refers to the period within one year (inclusive); the medium term refers to the period from one year to five years (inclusive); and the long term refers to the period beyond five years.

5 The financial impact is classified into five levels: minimal, minor, moderate, major, and extreme. Minimal impact refers to an effect on monetary value (e.g., revenue) of less than 1 million CNY, or a net profit impact of less than 1%. Minor impact refers to an effect on monetary value (e.g., revenue) between 1 million CNY and 5 million CNY, or a net profit impact of 1% to 5%. Moderate impact refers to an effect on monetary value (e.g., revenue) between 5 million CNY and 10 million CNY, or a net profit impact of 5% to 10%. Major impact refers to an effect on monetary value (e.g., revenue) between 10 million CNY and 50 million CNY, or a net profit impact of 10% to 15%. Extreme impact refers to an effect on monetary value (e.g., revenue) exceeding 50 million CNY, or a net profit impact exceeding 15%.

Transition Risks and Opportunities

We adopt the Net Zero Emissions by 2050 (NZE) scenario proposed by the International Energy Agency (IEA) as the analytical framework for our transition risk analysis. This scenario outlines a pathway for the world to achieve net-zero carbon dioxide emissions by 2050 while limiting global temperature rise to within 1.5° C above pre-industrial levels. Under this scenario, the global population is projected to grow to approximately 9.7 billion, with the growth rate gradually slowing. We expect the global economy to grow at an average annual rate of around 2.6%, although variations will exist across regions and development stages.

To achieve the net-zero target, we expect the global energy system to undergo profound transformation. Coal and other high-carbon fossil fuels will be progressively phased out, energy efficiency will improve significantly, and the share of renewable energy will increase substantially. By 2050, solar photovoltaic and wind power are expected to jointly contribute nearly 70% of global electricity supply. The scenario assumes that countries will work closely together to advance supportive policies, reduce the costs of clean energy technologies, expand the diversification of critical minerals and clean energy technologies, and build resilient global supply chains.

Under this scenario, we anticipate that enterprises will face increasingly stringent regulatory requirements and heightened transition risks. Based on the NZE scenario, we identify four key categories of transition risks: policy and legal risks, technological risks, market risks, and reputational risks, and we develop corresponding response and management strategies for each category.

Transition Risks

Risk Type		Risk Description	Mitigation Measures	Impact Duration [6]	Scope of Impact			Financial Impact [7]
					Upstream	Corporate Operations	Downstream	
Transition Risks	Policy and Law	• Against the backdrop of increasingly stringent global greenhouse gas emission regulations, we may face compliance risks—including fines, production restrictions, or limitations on operating permits—if we fail to meet evolving regulatory requirements, which could affect the stability and continuity of our operations. • Rising carbon-related costs, such as carbon taxes and carbon emission trading prices, may directly increase our production and operating expenses, potentially compressing profit margins and placing pressure on our financial performance.	• **Accelerating clean energy substitution and energy structure optimization** We are steadily advancing the development of renewable energy projects, such as solar photovoltaic and wind power, across our production bases. By continuously increasing the share of green energy in our overall energy consumption, we aim to gradually reduce our reliance on traditional fossil fuels and promote the transition toward a cleaner and lower-carbon energy structure. • **Deepening energy conservation, emissions reduction, and energy efficiency improvements** In alignment with our carbon neutrality targets and decarbonization pathway, we are systematically implementing energy-saving measures, including process optimization, equipment upgrades, and electrification improvements. We are also phasing out outdated, energy-intensive equipment to enhance overall energy efficiency. At the same time, we are actively exploring participation in market-based mechanisms such as carbon trading and carbon sink development to prudently advance carbon offsetting and neutrality efforts. • **Building a smart energy management system** We are promoting the digitalization and intelligent upgrading of energy management by establishing an integrated platform that monitors and optimizes the entire energy lifecycle—from procurement and consumption to recovery. This enables refined energy management and dynamic control of energy use, supporting the continuous improvement of low-carbon operations. • **Optimizing resource allocation and product structure** We optimize the allocation and dynamic coordination of key resources—such as production capacity, raw materials, and energy—based on clearly defined product positioning and market roles for each production base. We continuously refine our product portfolio, focusing on high value-added and technology-intensive product lines to improve overall production efficiency and strengthen our position in the value chain. • **Strengthening industrial chain collaboration and resilience** Leveraging our integrated industrial chain layout, we closely monitor technological developments, capacity changes, and market demand across upstream and downstream segments in key areas such as tungsten, molybdenum, energy new materials, and rare earths. Through enhanced internal coordination and external cooperation, we flexibly adjust our product mix and supply system to strengthen the industrial chain's adaptability and resilience amid the green transition. • **Increasing R&D investment and advancing low-carbon technologies** We continue to increase investment in research and development in areas including low-carbon processes, energy-efficient equipment, resource recycling, and carbon capture and utilization. By promoting collaboration among industry, academia, and research institutions, we accelerate the transition of green and low-carbon technologies from research to industrial application, systematically building a forward-looking technology reserve and innovation system. • **Establishing technology monitoring and innovation management mechanisms** We establish a monitoring and analysis system covering industry technology trends, policy and regulatory developments, and market competition to promptly identify technological shifts and potential disruptive innovations. We also improve innovation incentive mechanisms and intellectual property protection systems to stimulate organization-wide innovation, ensuring efficient use of R&D resources and the continuous generation of innovation outcomes.	Short-term Medium-term Long-term	√	√	√	Moderate Impact
	Technology	• As the global transition toward green and low-carbon development accelerates, we face ongoing pressure for technological innovation. If we fail to keep pace with and adopt advanced low-carbon technologies in a timely manner, our production efficiency may decline relative to peers, operating costs may increase, and our competitiveness in the green market may weaken. • Technological innovation relies heavily on sustained and effective R&D investment. If our R&D resources are insufficient or misaligned, we may miss critical opportunities for technological upgrades and low-carbon transformation, which could constrain our long-term resilience and growth potential.		Medium-term Long-term	√	√	√	Moderate Impact

6 The impact duration is categorized into short-term, medium-term, and long-term. Short-term generally refers to within one year (inclusive) after the end of the sustainability information reporting period. Medium-term generally refers to one to five years (inclusive) after the end of the sustainability information reporting period. Long-term generally refers to more than five years after the end of the sustainability information reporting period.

7 The financial impact is classified as minimal, minor, moderate, major, or severe. Minimal impact refers to an effect of less than 1 million CNY on monetary value (e.g., revenue) or less than 1% on net profit. Minor impact refers to an effect between 1 million CNY and 5 million CNY on monetary value (e.g., revenue) or between 1% and 5 on net profit. Moderate impact refers to an effect between 5 million CNY and 10 million CNY on monetary value (e.g., revenue) or between 5% and 10% on net profit. Major impact refers to an effect between 10 million CNY and 50 million CNY on monetary value (e.g., revenue) or between 10% and 15% on net profit. Severe impact refers to an effect exceeding 50 million CNY on monetary value (e.g., revenue) or more than 15% on net profit.

Risk Type	Risk Description	Mitigation Measures	Impact Duration [6]	Scope of Impact			Financial Impact [7]
				Upstream	Corporate Operations	Downstream	
Transition Risks	Market	• Mineral resource supply may be disrupted due to geopolitical factors, resource depletion, or environmental policies, which could pose risks to the continuity of our production and operations. • Fluctuations in raw material prices may lead to instability in production costs, potentially affecting our profit levels and financial performance. • Demand for our products may fluctuate due to technological substitution, market saturation, or shifts in consumer preferences toward green and low-carbon products, which may pose potential challenges to the stability of our operating revenue.	• **Strengthening strategic security of mineral resources** We actively promote the scientific development and efficient operation of our own mines to achieve precise management of resource reserves and green mining practices. At the same time, we expand resource acquisition channels through multiple cooperation models, building a diversified and stable long-term mineral supply system to enhance our self-sufficiency in resources. • **Improving supply chain risk management mechanisms** We establish a comprehensive system for identifying, assessing, and responding to risks across the entire supply chain, with dynamic monitoring of key risks such as raw material prices, logistics, and regulatory changes. By diversifying suppliers, maintaining strategic reserves, and using long-term contracts to lock in prices, we enhance the resilience and volatility resistance of our supply chain. • **Increasing R&D investment and product innovation** Focusing on core business areas such as tungsten, molybdenum, energy new materials, and rare earths, we orient our efforts toward market demand and green, low-carbon solutions. Leveraging continuous R&D investment and a collaborative "industry-academia-research-application" innovation system, we tackle critical materials, energy-saving processes, and recycling technologies, continuously improving product performance, safety, reliability, and energy efficiency to strengthen market competitiveness. • **Dynamically optimizing product portfolio and market strategies** We closely monitor technological substitution trends, policy directions, and changes in customer demand to proactively adjust our product structure and accelerate the development of green, low-carbon, and high value-added products. By deepening market analysis and customer collaboration, we flexibly formulate pricing and marketing strategies to mitigate the impact of demand fluctuations on our operating performance.	Short-term Medium-term Long-term	√	√	√	Moderate Impact
	Reputation	• If R&D investments fail to achieve the expected outcomes or new technologies are not effectively applied, we may weaken our technological leadership within the industry, which could potentially have a negative impact on our brand reputation.	• **Improving technology disclosure and communication mechanisms** We proactively and accurately communicate R&D progress and application outcomes to the market, preventing information asymmetry or misinterpretation that could negatively affect our brand reputation. • **Strengthening risk management and contingency planning in the R&D process** At critical stages of technological development, we implement internal and external expert review mechanisms and develop communication plans to address potential delays or unmet expectations. If R&D progress or results fall short of expectations, we promptly and objectively inform relevant internal and external stakeholders, adjust expectations, and outline subsequent improvement paths to maintain our image as a rigorous and responsible innovator. • **Enhancing validation and benchmark promotion of technological outcomes** We prioritize the implementation of new technologies in typical scenarios, key clients, or demonstration projects. By providing verifiable data on energy savings, efficiency gains, and carbon reduction, we strengthen the credibility of our technologies and their industry influence. We systematically highlight and communicate the tangible value of technological breakthroughs for customers and environmental benefits, solidifying our brand's technical reputation. • **Building collaborative R&D and industry reputation systems** We deepen collaboration with universities, research institutes, and authoritative industry organizations to jointly pursue technological breakthroughs and standard development. We actively participate in credible industry awards, certifications, and forums. Through third-party endorsement and co-building of the industry ecosystem, we enhance our credibility and reputation moat in key technological areas. • **Establishing technology-related public opinion monitoring and response mechanisms** We continuously monitor evaluations and discussions regarding our technological capabilities and R&D effectiveness in the industry, market, and media to identify potential reputational risks. We develop tiered response plans to ensure that any technical queries or disputes are addressed quickly, professionally, and in an orderly manner.	Medium-term Long-term	√	√	√	Minor Impact

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Transition Opportunities

	Opportunity Type	Opportunity Description	Mitigation Measures	Impact Duration [8]	Scope of Impact			Financial Impact [9]
					Upstream	Corporate Operations	Downstream	
Transition Opportunities	Resource Efficiency	• By continuously optimizing process workflows, we improve raw material utilization and energy efficiency, effectively reducing energy consumption per unit of product and overall production costs. Against the backdrop of increasingly stringent carbon emission regulations, this enhances our cost competitiveness and profitability.	• **Advancing green technology and process upgrades** We focus on core production processes, accelerating the adoption of high-efficiency, energy-saving equipment and optimizing production workflows. Outdated, high-energy-consuming, and low-efficiency technologies and equipment are gradually phased out to reduce energy intensity at the source. • **Deepening a refined energy management system** We establish a comprehensive data monitoring and analysis platform covering the entire energy lifecycle—from procurement and conversion to distribution and consumption. By implementing hierarchical energy metering and dynamic performance assessment, we promote a closed-loop "monitoring–diagnosis–optimization" management mechanism, continuously improving energy efficiency. • **Implementing systematic performance and efficiency improvement actions** For key energy-intensive processes and equipment, we conduct regular energy audits and benchmarking to identify energy-saving potential and implement targeted technical upgrades. In parallel, we enhance the training of energy management personnel to raise organization-wide energy awareness and operational proficiency, ensuring effective implementation of energy-saving measures. • **Exploring intelligent and circular energy-saving pathways** Leveraging technologies such as the Industrial Internet and IoT, we advance intelligent control and optimized operation of energy systems. We actively develop circular economy models, including waste heat and pressure recovery and hierarchical energy utilization, to further enhance overall energy efficiency.	Medium-term Long-term	√	√	√	Moderate Impact
	Energy Source	• We actively expand the use of renewable energy, pursue the procurement of green electricity and the development of distributed energy projects, such as solar and wind power, to gradually reduce reliance on traditional fossil fuels. This approach effectively lowers operational carbon emissions, enhances our resilience to long-term energy price fluctuations, and provides a stable, clean energy supply to support sustainable development.	• **Accelerating the substitution of renewable energy in the energy structure** We scale up the deployment of clean energy projects, such as solar PV, at suitable production sites to increase the share of green electricity in our energy consumption. This reduces reliance on fossil fuels like coal and natural gas, cutting greenhouse gas emissions at the source. • **Building an intelligent energy coordination system** We integrate renewable energy with storage systems, microgrids, and other technologies to achieve dynamic matching of energy supply and demand and optimized dispatch. Leveraging digital platforms, we enhance the operational efficiency and stability of our energy systems while reducing energy costs. • **Establishing a comprehensive green energy management system** We implement full lifecycle carbon accounting and monitoring mechanisms covering energy procurement, production, consumption, and recovery. By setting renewable energy utilization targets and performance evaluation standards, we incorporate energy structure optimization into our long-term strategy, continuously improving energy efficiency and low-carbon operations. • **Exploring diversified green energy usage models** We actively participate in green electricity trading and procure green power certificates, and explore innovative models such as collaborative distributed energy projects and surplus electricity grid injection. These initiatives broaden our access to clean energy and enhance the cost-effectiveness and resilience of our energy supply.	Long-term	√	√	√	Moderate Impact

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Opportunity Type		Opportunity Description	Mitigation Measures	Impact Duration[8]	Scope of Impact			Financial Impact[9]
					Upstream	Corporate Operations	Downstream	
Transition Opportunities	Products and Services	• We actively promote the development of low-carbon products and green manufacturing certifications, enhance our market competitiveness under sustainable development objectives and support the realization of product premium opportunities.	• **Improving the green product certification system** We accelerate carbon footprint accounting and certification for our core products, providing downstream customers with compliant product data and enhancing the transparency of environmental information and market credibility. • **Deepening green supply chain collaboration** We actively align with downstream customer low-carbon procurement standards, integrating green design, clean production, and circular utilization requirements throughout product R&D and manufacturing. This promotes carbon data sharing and joint emission reduction along the supply chain, building a low-carbon supply chain ecosystem together. • **Expanding green markets and customer base** We focus on industries with strong low-carbon demand, such as new energy, electric vehicles, and high-efficiency industrial equipment, increasing the promotion of green products. Through customized low-carbon solutions and joint technical workshops, we enhance market share and brand influence in green market segments. • **Strengthening green marketing and brand communication** We systematically highlight and communicate the environmental benefits of our products in energy savings, emission reductions, and circular utilization. Using channels such as sustainability reports, industry exhibitions, and customer case studies, we proactively convey our green value and shape a market image of being "technologically advanced and low-carbon reliable."	Medium-term Long-term	√	√	√	Major Impact
	Markets	• In the context of tightening global carbon regulations and the development of green finance systems, companies with clear emission reduction pathways and low-carbon product advantages are more likely to gain international market recognition, access green financing, and improve ESG ratings, thereby strengthening their competitive position in a sustainable economy.	• **Accelerating the development and certification of green low-carbon products** We focus on international market demand by developing green products that meet low-carbon standards, offer high energy efficiency, and support recyclability. We expedite product carbon footprint accounting and other international green certifications to provide access to high-end markets such as the EU. • **Deepening the green supply chain system** We integrate customer ESG audit requirements into supply chain management standards, encouraging suppliers to conduct carbon inventories, improve energy efficiency, and adopt clean production upgrades. By establishing a supply chain carbon data sharing mechanism, we collaborate with upstream and downstream partners to reduce the overall carbon footprint and build a transparent and credible green supply system. • **Strengthening ESG engagement and services for international customers** We establish a dedicated ESG communication team to systematically organize and proactively disclose product environmental performance, emission reduction pathways, and supply chain management practices. For key customers, we provide customized ESG audit support and low-carbon solutions, enhancing confidence in collaboration. • **Expanding green market access and brand influence** We actively participate in international industry exhibitions, carbon neutrality forums, and other platforms to showcase our green technology capabilities and product cases. We explore co-building low-carbon pilot projects with multinational enterprises to create benchmark collaborations, continuously enhancing recognition and brand reputation in high-end manufacturing markets.	Short-term Medium-term Long-term	√	√	√	Major Impact

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GHG Emissions Management

We conduct greenhouse gas (GHG) inventories in accordance with ISO 14064-1:2018, following the operational control approach. This systematic inventory covers all of our domestic and overseas operational production entities and their associated facilities.

◎ Operational Boundaries

The 2025 greenhouse gas (GHG) inventory covers the following scopes:

- Scope 1: Direct GHG emissions
- Scope 2: Energy indirect GHG emissions
- Scope 3: Other indirect GHG emissions

◎ Calculation Method

In accordance with ISO 14064-1:2018, we quantify carbon emissions using multiple methods, including the calculation method, emission factor method, and material balance method. The core calculation model for each emission source is "activity data × emission factor". For energy-related emissions, calculations reference the the General Rules for Calculation of the Comprehensive Energy Consumption (GB/T 2589-2020) and the 2023 regional grid average CO_2 emission factors issued by the Ministry of Ecology and Environment. For overseas entities, the corresponding national or regional grid emission factors are applied. For non-energy emission sources, calculations follow the 2006 IPCC Guidelines for National Greenhouse Gas Inventories.

After completing the accounting, all GHG emissions are converted into carbon dioxide equivalents (CO_2e) using the Global Warming Potential (GWP) values from the IPCC Sixth Assessment Report (AR6) to ensure scientific accuracy and comparability. The carbon accounting methodology for 2025 remains consistent with previous years, with no significant changes.

◎ GHG Types

The inventory includes seven types of greenhouse gases: carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF_6), and nitrogen trifluoride (NF_3).

◎ GHG Emissions

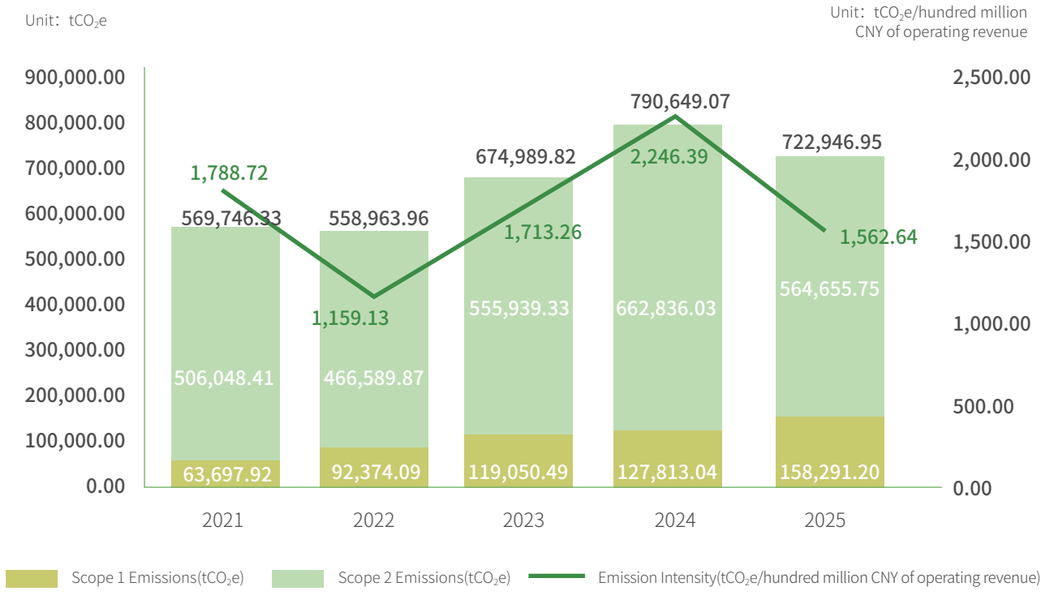
During the reporting period, the Company's total greenhouse gas emissions (Scope 1 + Scope 2) amounted to 722,946.95 tCO2e, of which Scope 2 emissions from purchased energy contributed the most, accounting for 78.10%. The Company's emissions decreased by 8.56% from 2024 to 2025, primarily due to due to the optimization of its energy mix and an increase in the proportion of clean electricity used. The share of clean electricity in total electricity consumption rose from 47% to 61%. In addition, the increase in the Company's Scope 3 other indirect greenhouse gas emissions was mainly attributable to the inclusion of emission data from six subsidiaries, including Xiamen CTID Technology Co., Ltd., within the calculation boundary for the first time in 2025, as well as the overall capacity expansion of the Company, which correspondingly drove an increase in value chain-related emissions.

The Company's greenhouse gas emissions

Year	Scope 1: Direct emissions (tCO_2e)	Scope 2: Indirect emissions from purchased energy (tCO_2e)	Total GHG emissions (Scope 1 + Scope 2) (tCO_2e)	Scope 3: Other indirect emissions (tCO_2e)	GHG emission intensity (Scope 1 + Scope 2) (tCO_2e/hundred million CNY of operating revenue)
2025	158,291.20	564,655.75	722,946.95	20,570,473.94	1,562.64
2024	127,813.04	662,836.03	790,649.07	5,761,436.35	2,246.39
2023	119,050.49	555,939.33	674,989.82	1,426,485.46	1,713.26
2022	92,374.09	466,589.87	558,963.96	/	1,159.13
2021	63,697.92	506,048.41	569,746.33	/	1,788.72

Note: The above Scope 2 emissions refer to indirect greenhouse gas emissions from purchased energy, based on a market-based approach.

GHG Emissions



Energy Usage

Against the backdrop of the global energy transition and the continued advancement of China's carbon peaking and net zero targets, efficient and science-based energy management has become not only a necessary requirement for fulfilling environmental responsibilities and addressing climate-related risks, but also a key pathway for reducing operating costs and optimizing resource allocation. In terms of institutional development, we have formulated and issued the Regulations on Supervision and Management of Ecological and Environmental Protection, continuously improving our energy management system and providing institutional support for low-carbon operations. At the governance and performance management level, we set scientific annual energy management targets and establish an ESG-linked performance mechanism, formally incorporating the achievement rate of these targets into the annual performance evaluation of the General Manager and core management team to strengthen organizational accountability for strategic implementation. In operational management, we implement a comprehensive energy target responsibility system, systematically allocating overall targets to individual production units and business segments. Supported by a monthly dynamic monitoring mechanism, we conduct ongoing tracking and corrective actions to ensure effective implementation. Through this closed-loop, lifecycle-based management approach, we continuously enhance energy efficiency and optimize the energy consumption structure, laying a solid foundation for green, low-carbon, and sustainable growth.

Energy Consumption

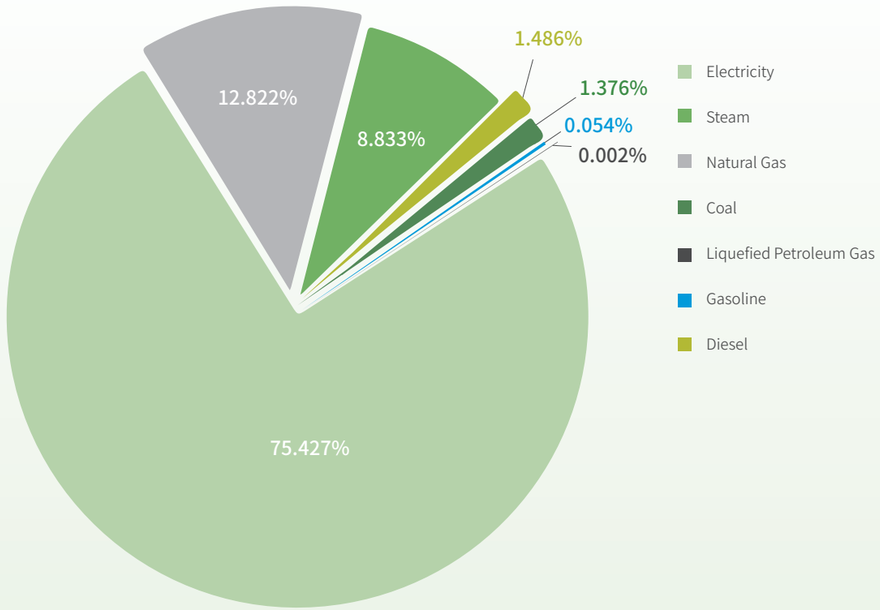
During the reporting period, the Company's total energy consumption was 336,439.34 tonnes of coal equivalent, an increase of 38,492.90 tonnes of coal equivalent compared with 2024, mainly due to business expansion. At the same time, the Company continued to optimize its energy mix by proactively increasing the share of clean electricity consumption.

In the Company's energy structure, the primary energy type is electricity, accounting for approximately 75.43% of total energy consumption. Among the electricity used by the Company, clean electricity sources such as wind power, photovoltaic power, hydropower, and nuclear power together accounted for approximately 61.20%.

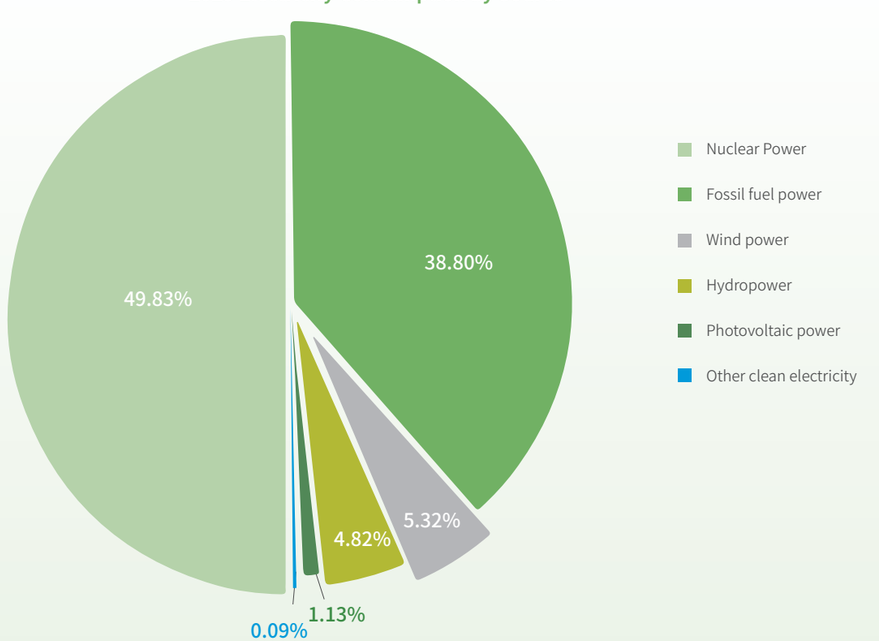
2025 Energy Consumption Structure

Energy Type	2025	2024	2023	Energy Consumption Share in 2025(%)
Natural Gas (kWh)	2,064,830,104.23	1,828,341,666.09	1,631,612,744.27	75.427
Natural Gas(m^3)	32,435,058.33	22,700,128.41	21,329,644.73	12.822
Steam (t)	313,807.85	341,749.66	282,283.46	8.833
Diesel (L)	3,990,892.66	4,454,731.18	3,764,841.67	1.486
Coal (t)	6,480.54	6,835.92	6,453.55	1.376
Gasoline (L)	167,915.08	201,790.25	254,199.65	0.054
Liquefied Petroleum Gas (kg)	2,954.00	3,786.00	17,999.54	0.002
Comprehensive energy consumption (tce)	336,439.34	297,946.44	267,787.69	100.000

2025 Energy Consumption by Source



2025 Electricity Consumption by Source



Energy Management

We have formulated and issued the 2025 Special Action Plan for Pollution Reduction, Energy Conservation, and Carbon Reduction, establishing the core target of "a 3% year-on-year reduction in comprehensive energy consumption per unit of product." This target provides strategic guidance for all energy-saving and emission-reduction initiatives. At the same time, we have established a two-tier supervision mechanism linking the Company headquarters and its subsidiaries, featuring "monthly tracking, quarterly reporting, and annual evaluation." Subsidiaries conduct monthly self-assessments, quarterly internal reporting, and annual self-evaluations. Meanwhile, the headquarters' Safety and Environmental Protection Department monitors implementation, adjusts progress, and evaluates outcomes through both EHS meetings and the Environmental Protection Committee, ensuring accountability for energy management targets at all organizational levels.

We continue to promote the standardization of energy management. All core production subsidiaries have established Energy Management Systems. During the reporting period, 20 subsidiaries obtained ISO 50001 Energy Management System certification, covering 48% of our production entities, further improving the standardization and effectiveness of energy management practices. In addition, we partnered with a third-party professional institution to organize a three-day ISO 50001 internal auditor training program for key personnel from headquarters and subsidiaries. This initiative aims to build a professional energy management team with strong technical expertise and familiarity with relevant standards, providing intellectual support for strengthening overall energy management capabilities and advancing our green and low-carbon transition.

Mining Operations

At the Ninghua Xingluokeng site, to improve energy efficiency, we have established the Energy Measurement Management Regulations and formed a dedicated energy metering management working group. By clearly defining roles and responsibilities among team members, we standardize energy measurement processes and provide reliable data support for further optimizing energy management strategies.

Advanced Materials Production

At the molybdenum production base in Chengdu, we have issued the Energy Management Organization and Responsibilities framework and established an energy management body led by the General Manager, with department heads serving as members. We have also implemented the Energy Operation Control Procedure, which regulates energy procurement, storage, use, and recovery. Dedicated departments are responsible for monitoring and controlling energy consumption to ensure efficient energy utilization.

At the battery materials production base, in accordance with the Energy Management Regulations and the Energy Management Manual, we have established an energy-saving leadership group headed by the General Manager to oversee energy management comprehensively. To ensure effective implementation, we break down the comprehensive energy consumption per unit of product target across departments and directly link it to the performance evaluations of responsible departments and personnel. In addition, we conduct annual energy management reviews and issue Management Review Reports to systematically assess the effectiveness of the management system. For any non-compliant items, root-cause analysis and corrective actions are implemented to ensure continuous improvement and closed-loop energy management.

Deep Processing

We have obtained ISO 50001 Energy Management System certification and established a systematic energy management framework centered on key documents such as the Energy Management Regulations and the Energy Management Manual. By integrating lean production principles with automation and digital technologies, we continuously optimize manufacturing processes, improving large-scale production efficiency while effectively reducing overall energy consumption.

Secondary Resource Utilization

At GANPOWER, we conduct regular internal energy audits and data monitoring to systematically identify our overall energy consumption structure and major energy-consuming equipment. To achieve refined energy management, energy metering devices have been installed at key energy-use points—including production departments and office areas—to record energy consumption data in real time. Based on this data, we maintain monthly energy consumption records, providing a solid foundation for the continuous optimization of energy management.

Energy Conservation and Emission Reduction

Guided by the principle of "expanding energy sources and improving efficiency while reducing consumption through lean energy use," we have implemented a series of systematic energy-saving upgrades across the entire value chain, including mining operations, advanced materials production, deep processing, and secondary resource utilization. Through technological upgrades, process optimization, and refined management, we have achieved significant results in energy conservation and consumption reduction.

Mining Operations

At Ninghua Xingluokeng, we optimized the pipeline layout, control logic, and unit configuration of the plant's front-end water return system, resulting in annual electricity savings of 1.17 million kWh.

At Luoyang Yulu, we implemented real-time tracking and dynamic analysis of production energy consumption data to accurately identify and eliminate energy waste during operations. This initiative reduced the comprehensive energy consumption per unit of raw ore processed by 5.3% year-on-year, saving approximately 1.33 million kWh of electricity annually.

Advanced Materials Production

At the tungsten smelting production base in Haicang, we continued to upgrade the automation of the production control system. To address energy waste caused by idle operation of agitators and pumps in certain material tanks, we introduced an automated control program linking material inflow and outflow, enabling equipment to start automatically when materials are present and stop when tanks are empty. This refined upgrade eliminated ineffective energy consumption within the process and is expected to save 28,800 kWh of electricity annually. In addition, we replaced conventional motors with permanent magnet motors, completing the upgrade of 10 high-energy-consumption motors in the APT manufacturing division, which is expected to save 1.01 million kWh of electricity annually.

At the tungsten smelting production base in Wenshan Prefecture, Yunnan, we replaced eight permanent magnet variable-frequency motors, achieving annual electricity savings of 100,000 kWh.

At Basic Electronic Materials, we replaced all outdated lighting fixtures across the facility with energy-efficient lamps and LED explosion-proof lighting, increasing the proportion of energy-saving lighting equipment to 100% and saving approximately 4,545.54 kWh of electricity annually. We also conducted a systematic review and energy efficiency assessment of high-energy-consumption motors. Variable frequency control devices were installed across the fan system, and multi-stage variable frequency operation management was implemented for workshop air supply equipment based on seasonal and day–night load variations. These measures enabled demand-based air supply and refined operational control, resulting in annual electricity savings of approximately 224,000 kWh.

At Changting Zorr, we upgraded the cooling water flow control systems of eight heat treatment furnaces, achieving actual electricity savings of 71,400 kWh in 2025.

Deep Processing

At the tungsten and molybdenum wire production base in Xiamen, we replaced 800 asynchronous motors in the wire drawing equipment with permanent magnet motors, saving 300,000 kWh of electricity annually.

At the Alloy Business Unit III in Luoyang, we introduced an RTP wet grinder equipped with a permanent magnet motor and variable frequency drive, reducing unit energy consumption by 3% and saving 48,400 kWh of electricity annually. In addition, we reviewed and gradually phased out motor models listed in the Catalogue for the Elimination of High Energy-Consumption Outdated Electromechanical Equipment (Products), which is expected to save 11,500 kWh of electricity annually.

Secondary Resource Utilization

At GANPOWER, we optimized production processes to reduce natural gas consumption by 6,500 cubic meters. We also replaced a 2-ton boiler, achieving electricity savings of approximately 32,000 kWh.

In addition, we organized specialized training programs to continuously enhance employees' awareness of energy conservation and their management capabilities, laying a solid foundation for the long-term implementation of energy-saving initiatives. These site-specific energy-saving practices across various business segments collectively form our systematic pathway for improving energy efficiency and reducing carbon emissions.

Usage of Water Resources

Water resources are not only the lifeline of our normal production and operations, but also a strategic resource that supports ecological balance and sustainable social development. Against the backdrop of increasing global water scarcity and increasingly stringent water environmental protection requirements, the efficient, responsible, and sustainable use and management of water resources has become a core issue for us in fulfilling environmental responsibilities, ensuring operational security, and advancing green and low-carbon development. To this end, we issued the Environmental Protection Statement and the Water Resource Management Statement, which clarifies responsibilities and management requirements for water ecosystem protection, incorporates water resource management into the overall environmental management framework, and systematically advances water conservation and water environment protection.

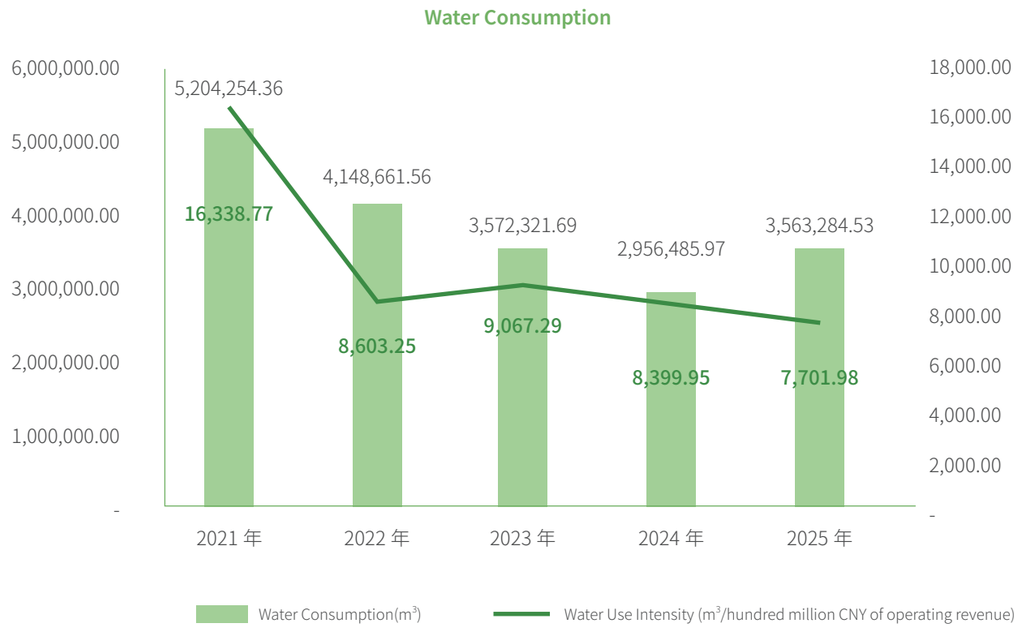
At the operational level, we continuously promote water-saving technological upgrades and process optimization, actively introducing efficient water-saving equipment and advanced production processes to reduce water consumption intensity at the source. By establishing a full-process water monitoring and tiered management mechanism, we implement data-driven management and dynamic analysis at key water-use nodes, thereby continuously improving water-use efficiency and the level of refined management.

In terms of water recycling, we enhance wastewater recovery and reuse through technological innovation and system upgrades, reducing freshwater withdrawal while promoting cascading and circular utilization of water resources, thereby effectively lowering our reliance on external water supplies.

In addition, we actively fulfill our corporate social responsibility by participating in watershed protection initiatives and supporting water environment management and ecological restoration projects in surrounding communities. Together with stakeholders, we are committed to advancing the health and sustainability of regional water ecosystems and fostering a harmonious relationship between people and water while promoting green and high-quality ecological development.

Water Consumption

During the reporting period, our total water consumption amounted to3,563,284.53 cubic meters, with water consumption intensity of 7,701.98 cubic meters per hundred million CNY in revenue.



Water Resource Management

We strictly comply with relevant laws and regulations, including the Environmental Protection Law of the People's Republic of China, the Water Law of the People's Republic of China, and the Water Pollution Prevention and Control Law of the People's Republic of China, as well as related regulatory requirements. We have formulated and implemented internal management systems such as the Environmental Protection Management System, Basic Environmental Protection Standards, and the Water Resources Management Statement. These policies clearly define responsibilities, management procedures, and supervisory mechanisms for water resource management, incorporating water management into our environmental management system and daily operational management to ensure institutionalized and standardized governance. During the reporting period, all water-related activities complied with applicable regulations, and no major water-related environmental violations occurred.

Mining Operations

At Ninghua Xingluokeng, we have established a comprehensive water recycling system covering the entire production process. This system forms a multi-stage reuse model consisting of plant-front return water, tailings pond return water, seepage interception pond return water, and wastewater treatment, achieving 100% recycling of water used in mineral processing operations. Through processes such as thickening and clarification, flocculation and neutralization, natural aeration, and adsorption–sedimentation, we treat and reuse tailings and production wastewater in stages. Meanwhile, seepage water from the tailings pond and surface runoff from the dam are collected and centrally stored before being returned to the mineral processing system for reuse, effectively reducing freshwater withdrawals and improving water-use efficiency.

While strengthening internal water resource management, we also actively participate in the River Chief System implemented in Ninghua County, serving as the corporate river chief and working collaboratively to advance watershed water environment governance. We have established a corporate river inspection mechanism, conducting regular inspections and intensified patrols in key river sections. River conditions are recorded through a River Chief Log, enabling us to promptly identify and address potential water environmental risks and jointly safeguard regional water ecological security.

At Duchang, we have continued to improve our wastewater management framework and sewage treatment systems, while coordinating the resource utilization of both production and domestic wastewater. The recycling rate of mine wastewater has remained above 90%, and 100% of mine inflow water is recovered and reused.

For domestic wastewater management, sewage is collected through an underground collection system and treated by an integrated treatment facility before being incorporated into the tailings system for recycling. For production wastewater management, the majority of tailings pond wastewater (over 90%) is pumped back to the concentrator's elevated water tank via return pumps for reuse in production processes. The remaining portion is treated to meet discharge standards before being released. Through the optimization of mining technologies and improvements in drainage management, we have further enhanced the intensive utilization of water resources in the mining area, reducing reliance on external water supplies.

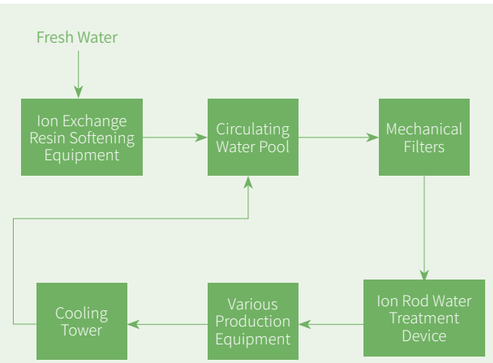
Advanced Materials Production

At the tungsten smelting facility in Haicang, we have continuously optimized processes and improved workflows, systematically reducing water consumption during production. Water use per ton of APT product decreased by approximately 10%-12%, achieving an estimated annual water saving of ~31,000 tons, thereby enhancing unit product water efficiency.

At the tungsten smelting facility in Wenshan, Yunnan, we upgraded wastewater treatment systems to increase the capacity for reclaimed water reuse. The facility now achieves a 10% water reuse rate, reducing fresh water consumption by approximately 3,300 tons per year.

At the molybdenum production base in Chengdu, we adhere to the dual approach of "management and technical upgrades" to systematically improve water resource utilization. On the management side, we established the Water Conservation and Emission Reduction Office and formulated the Water Saving Management System, covering planned water use and process metering. Through regular meetings, monthly and annual long-term assessments, and company-wide promotion, we comprehensively consolidate water-saving responsibilities.

On the technical side, we carried out in-depth upgrades to the circulating cooling system: at the front end, we introduced resin exchange adsorption technology to remove scale-forming ions at the source; at the mid-end, we added mechanical filters and ion bars to intercept suspended solids and algae; and the aging scale-prone pipeline network was fully replaced. These technical upgrades effectively solve pipeline clogging and equipment scaling issues, significantly improve cooling efficiency, extend equipment lifespan, and achieve coordinated reductions in energy and water consumption, saving approximately 34,650 tons of fresh water annually.



Circulating Cooling Water System Renovation Process

At Fujian Xinlu, we successfully implemented a three-effect evaporator condensate reuse project. By optimizing pipeline networks and recovery processes, we efficiently collect and cascade-use the condensate generated from the evaporation process, reducing fresh water intake by approximately 3,600 tons per year.

At the rare earth materials production base in Changting, we established a dedicated water-saving leadership team and office, forming a comprehensive water resource management system. Through the formulation of the Water-saving Work Meeting System and the Water-saving Officer Responsibility System, we clarified management responsibilities and operational procedures.

In daily operations, we implement a "monthly statistical analysis, weekly inspection and rectification" mechanism to strictly control water waste. For new and expansion projects, we ensure water-saving facilities and main engineering are designed, constructed, and commissioned simultaneously, meeting the "four-in-place" requirements. Additionally, through pipeline upgrades, we successfully achieved reuse of machining and alloy spray tower wastewater in the rare earth park, reducing fresh water intake by 600 tons per year.

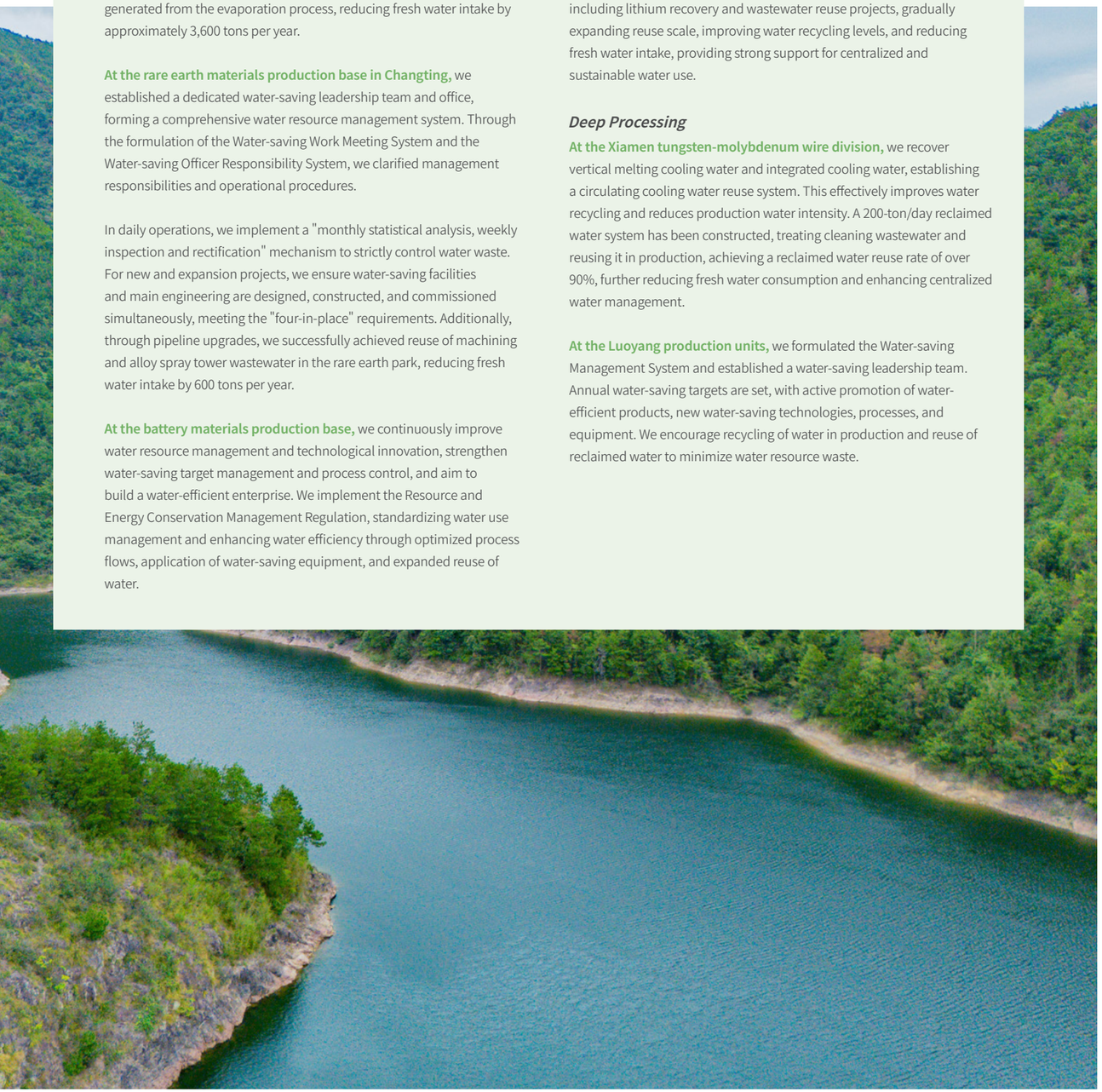
At the battery materials production base, we continuously improve water resource management and technological innovation, strengthen water-saving target management and process control, and aim to build a water-efficient enterprise. We implement the Resource and Energy Conservation Management Regulation, standardizing water use management and enhancing water efficiency through optimized process flows, application of water-saving equipment, and expanded reuse of water.

At the operational level, we set phased water reduction targets based on unit product water consumption, steadily lowering water intensity. Simultaneously, we advance production wastewater resource utilization, including lithium recovery and wastewater reuse projects, gradually expanding reuse scale, improving water recycling levels, and reducing fresh water intake, providing strong support for centralized and sustainable water use.

Deep Processing

At the Xiamen tungsten-molybdenum wire division, we recover vertical melting cooling water and integrated cooling water, establishing a circulating cooling water reuse system. This effectively improves water recycling and reduces production water intensity. A 200-ton/day reclaimed water system has been constructed, treating cleaning wastewater and reusing it in production, achieving a reclaimed water reuse rate of over 90%, further reducing fresh water consumption and enhancing centralized water management.

At the Luoyang production units, we formulated the Water-saving Management System and established a water-saving leadership team. Annual water-saving targets are set, with active promotion of water-efficient products, new water-saving technologies, processes, and equipment. We encourage recycling of water in production and reuse of reclaimed water to minimize water resource waste.



Pollutant Discharge

We have formulated and strictly implement internal regulations such as the "Three Wastes and Noise" Environmental Monitoring Management Measures, establishing a comprehensive monitoring system for emissions and noise. This ensures that the company's primary responsibility for ecological and environmental protection is fully enforced and effectively mitigates environmental pollution risks.

In pollution prevention practices, we actively adopt industry-leading clean production processes and end-of-pipe treatment technologies. We continuously improve the operational efficiency of pollution control facilities, ensuring that concentrations and total amounts of various pollutants comply with—or exceed—national and local standards.

The Company's Monitoring System for "Wastes and Noise"

XTC Environmental Monitoring System for "Wastes and Noise"

Measures for the Monitoring and Management of "Wastes and Noise"

Goals	Discharge indicators fully covered	Emission data consistently meets standards	Monitoring work complies with standards		
Monitoring Targets	Wastes and Noise →	Waste Water	Waste Gas	Solid Waste	Noise
Monitoring Ways	**Self-monitoring**: Enterprise-based management; Periodic monitoring conducted in accordance with legal requirements	**Intensified monitoring**: Enterprise-based management; Secured monitoring per measures	**Supervisory monitoring**: Group supervision and management; Randomly & through sampling	**Regulatory Compliance monitoring**: Group supervision and management; Randomly & through sampling	
Monitoring Approaches	**Real-time online monitoring**: Real-time, continuous, and early-warning (continuous monitoring and high-risk control)	**Portable and rapid monitoring**: Portability, speed, and flexibility (emergency monitoring and daily inspections)	**Laboratory manual monitoring**: High precision, stability, and complexity (comparison monitoring and high-precision requirements)		
Management Requirements	**Pollution discharge identification**: Discharge point number & name; Discharge point type; Pollutant indicators →	**Monitoring capacity building**: Monitoring equipment deployment; Monitoring methods introduction; Monitoring personnel training →	**Monitoring tasks implementation**: Monitoring frequency determination; Monitoring plan development; Monitoring plan execution →	**Monitoring data management**: Daily log management; Data anomaly management; Information disclosure management	

Technical Guidelines for the Monitoring of "Wastes and Noise"

Platform support → EHS Information Management System

Technical support → XTC Xiamen Area Environmental Monitoring Laboratory

Waste Gas Emissions Management

We generate exhaust gas primarily from production processes and kitchen operations, with major pollutants including nitrogen oxides (NO_x), sulfur oxides (SO_x), particulate matter (PM), non-methane total hydrocarbons (NMHC), ammonia (NH_3), and hydrogen chloride (HCl). We integrate the concept of clean production throughout process design, equipment selection, and operational activities, strictly complying with the Air Pollution Prevention and Control Law of the People's Republic of China and the Integrated Emission Standard of Air Pollutants (GB16297-1996), as well as other relevant laws, regulations, and industry standards. We have developed and rigorously enforce internal regulations, such as the Exhaust Gas Standardized Operation Technical Guideline, applying a combined approach of source control and end-of-pipe treatment. Exhaust sources are classified and managed according to their characteristics, while we reduce pollutant generation through process optimization and fuel substitution, and deploy high-efficiency dust removal, desulfurization/denitrification, and VOC treatment facilities to ensure compliance with emission standards.

In terms of management structure, we have established a clear, hierarchical responsibility system for exhaust gas management. The Group's Safety Production and Environmental Protection Department serves as the supervisory body, overseeing standardized operations of exhaust management across all affiliated enterprises to ensure effective implementation of management systems. Each affiliated enterprise, as the responsible entity, establishes a comprehensive exhaust pollution prevention and control system, specifying responsibilities, defining job roles, maintaining operational records and logs of treatment facilities, and actively cooperating with Group-level and government inspections, creating a vertically integrated, closed-loop, and sustainable management mechanism.

◎ Emissions Situation

During the reporting period, all our affiliated enterprises achieved compliance with emissions standards for the waste gases generated.

Emissions of Air Pollutants from Key Environmental Supervision Units of the Company in 2025

Enterprise Name	Main Pollutants and Characteristic Pollutants	Emission Concentration	Name of Implemented Pollutant Emission Standard	Total Annual Emissions (tons)	Approved Emission Volume of Pollutant Discharge Permit (tons/year)	Emission Method	Number of Discharge Outlets	Distribution of Discharge Outlets	Excessive Emission
XTC Haicang Branch	Ammonia	6.983mg/m³	Emission Standard of Odor Pollutants (GB14554-93)	0.494	68.9	Organized emission after meeting the standards	3	APT Workshop Roof Exhaust Stack, Ball Mill Top Ventilation Duct, Southwest Exhaust Stack of Technical Center, Exhaust Stack No. 3 (Not yet in operation)	None
	Particulate matter	3.025mg/m³	Xiamen Atmospheric Pollutant Emission Control Standard (DB35/323-2018)	0.477	7.13				
	Cobalt and its compounds	0.029mg/m³	Emission Standard of Pollutants for Inorganic Chemical Industry (GB 31573-2015)	0.002	/				
Chengdu Dingtai	Particulate matter	2.23mg/m³	Emission standard of air pollutants for boilers in Chengdu (DB51/2672-2020)	1.263	/	Organized emission after meeting the standards	6	Workshop 1, Workshop 2, Workshop 3, Workshop 4, Boiler room in the factory area	None
	Nitrogen oxides	4mg/m³	Comprehensive Emission Standards for Air Pollutants (GB16297-1996)	1.308	/				
	Sulfur dioxide	<3mg/m³	Comprehensive Emission Standards for Air Pollutants (GB16297-1996) Emission standard of air pollutants for boilers in Chengdu (DB51/2672-2020)	0.348	/				
	Molybdenum and its compounds	0.046mg/m³	Emission Standard of Pollutants for Inorganic Chemical Industry (GB31573-2015)	0.002	/				
	Ammonia	32.4mg/m³	Emission Standard of Odor Pollutants (GB14554-93)	1.904	/				
Chengdu Hongbo Industrial	Ammonia	1.029kg/h	Emission Standard of Odor Pollutants (GB 14554-93) Table 2: Standards	1.143	/	Organized emission after meeting the standards	3	Molybdenum four-tube furnace, molybdenum screening, and converter natural gas combustion	None
	Particulate matter	6.9mg/m³	Emission standard of air pollutants for industrial kiln and furnace (GB9078-1996) Table 2: Emission Limits for Other Furnaces and Kilns	0.633	/				
	Sulfur dioxide	17mg/m³	Comprehensive Emission Standards for Air Pollutants (GB16297-1996) Table 2: Secondary Standards for Maximum Permissible Emission Concentration and Maximum Permissible Emission Rate	0.179	/				
	Nitrogen oxides	9mg/m³		0.095	/				
Golden Dragon Rare-earth (Plant of New Industrial District)	Non-methane hydrocarbons	8.582mg/m³	Emission standards of volatile organic compounds for industrial enterprises (DB35/1782-2018)Table 1: Emission Limits for Other Industries	0.493	/	Organized emission after meeting the standards	11	Melting emission outlets, 7 magnet waste gas sintering emission outlets, 1 shot blasting waste gas emission outlet, and 1 machining waste gas (glue boiling) emission outlet.	None
	Particulate matter	23.927mg/m³	Comprehensive Emission Standards for Air Pollutants (GB16297-1996) Table 2: Secondary Standards	0.900	/				
Golden Dragon Rare-earth (Plant of Rare Earth Industrial Park)	Nitrogen oxides	1.714mg/m³	Emission standard of pollutants for electroplating (GB 21900-2008) Table 5: Standards	1.325	5.77	Organized emission after meeting the standards	13	Electrolytic Emission Outlets, 2 Spraying Emission Outlets, 1 Stripping & Electrophoresis Emission Outlet, 3 Phosphating Emission Outlets, 2 Electrolytic Emission Outlets, 1 Galvanizing Emission Outlet, 1 Shot Blasting Emission Outlet	None
	Particulate matter	12.586mg/m³	Emission Standards of Pollutants from Rare Earths Industry (GB 26451—2011) Table 5: Standards	4.032	/				
	Non-methane hydrocarbons	0.608mg/m³	Emission standard of volatile organic compounds for industrial surface coating (DB35/1783-2018) Table 1: Standards	0.080	/				
	Fluoride	0.978mg/m³	Emission Standards of Pollutants from Rare Earths Industry (GB 26451—2011) Table 5: Standards	0.189	/				
	Hydrogen chloride	1.908mg/m³	Emission standard of pollutants for electroplating (GB 21900-2008) Table 5: Standards	0.405	/				
	Nickel and its compounds	0.002mg/m³	Comprehensive Emission Standards for Air Pollutants (GB16297-1996) Table 2: Secondary Standards	0.000001	/				
	Volatile Organic Compounds (VOCs)	<0.001 mg/m³	Industrial Painting Process Emission Standards for Volatile Organic Compounds (DB35/1783-2018) Table 1: Standards	0.467	/				
	Sulfuric acid mist	0.539mg/m³	Emission standard of pollutants for electroplating (GB 21900-2008) Table 5: Standards	0.424	/				

Enterprise Name	Main Pollutants and Characteristic Pollutants	Emission Concentration	Name of Implemented Pollutant Emission Standard	Total Annual Emissions (tons)	Approved Emission Volume of Pollutant Discharge Permit (tons/year)	Emission Method	Number of Discharge Outlets	Distribution of Discharge Outlets	Excessive Emission
Fujian Xinlu	Particulate matter	5.29mg/m³	Comprehensive Emission Standards for Air Pollutants (GB16297-1996) Table 2: Secondary Standards	0.081	1.572	Organized emission after meeting the standards	6	Alloy dust removal exhaust stack, APT exhaust stack, leaching alkali spray exhaust stack, tungstic acid drying exhaust stack, tungstic acid exhaust stack, and waste tungsten exhaust stack	None
	Ammonia	2.63mg/m³	Emission standards for odor pollutants (GB 14554-1993)	0.009	0.347				
	Sulfur dioxide	0.94mg/m³	Comprehensive Emission Standards for Air Pollutants (GB16297-1996) Table 2: Limit Values.	0.024	0.241				
	Hydrogen chloride	1.815mg/m³	Emission standards of pollutants for inorganic chemical industry (GB 31573-2015)	0.039	/				
	Nitrogen oxides	7.125mg/m³		0.129	/				
	Non-methane hydrocarbons	7.56mg/m³	Emission standards of volatile organic compounds for industrial enterprises (DB35/1782-2018) Table 1	0.049	/				
GANPOWER	Sulfur dioxide	0.015mg/m³	Comprehensive Emission Standards for Air Pollutants (GB16297-1996) Table 2: Limit Values;	0.197	0.39	Organized emission after meeting the standards	4	Exhaust outlet for natural gas boiler, exhaust outlet for crushing and sorting, exhaust outlet for roasting furnace, and exhaust outlet for leaching	None
	Nitrogen oxides	76.167mg/m³	Standard for pollution control on hazardous waste incineration (GB 18484-2020) Table 3: Limit Values;	0.319	2.11				
	Particulate matter	5.708mg/m³	Emission standard of air pollutants for industrial kiln and furnace (GB 9078-1996) Table 2 and Table 4: Secondary Standard Limits;(GB13271-2014)	0.199	/				
	Nickel and its compounds	0.024mg/m³	Emission standard of air pollutants for boiler (GB13271-2014) Table 2: Limit Values	0.001	/				
	Fluorides	0.09mg/m³	Emission standard of air pollutants for industrial kiln and furnace (GB9078-1996)	0.017	/				
	Sulfuric acid mist	2.348mg/m³	Comprehensive Emission Standards for Air Pollutants (GB16297-1996)	0.121	/	Discharged through the stack after meeting the standards			
Duchang Jinding	Nitrogen oxides	27.64mg/m³	Emission standard of air pollutants for boiler (GB13271-2014)	0.749	/	Organized emission after meeting the standards	1	Boiler discharge outlet within the plant	None
	Particulate matter	12.015mg/m³		0.307	/				
	Sulfur dioxide	1.5mg/m³		0.124	/				
Luoyang Yulu	Non-methane hydrocarbons	3.67mg/m³	Notice on Recommended Emission Limits for Volatile Organic Compounds Control in Industrial Enterprises across the Province (Henan Environmental Campaign Office [2017] No. 162)	0.457	/	Organized emission after meeting the standards	2	Boiler room roof and Tailings Pump House Roof	None
	Particulate matter	2.9mg/m³	Local Standard for Boiler Atmospheric Pollutant Emission in Henan Province (DB41/2089-2021)	0.106	0.3				
	Nitrogen oxides	8.8mg/m³	Local Standard for Boiler Atmospheric Pollutant Emission in Henan Province (DB41/2089-2021)	0.400	1.21				
Malipo Haiyu Tungsten	Nitrogen oxides	68.417mg/m³	Emission standard of air pollutants for boiler (GB13271-2014) Table 1: Standard Limits	4.311	/	Organized emission after meeting the standards	2	Sulfuric acid mist discharge outlet, and boiler chimney discharge outlet	None
	Particulate matter	33.792mg/m³		2.125	/				
	Sulfur dioxide	7.833mg/m³		0.458	/				
	Sulfuric acid mist	4.96 mg/m³	Emission standards of pollutants for inorganic chemical industry (GB 31573-2015)	0.258	/				
Xiamen Jialu	Ammonia	0.145kg/h	Emission Standard of Odor Pollutants (GB14554-93)	1.225	38.808	Organized emission after meeting the standards	3	Ammonia discharge outlet, exhaust gas discharge outlet 2, and 4# stack	None
	Nitrogen oxides	47.3mg/m³	Xiamen Atmospheric Pollutant Emission Control Standard (DB35/323-2018)	0.889	/				
	Particulate matter	4.27mg/m³		0.069	2				
XWXN(Xiamen)	Particulate matter	3.939mg/m³	Xiamen Atmospheric Pollutant Emission Control Standard (DB35/323-2018)	3.084	3.15	Organized emission after meeting the standards	26	Roof of the workshop building within the factory area	None
	Ammonia	1.299mg/m³	Emission Standard of Odor Pollutants (GB14554-93)	0.351	17.56				
	Nickel and its compounds	0.019mg/m³	Comprehensive Emission Standards for Air Pollutants (GB16297-1996)	0.002	1.51				
	Cobalt and its compounds	0.02mg/m³	Emission Standard of Pollutants for Inorganic Chemical Industry (GB 31573-2015)	0.015	1.08				
	Manganese and its compounds	0.055mg/m³	Integrate emission standards of air pollutants (DB31/933-2015)	0.001	0.55				
Xiamen Golden Egret (Tongan Plant)	Non-methane hydrocarbons	2.39mg/m³	Emission standard of air pollutants for Xiamen (DB35/323-2018)	0.019	/	Organized emission after meeting the standards	12	10 dust emission outlets, 1 organic gas emission outlet, and 1 hydrogen chloride emission outlet	None
	Hydrochloric acid	1.07mg/m³		0.009	/				
	Particulate matter	18.5mg/m³		0.082	/				
Chengdu Lianhong Molybdenum Industry	Particulate matter	3.425mg/m³	Comprehensive Emission Standards for Air Pollutants (GB16297-1996)	0.819	/	Organized emission after meeting the standards	5	Surrounding the factory building	None
	Nitrogen oxides	15mg/m³		0.108	/				
	Hydrochloric acid	4.03mg/m³		0.018	/				
Haicang Golden Egret	Particulate matter	5.44mg/m³	Xiamen Atmospheric Pollutant Emission Control Standard (DB35/323-2018)	0.324	/	Organized emission after meeting the standards	4	Internal areas of the factory premises	None
	Non-methane hydrocarbons	20.35mg/m³		0.587	/				

◎ Emission Reduction Measures

In mining operations, advanced materials production, deep processing, and secondary resource recycling, we face specific challenges related to air pollutant emissions. To effectively fulfill our environmental protection responsibilities, we adhere to the principles of "source reduction, process control, end-of-pipe treatment, and system monitoring." Based on the emission characteristics of each business segment, we have implemented a series of tailored and systematic air pollution control measures to ensure that all emission sources consistently meet and exceed national and local standards.

Mining Operations

At Ninghua Xingluokeng, the main air pollutant generated during production and operations is particulate matter. We have implemented the following measures to reduce particulate emissions:

- **Strict control of dust emissions:** In the mining process, we adopt advanced blasting techniques and dust collection facilities, combined with mobile spraying systems and intelligent watering and dust suppression equipment, to reduce dust emissions. In the beneficiation process, dust removal systems and spray dust suppression devices are installed at key dust-generating points, achieving a dust control efficiency of over 99%. In the transportation process, sprinkler systems and dust suppression watering facilities are deployed to effectively suppress fugitive dust and reduce environmental impacts on surrounding areas.
- **Robust monitoring system:** We have installed automatic air pollutant monitoring and electronic display systems within the mining area to monitor ambient pollutant concentrations in real time. In addition, qualified third-party institutions are commissioned to conduct quarterly testing at major emission points to ensure that all emissions comply with environmental standards.

At Duchang, the main air pollutants generated during production and operations include particulate matter, sulfur oxides, and nitrogen oxides. We have implemented the following measures to reduce air pollutant emissions:

- **Use of clean fuel:** The boiler combustion system uses liquefied natural gas (LNG) as fuel, reducing the generation of harmful gases and particulate matter at the source.
- **Installation of dust removal equipment:** Five baghouse dust collectors have been installed in the crushing system to efficiently capture and treat dust generated during ore crushing operations.
- **Control of dry beach dust:** To address dust emissions from the dry beach area of the tailings storage facility, we adopt a combination of controlled tailings discharge and water spraying on dry beaches to effectively suppress dust generation.
- **Clean site management:** Dust suppression measures such as water spraying are implemented in key areas and processes, including open-air ore stockpiles, haul roads, waste dump unloading areas, and raw ore bin unloading points. In addition, vehicle washing facilities are provided for transport trucks, and site roads are regularly cleaned and washed to reduce secondary dust emissions.

At Luoyang Yulu, the main air pollutants generated during production and operations include nitrogen oxides, particulate matter, sulfur dioxide, and volatile organic compounds (VOCs). We have implemented the following measures to reduce air pollutant emissions:

- **Promotion of low-NOx combustion:** For gas-fired boilers, we actively promote low-nitrogen combustion technology. By optimizing the combustion process, nitrogen oxide emissions are effectively reduced.
- **Application of wet electrostatic precipitators:** For exhaust gases generated during the concentrate drying process, high-efficiency wet electrostatic precipitation technology is adopted to effectively remove particulate matter and other pollutants, ensuring clean emissions.
- **Treatment of organic waste gas:** For VOCs generated during the flotation process, a combined treatment system consisting of "mechanical oil mist purifier + two-stage water spray scrubbing + activated carbon adsorption" is used for multi-stage purification, ensuring compliance with emission standards.

Advanced Materials Production

At the rare earth materials production base in Changting, the main air pollutants generated during production and operations include particulate matter, sulfur dioxide, nitrogen oxides, sulfuric acid mist, and non-methane total hydrocarbons. We have implemented the following measures to reduce air pollutant emissions:

- **Strengthening management mechanisms:** We have established the "Environmental Protection Management Regulations," under which the EHS department is responsible for supervising and managing air emissions. In accordance with relevant laws and regulatory requirements, we have also developed an enterprise-level self-monitoring plan for air emissions.
- **Enhancing routine supervision:** We have established a routine inspection system in which dedicated personnel from each department conduct daily inspections of exhaust gas treatment facilities to ensure stable operation. Any abnormalities are promptly rectified, and strict performance assessments are applied to units or personnel failing to fulfill their responsibilities, with legal accountability pursued in serious cases.
- **Optimizing treatment processes:** The industrial park adopts an "oil mist filtration + water spray" treatment process to ensure effective purification before emission. The surface treatment workshop has introduced a combined system of "water spray + activated carbon adsorption + catalytic combustion" to efficiently remove harmful substances from exhaust gases. In addition, upgrades have been carried out on the electrostatic dust removal and defluorination system in the alloys division and the smelting exhaust gas treatment system in the magnetic materials division, further reducing emissions of particulate matter and non-methane total hydrocarbons.
- **Conducting regular monitoring:** We commission qualified third-party professional institutions to regularly test air pollutant emissions, ensuring that both concentration and total emissions comply with national and local standards.

At the battery materials production base, the main air pollutants generated during production and operations include particulate matter, ammonia, nickel and its compounds, cobalt and its compounds, and manganese and its compounds. We have implemented the following measures to reduce air pollutant emissions:

- **Establishment of internal emission standards:** In accordance with the limits set in GB 16297-1996 Comprehensive Emission Standard of Air Pollutants, GB 31573-2015 Emission Standard of Pollutants for Inorganic Chemical Industry, and DB35/323-2018 Air Pollutant Emission Control Standard of Xiamen, we have established internal emission indicators that are stricter than national and local standards.
- **Optimization of process and equipment selection:** We prioritize production equipment and processes with high resource efficiency and low emissions to reduce air pollutant generation at the source.
- **Upgrading of exhaust gas treatment facilities:** An ammonia spray absorption tower has been added in the precursor workshop to reduce ammonia emissions. Exhaust outlet filtration systems have been optimized to ensure all process gases are effectively treated before stable compliance discharge. Dust collected in bag filters is regularly removed to maintain treatment efficiency, and exhaust fans are routinely maintained to ensure stable operation and prevent emissions exceedance caused by equipment failure.
- **Standardized chemical management:** Suppliers and relevant parties are required to ensure all chemicals meet quality requirements. Strict inspection is conducted upon receipt, and storage management is strengthened to prevent leakage and the release of hazardous gases. For volatile chemicals, packaging integrity is checked before use, and storage conditions are controlled with shading, low temperature, and ventilation. In the event of a chemical leakage, the Emergency Preparedness and Response Management Procedure is strictly implemented to promptly control the release of hazardous gases and prevent harm to human health and the environment.
- **Improved air emission monitoring system:** We continuously promote and optimize real-time exhaust gas monitoring systems to ensure timely response to detected hazardous gases and prevent air pollution incidents. Online monitoring facilities are installed at all particulate emission outlets to track concentration in real time. In addition, ammonia online monitoring devices are installed at the plant boundary, wastewater treatment station, MVR area, and selected workshop areas to continuously monitor concentration changes and ensure compliance with environmental requirements.

At the Alloy and Cutting Tools Division in Xiamen, the main air pollutants generated during production and operations include particulate matter, non-methane total hydrocarbons, ammonia, and hydrogen chloride. We have implemented the following measures to reduce air pollutant emissions:

- **Particulate matter control:**
  —Particulate emissions generated during production are treated using cyclone dust collectors and baghouse dust removal systems.
- **Exhaust gas treatment:**
  —Non-methane total hydrocarbons are treated using adsorption–desorption catalytic combustion equipment.
  —Hydrogen chloride exhaust gas is neutralized using alkaline spray scrubbers.
  —Organic waste gas generated during the sintering process is treated through an "adsorption concentration + catalytic combustion" process before meeting discharge standards.
  —Waste gas generated from degreasing and vacuum sintering is partially recovered through an imported sintering system equipped with paraffin condensation recovery functionality, while the remaining exhaust is discharged via rooftop axial flow fans.
  —Ammonia-containing exhaust gas generated during the APT calcination process is treated using the Company's patented technology and decomposed in an ammonia cracking furnace before compliant discharge.

At the manufacturing divisions in Luoyang, the main air pollutants generated during production and operations include particulate matter and volatile organic compounds (VOCs). We have implemented the following measures to reduce air pollutant emissions:

- **Upgrading pollution control facilities:** We have upgraded the exhaust gas treatment systems in the PDC product segment of the Rock Drilling Engineering Tools Division. In addition, new exhaust gas treatment facilities have been installed at key emission points, including spray drying and sintering processes in the tungsten-based thermal spray powder manufacturing unit of the Hard Materials Division, as well as atomization and air classification processes in the nickel-based thermal spray powder manufacturing unit. These improvements enhance treatment capacity and efficiency, ensuring stable compliance of emissions.
- **Regular monitoring and testing:** We conduct monthly monitoring of nitrogen oxide emissions from thermal oil boilers and implement timely corrective actions based on monitoring results to ensure compliance with applicable laws, regulations, and permit requirements.

Secondary Resource Utilization

At GANPOWER, the main air pollutants generated during production and operations include nitrogen oxides, sulfur dioxide, and particulate matter. We have implemented the following measures to reduce air pollutant emissions:

- **Use of clean fuel:** Boilers use clean energy as fuel. The resulting exhaust gases are monitored to comply with the Boiler Air Pollutant Emission Standard (GB 13271) before being discharged via high-level stacks.
- **Deep purification of leaching process exhaust gas:** A two-stage purification system of "alkali spray + water spray" is adopted to effectively neutralize and remove acidic gases and soluble pollutants, achieving efficient preliminary treatment.
- **Multi-stage treatment of roasting process exhaust gas:** A secondary combustion chamber is installed to ensure complete oxidation and decomposition of organic compounds. The exhaust gas then passes through a refractory dust collector for efficient particulate removal, followed by a caustic spray tower for desulfurization, forming an integrated "combustion–dust removal–desulfurization" treatment chain.
- **Efficient dust collection in crushing process:** Dust-containing exhaust gas generated during crushing is fully captured through a sealed collection system and transported to a high-efficiency baghouse dust collector, ensuring effective capture of fine particulates and stable compliance with emission standards.

Wastewater Discharge Management

Our wastewater primarily originates from domestic sewage, process wastewater, and workshop washing activities. The main pollutants include Chemical Oxygen Demand (COD), ammonia nitrogen, total nitrogen, and total phosphorus. We strictly comply with the Water Pollution Prevention and Control Law of the People's Republic of China and other applicable national and local regulations. We have established and rigorously implemented internal policies such as the Technical Guidelines for Specialized Standardized Operation of Wastewater, the Environmental Protection Management System, Pollutant Discharge Management Regulations, Wastewater Management Regulations, and Rainwater Management Regulations to regulate wastewater treatment and discharge, ensuring all effluents meet relevant standards.

Our Headquarters Safety Production and Environmental Protection Management Department performs its supervisory function by combining routine inspections with targeted supervision, promoting the effective implementation of standardized wastewater management requirements across all subsidiaries. We, as operating entities, have established and continuously improved wastewater pollution prevention and control systems, clearly defined responsibilities at all levels, and standardized operational records and ledger management. In daily operations, we strictly comply with discharge standards and actively cooperate with supervision and inspections conducted by the Group and government authorities.

◎ Emissions Situation

During the reporting period, all our subsidiaries achieved compliance with wastewater discharge standards.

Wastewater Pollutant Emissions of the Company's Key Environmental Supervision Units in 2025[1]

Enterprise Name	Main Pollutants and Characteristic Pollutants	Emission Concentration	Name of Implemented Pollutant Emission Standard	Total Annual Emissions (tons)	Approved Emission Volume of Pollutant Discharge Permit (tons/year)	Emission Method	Number of Discharge Outlets	Distribution of Discharge Outlets	Excessive Emission
XTC Haicang Branch	Chemical Oxygen Demand	80.104mg/L	Wastewater quality standards for discharge to municipal sewers (GB/T31962-2015)	43.527	468.39	Emission after reaching the standard	1	Southwest factory wastewater discharge outlet	None
	Ammonia Nitrogen	15.674mg/L		8.228	42.155				
	Total Nitrogen	19.125mg/L		10.137	65.575				
	Total Lead	0.2mg/L	Integrated Wastewater Discharge Standards (GB8978-1996)	0.106	0.937				
	Total Mercury	0.0002mg/L		0.001	0.047				
	Total Arsenic	0.0831mg/L		0.045	0.468				
	Total Nickel	0.111mg/L		0.054	0.937				
Chengdu Hongbo Industrial	Chemical Oxygen Demand	120mg/L	Integrated Wastewater Discharge Standards (GB8978-1996) Table 4: Level 3 Standard	10.263	/	Emission after reaching the standard	2	Factory South Discharge Outlet, Factory North Discharge Outlet	None
	Ammonia Nitrogen	7.923mg/L	Wastewater quality standards for discharge to municipal sewers (GB/T 31962-2015), Table 1 Class B Standard Values	0.619	/				
	Total Phosphorus	0.912mg/L		0.072	/				
	Total Nitrogen	13.58mg/L		1.460	/				
Golden Dragon Rare-earth (New Industrial District)	Chemical Oxygen Demand	88.375mg/L	Wastewater quality standards for discharge to municipal sewers (GB/T 31962-2015), Table 1 Class B Standard Values	0.537	1.08	Emission after reaching the standard	2	Main wastewater discharge outlet and domestic sewage discharge outlet in the factory area	None
	Ammonia Nitrogen	13.999mg/L		0.015	0.07				
	Oil and Grease	0.305mg/L	Wastewater quality standards for discharge to municipal sewers (GB/T 31962-2015), Table 1 Class B Standard Values	0.002	/				
	Suspended Solids	15.875mg/L	Process Management Standard of Changting County Jiahe Sewage Treatment Co., Ltd. Influent Standard Values, Wastewater quality standards for discharge to municipal sewers (GB/T 31962-2015), Table 1 Class B Standard Values (domestic sewage)	0.045	/				
	BOD5	25.625mg/L	Process Management Standard of Changting County Jiahe Sewage Treatment Co., Ltd. Influent Standard Values, Wastewater quality standards for discharge to municipal sewers (GB/T 31962-2015), Table 1 Class B Standard Values (domestic sewage)	0.154	/				
	Total Nitrogen	46.4mg/L	Wastewater quality standards for discharge to municipal sewers (GB/T 31962-2015), Table 1 Class B Standard Values (domestic sewage)	/	/				
	Animal and vegetable oils	0.553mg/L	Wastewater quality standards for discharge to municipal sewers (GB/T 31962-2015), Table 1 Class B Standard Values (domestic sewage)	/	/				
	Total Phosphorus	2.203mg/L	Wastewater quality standards for discharge to municipal sewers (GB/T 31962-2015), Table 1 Class B Standard Values (domestic sewage)	/	/				

1 During the reporting period, Bobai Judian was in its construction phase and had not yet commenced production; therefore, no pollutant emissions were generated.

Enterprise Name	Main Pollutants and Characteristic Pollutants	Emission Concentration	Name of Implemented Pollutant Emission Standard	Total Annual Emissions (tons)	Approved Emission Volume of Pollutant Discharge Permit (tons/year)	Emission Method	Number of Discharge Outlets	Distribution of Discharge Outlets	Excessive Emission
Golden Dragon Rare-earth (Plant of Rare Earth Industrial Park)	Chemical Oxygen Demand	6.482mg/L	Emission standard of pollutants for electroplating (GB 21900-2008) Table 2: Standards	0.617	11.180	Emission after reaching the standard	2	Main wastewater discharge outlet and domestic sewage discharge outlet in the factory area	None
	Ammonia Nitrogen	0.544mg/L		0.054	1.048				
	Total Copper	0.0147mg/L		0.001	0.012				
	Total Nickel	0.008mg/L		0.000006	0.001				
	Total Zinc	0.0847mg/L		0.008	0.022				
	Total Nitrogen	6.498mg/L	Emission Standards for Pollutants in the Rare Earth Industry (GB26451-2011) Table 2: Standards	0.628	/				
	Total Phosphorus	0.025mg/L		0.002	/				
Fujian Xinlu	Chemical Oxygen Demand	220.745mg/L	Wastewater quality standards for discharge to municipal sewers (GB/T 31962-2015), Table 1 Class B Standard Values	2.464	7.801	Emission after reaching the standard	3	Factory wastewater discharge outlet, workshop wastewater discharge outlet, and rainwater discharge outlet	None
	Total Phosphorus	2.30mg/L		0.019	/				
	Total Nitrogen	28.53mg/L		0.462	/				
	Suspended Solids	8.8mg/L		/	/				
	Sulfides	0.07mg/L		/	/				
	Total Zinc	0.12mg/L		0.012	/				
	BOD5	8.7mg/L		/	/				
	Oil and Grease	0.18mg/L		/	/				
	Fluoride	0.8mg/L		/	/				
	Chlorides	255mg/L		/	/				
	Ammonia Nitrogen	9.94mg/L		0.040	0.857				
	Total Cobalt	0.01mg/L	Emission Standard of Pollutants for Inorganic Chemical Industry (GB 31573-2015) Table 1	0.001	/				
	Total Lead	0.003mg/L	Integrated Wastewater Discharge Standards (GB8978-1996) Table 1: Standards	0.0002	0.05				
	Total Cadmium	0.004mg/L		0.0003	0.006				
	Total Arsenic	0.01mg/L		0.001	0.031				
	Total Mercury	0.0002mg/L		0.001	0.003				
	Hexavalent chromium	0.003mg/L		0.00001	/				
	Total chromium	0.017mg/L		0.001	0.031				
GANPOWER	Chemical Oxygen Demand	23.347mg/L	Integrated Wastewater Discharge Standards (GB8978-1996) Table 4: Level 3 Standard Limits	0.083	1.989	Emission after reaching the standard	1	Northeast corner of the factory area	None
	Ammonia Nitrogen	0.799mg/L		0.003	0.036				
	Total Zinc	0.01mg/L		0.00003	/				
	Total Copper	0.03mg/L		0.549	/				
	BOD5	6.725mg/L		0.0008	/				
	Sulfate	32.7mg/L		0.117	/				
	Fluoride	0.134mg/L		0.0004	/				
	Suspended Solids	17.75mg/L		0.076	/				
	Oil and Grease	0.103mg/L		0.0004	/				
	Total Phosphorus	1.198mg/L		0.004	/				
	Total Manganese	0.099mg/L		0.0004	/				
	Total Nickel	0.01mg/L		0.00004	/				
Duchang Jinding	Chemical Oxygen Demand	37.691mg/L	Integrated Wastewater Discharge Standards (GB8978-1996) Table 4: Standard Upgrade from Level 1	32.990	100.48	Emission after reaching the standard	1	External wastewater discharge outlet	None
	Ammonia Nitrogen	0.147mg/L		0.118	5.98				
	Hexavalent chromium	0.006mg/L		0.005	0.6				
	Total Nitrogen	0.135mg/L		1.103	14.35				
	Total Phosphorus	0.215mg/L	Integrated Wastewater Discharge Standards (GB8978-1996) Table 4: Level 1 Standard	0.188	0.598				
	Total Cadmium	0.002mg/L		0.002	0.12				
	Total Mercury	0.0003mg/L		0.0003	0.06				
	Total Lead	0.004mg/L		0.003	1.2				
	Total Arsenic	0.217mg/L		0.190	0.6				

Enterprise Name	Main Pollutants and Characteristic Pollutants	Emission Concentration	Name of Implemented Pollutant Emission Standard	Total Annual Emissions (tons)	Approved Emission Volume of Pollutant Discharge Permit (tons/year)	Emission Method	Number of Discharge Outlets	Distribution of Discharge Outlets	Excessive Emission
Malipo Haiyu Tungsten	Suspended Solids	4mg/L	Emission Standard of Pollutants for Inorganic Chemical Industry (GB 31573-2015) Table 1	0.155	/	Organized emission after meeting the standards	2	Discharge outlet of sewage treatment station, rainwater discharge outlet	None
	Chemical Oxygen Demand	16.083mg/L		0.632	2.274				
	Ammonia Nitrogen	1.246mg/L		0.048	0.455				
	BOD5	4.817mg/L		0.189	/				
	Total Nitrogen	5.416mg/L		0.207	/				
	Total Phosphorus	0.196mg/L		0.007	/				
	Sulfides	0.01mg/L		0.0004	/				
	Oil and Grease	0.771mg/L		0.031	/				
	Animal and vegetable oils	0.923mg/L		0.004	/				
	Zinc	0.012 mg/L		0.0005	/				
	Copper	0.012 mg/L		0.0005	/				
	Arsenic	0.0003mg/L		0.00001	/				
	Lead	0.0003 mg/L		0.00001	/				
	Cadmium	0.003 mg/L		0.0001	/				
	Total Mercury	0.005 mg/L		0.000002	/				
	Hexavalent chromium	0.1 mg/L		0.0002	/				
	Total cyanide	0.3 mg/L		0.0002	/				
	Fluoride	6 mg/L		0.023	/				
Ninghua Xingluokeng	Chemical Oxygen Demand	9.29mg/L	Integrated Wastewater Discharge Standards (GB8978-1996)	0.960	/	Organized emission after meeting the standards	5	Discharge outlet for domestic sewage, discharge outlet for tailings pond during the rainy season, 2 discharge outlets for sedimentation tanks, discharge outlet for leaching water from waste rock area	None
	Ammonia Nitrogen	0.54mg/L		0.056	/				
	Total Cadmium	0.000008mg/L		0.000001	/				
	Total Arsenic	0.004mg/L		0.0004	/				
	Total molybdenum	0.375mg/L		0.037	/				
Xiamen Jialu	Chemical Oxygen Demand	18.31mg/L	Integrated Wastewater Discharge Standards (GB8978-1996)	2.153	12.9	Organized emission after meeting the standards	2	TW01 wastewater discharge outlet, TW02 workshop discharge outlet	None
	Ammonia Nitrogen	14.68mg/L		1.727	2.3				
	Total Arsenic	0.02mg/L		0.003	0.01				
	Total Lead	0.2mg/L		0.023	0.148				
	Total Nitrogen	9.55mg/L	Wastewater quality standards for discharge to municipal sewers (GB/T31962-2015)	1.090	10.326				
XWXN (Xiamen)	Chemical Oxygen Demand	29.041mg/L	Discharge standard of water pollutants for Xiamen (DB35/322-2018)	16.197	45.956	Emission after reaching the standard	1	Discharge outlet on the northwest side of the factory area	None
	Ammonia Nitrogen	2.81mg/L		1.875	6.127				
	Total Nickel	0.061mg/L		0.037	/				
	Total Manganese	0.041mg/L		0.019	1.532				
	Total Cobalt	0.273mg/L		0.107	/				
Xiamen Golden Egret (Tongan Plant)	Chemical Oxygen Demand	27mg/L	Discharge standard of water pollutants for Xiamen (DB35/322-2018)	0.774	/	Emission after reaching the standard	1	Factory production wastewater and domestic sewage discharge outlet	None
	Ammonia Nitrogen	0.523mg/L		0.134	/				
Chengdu Lianhong Molybdenum	Chemical Oxygen Demand	214mg/L	Integrated Wastewater Discharge Standards (GB8978-1996)	0.107	/	Emission after reaching the standard	1	South outlet of the factory	None
	Ammonia Nitrogen	14.9mg/L	Wastewater quality standards for discharge to municipal sewers (GB/T31962-2015)	0.010	/				
Haicang Golden Egret	Chemical Oxygen Demand	219.17mg/L	Integrated Wastewater Discharge Standards (GB8978-1996)	5.677	/	Emission after reaching the standard	2	Factory production wastewater and domestic sewage discharge outlet	None
	Ammonia Nitrogen	16.01mg/L	Wastewater quality standards for discharge to municipal sewers (GB/T31962-2015)	0.476	/				

◎ Emission Reduction Measures

We place great importance on water environment protection. Across business segments including mining, advanced materials production, deep processing, and secondary resource utilization, the Company has systematically established an integrated wastewater management system featuring "source reduction, process control, advanced treatment, and recycling and reuse." This ensures that all wastewater discharges consistently meet applicable standards while continuously improving water resource utilization efficiency.

Mining Operations

At Ninghua Xingluokeng, the primary wastewater pollutants generated during production and operations include chemical oxygen demand (COD) and ammonia nitrogen. We strictly comply with internal regulations such as the Environmental Protection Management Policy and has adopted the following measures to reduce wastewater pollutant discharges:

- **Promoted the reuse of production wastewater:** All production wastewater is recycled to the greatest extent possible, minimizing water consumption and external discharge;
- **Standardized tailings wastewater treatment:** During the rainy season, wastewater from the tailings pond is centrally treated and discharged in an orderly manner only after meeting the Class III Surface Water Quality Standards, effectively reducing environmental impacts on receiving water bodies;
- **Strengthened wastewater discharge monitoring:** Strict monitoring is implemented for all industrial and domestic wastewater discharge outlets to ensure that pollutant concentrations consistently meet applicable standards. Professional third parties are engaged on a monthly basis to conduct wastewater discharge testing, ensuring compliant discharge.

Video Surveillance Facilities

Water Treatment Facilities

At Duchang site, the primary wastewater pollutants generated during production and operations include chemical oxygen demand (COD), ammonia nitrogen, total phosphorus, and total nitrogen. We have adopted the following measures to reduce wastewater pollutant discharges:

- **Implemented rainwater and wastewater separation:** The Company engaged a professional third-party institution to design and implement a rainwater–wastewater separation system, with a focus on upgrading key areas prone to mixing and sections where diversion structures are damaged, ensuring effective separation and discharge of rainwater and wastewater and reducing environmental risks;
- **Promoted wastewater recycling and reuse:** Interception and drainage channels are installed in plant areas, mining sites, tailings ponds, and waste dumps. Waste dumps are equipped with retaining dams, sedimentation tanks, and pumping-back facilities, with all leachate pumped back to elevated water tanks for reuse in production. Wastewater from mining sites is also pumped back to elevated water tanks for production use. More than 90% of wastewater from tailings ponds is pumped to the concentrator's elevated water tanks for recycling, while the remaining portion is discharged only after compliant treatment;
- **Strengthened monitoring and control:** An online monitoring system is installed at the centralized wastewater discharge outlet to monitor key indicators such as pH, chemical oxygen demand, ammonia nitrogen, and flow in real time. Qualified third-party institutions are engaged to test harmful factors in wastewater from the main discharge outlet and leachate from waste dumps, ensuring compliant discharge.

Advanced Materials Production

At the tungsten smelting base in Longyan, the primary wastewater pollutants generated during production and operations include chemical oxygen demand (COD), ammonia nitrogen, total lead, total chromium, and total cadmium. The Company has adopted the following measures to reduce wastewater pollutant discharges:

- **Upgraded treatment facilities:** Retrofit and reuse of oil separation tanks have been implemented by extending the residence time for phase separation of organic wastewater, enabling the organic phase on the surface to be regularly recovered and directly returned to the production process for recycling. This significantly reduces the organic content entering subsequent wastewater and waste residue systems and effectively stabilizes organic indicators in both wastewater and residues;
- **Strengthened end-of-pipe monitoring:** Additional collection and monitoring processes have been introduced at the final stage of wastewater treatment. Dual testing methods, combining instrument analysis and test strips, are applied to ensure that pollutants such as ammonia nitrogen meet discharge standards;
- **Promoted wastewater recycling and reuse:** A cascading utilization strategy is implemented based on different water quality requirements to continuously improve water resource utilization efficiency. Certain wastewater and waste acid are recycled and reused, effectively reducing freshwater withdrawal and overall water consumption.

Wastewater Treatment Facilities

At the deep processing and materials production base in Changting, the primary wastewater pollutants generated during production and operations include chemical oxygen demand (COD), ammonia nitrogen, and total nitrogen. The Company has adopted the following measures to reduce wastewater pollutant discharges:

- **Improved wastewater treatment efficiency:** Newly constructed biochemical treatment systems for surface treatment wastewater and nitrogen-containing wastewater have expanded the organic wastewater treatment capacity from 75 m^3/d to 400 m^3/d. The compliance rate for organic and phosphorus-containing wastewater discharge, as well as the online monitoring compliance rate, have both remained at 100%;
- **Promoted wastewater recycling and reuse:** A wastewater reuse system has been established in the rare earth industrial park, achieving a wastewater reuse rate of 60% in 2025, effectively reducing freshwater withdrawal and external discharge. Through pipeline modifications, wastewater from machining processes in the rare earth park and from spray towers in the alloy division has been recycled, with reuse rates for both exceeding 80%.
- **Established internal control indicators:** In accordance with regulatory requirements such as the Discharge Standard of Water Pollutants for Xiamen (DB35/322-2018) and the Integrated Wastewater Discharge Standards (GB8978-1996), we have formulated environmental control indicators for wastewater. Our testing center conducts weekly monitoring of pH, ammonia nitrogen, and heavy metals (including nickel, cobalt, and manganese) in wastewater discharges to ensure that water quality remains consistently under control;
- **Built an online monitoring system:** A water quality online monitoring system that meets national standards and has passed government acceptance has been established to conduct real-time monitoring of ammonia nitrogen and chemical oxygen demand (COD) in wastewater discharges;
- **Implemented classified treatment of production wastewater:** Two wastewater treatment systems have been installed to separately treat ternary precursor production wastewater and cobalt tetroxide production wastewater. Ternary precursor wastewater adopts a "high-concentration ammonia nitrogen resource recovery" process, increasing the ammonia nitrogen recovery rate to over 99% and recovering 14,000 tons of ammonia solution annually. Cobalt tetroxide wastewater is treated using a Mechanical Vapor Recompression (MVR) system for resource recovery and recycling, achieving a reclaimed pure water reuse rate of 98.85% and reducing wastewater discharge per unit of product by 90%. In 2025, the system achieved a wastewater reduction of approximately 270,000 cubic meters and recovered about 21,000 tons of ammonium chloride;

At the battery materials production base, the primary wastewater pollutants generated during production and operations include chemical oxygen demand (COD), ammonia nitrogen, total nickel, total manganese, and total cobalt. We have adopted the following measures to reduce wastewater pollutant discharges:

- **Conducted regular wastewater testing:** Each year, we engage qualified third-party environmental monitoring institutions to carry out comprehensive monitoring of wastewater discharges, ensuring compliant discharge.

Deep Processing

At the Tungsten and Molybdenum Wire Materials Division in Xiamen, the primary wastewater pollutants generated during production and operations include chemical oxygen demand (COD), biochemical oxygen demand over five days (BOD5), and ammonia nitrogen. We have adopted the following measures to reduce wastewater pollutant discharges:

- **Established reclaimed water reuse systems:** Reclaimed water reuse systems have been installed at Tianfeng Tungsten Wire Phase IV and Tianxiang Phase II Tungsten Wire Phase VIII, achieving a reuse rate of over 80%, effectively conserving water resources and reducing wastewater discharge;
- **Applied ceramic membrane treatment technology:** Advanced ceramic membrane technology has been adopted to establish a graphite emulsion wastewater treatment system, enabling efficient treatment of high-concentration graphite emulsion wastewater. Following implementation, sludge generation has decreased by approximately 30% year-on-year.

Secondary Resource Utilization

At GANPOWER, the primary wastewater pollutants generated during production and operations include chemical oxygen demand (COD), biochemical oxygen demand over five days (BOD5), and ammonia nitrogen. We have adopted the following measures to reduce wastewater pollutant discharges:

- **Reduced wastewater at the source:** Production wastewater is uniformly collected and treated through an MVR evaporation and crystallization system, achieving wastewater reduction at the source;
- **Recycled high-salinity wastewater:** High-salinity wastewater is evaporated and separated to produce sulfate by-products for external sale. The generated condensate is further purified through a condensate membrane process and fully reused in production processes, achieving "zero liquid discharge" of production wastewater and effectively conserving freshwater resources;
- **Standardized treatment of domestic wastewater:** Domestic wastewater is treated through self-built standardized integrated wastewater treatment facilities. After meeting the Class III Integrated Wastewater Discharge Standards (GB 8978-1996) and the connection requirements of the industrial park wastewater treatment plant, it is discharged into the park's wastewater treatment plant for further treatment.

Noise Management

Effectively controlling industrial noise is a fundamental requirement for fulfilling environmental responsibilities, safeguarding employees' occupational health, maintaining community harmony, and advancing green operations and sustainable development. The Company strictly complies with laws and regulations such as the Law of the People's Republic of China on the Prevention and Control of Environmental Noise Pollution and has implemented a series of systematic measures to effectively manage noise generated from production activities.

At the source, we minimize impacts on the surrounding environment by optimizing equipment layout and adopting low-noise processes. During operational oversight, we have established a sound noise monitoring mechanism and strictly conduct routine boundary noise monitoring at least once per quarter. In addition, we have put in place a rapid response mechanism: upon receiving any noise-related complaints, we immediately initiate intensified monitoring and dynamically adjust monitoring frequency and locations based on operating conditions and complaint details, ensuring accurate tracking of emissions. During the reporting period, all subsidiaries of the Company achieved compliant noise emissions.

Mining Operations

At Ninghua Xingluokeng, we adopt the following measures to reduce noise impact:

- **Installed sound insulation barriers:** We have installed sound insulation barriers in areas with major noise sources, reducing noise propagation through physical blocking and sound absorption;
- **Strengthened equipment maintenance:** We have established and strictly implemented a regular maintenance system to ensure that all machinery operates in good condition, reducing mechanical noise caused by equipment failure or aging;
- **Strictly controlled operating hours:** We avoid high-noise operations during nighttime and rest periods to minimize impacts on surrounding residents;
- **Conducted noise monitoring:** We engage qualified third-party institutions to carry out boundary noise testing, ensuring that noise emissions comply with national and local standards.

In Duchang, we take the following actions to mitigate noise pollution:

- **Optimized operational scheduling:** We reasonably plan production layouts and strictly control blasting times and transportation operation periods, avoiding high-noise activities during environmentally sensitive periods to minimize disturbance to the surrounding environment;
- **Strict control of equipment selection:** We prioritize the use of production equipment with high machining precision, good assembly quality, and low noise levels, and strengthen vibration isolation and damping design for equipment foundations to reduce noise generation at the source;
- **Targeted control of key noise sources:** We implement specialized noise control measures for key sources such as ball mills at the beneficiation plant platform, vibrating equipment in pre-selection workshops, vibrating equipment in waste rock separation buildings, as well as vibrating screens and belt gear reducers in manufactured sand production workshops. Measures include installing sound-absorbing materials and sound barriers to ensure that boundary noise meets control requirements of below 60 dB(A) during daytime and below 50 dB(A) at night;
- **Controlled management of transportation vehicles:** Vehicles are required to strictly comply with speed reduction and no-honking rules when passing through environmentally sensitive areas to reduce traffic noise impacts on surrounding communities;
- **Regular monitoring and assessment:** We engage qualified third-party institutions to conduct regular comprehensive boundary noise testing and evaluation, effectively preventing and controlling noise pollution.

Advanced Materials Production

At the battery materials production base, we strictly comply with the national Emission Standard for Industrial Enterprises Noise at Boundary (GB12348-2008) and the requirements of the environmental impact assessment approval, ensuring that boundary noise is controlled within the Class III standard limits (65 dB(A) during daytime and 55 dB(A) at night). To achieve and maintain this target, we have implemented systematic and comprehensive noise prevention and control measures.

In terms of engineering controls, we optimize workshop acoustic insulation design and rationally plan equipment layout, concentrating high-noise equipment within workshops or in isolated areas. We also apply integrated technical measures such as foundation vibration damping, sound insulation enclosures, and silencers to effectively reduce noise at the source. In addition, we have established a robust equipment inspection and preventive maintenance system to promptly identify and repair potential abnormal noise caused by wear, loosening, or other equipment issues.

In terms of management and monitoring, our Safety and Environmental Protection Department regularly engages qualified third-party institutions to conduct boundary noise monitoring, producing standardized monitoring records and assessment reports. Based on monitoring results and feedback, we continuously evaluate and improve noise reduction facilities and control measures to ensure long-term compliance with regulatory requirements and to effectively minimize the impact of production operations on the surrounding acoustic environment.

Deep Processing

At the Alloy and Cutting Tools Division in Xiamen, we have adopted the following measures to reduce noise impacts:

- **Controlled noise transmission pathways:** For equipment operating noise, we have implemented comprehensive measures such as sound insulation enclosures and sound-absorbing cotton to block noise transmission paths and reduce impacts on the surrounding living environment;
- **Strengthened personal protection:** We have reinforced occupational protection management in high-noise work areas, requiring employees to properly wear personal protective equipment such as earplugs and earmuffs to safeguard occupational health;
- **Upgraded key equipment:** We have completed dedicated noise reduction retrofits for four sintered rotary vane pumps, further improving noise management in the production environment.

Waste Disposal

We uphold the management philosophy of "compliant disposal, environmental protection, resource circularity, and sustainable development," and follow the working principles of "source reduction, appropriate utilization, classified management, and full-process control." We are committed to achieving our waste management objectives of "effectively fulfilling corporate responsibility, reducing waste generation at source, promoting resource recycling, and preventing environmental risks."

The Company strictly complies with laws and regulations such as the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste and the Pollution Control Standard for Hazardous Waste Storage, and has formulated and implemented internal management systems including the Technical Guidelines for Standardized Solid Waste Operations. These systems regulate the collection, classification, storage, transportation, utilization, and disposal of waste. Meanwhile, we continuously reduce waste generation at source, improve resource recycling efficiency, and minimize the potential environmental impacts of waste through ongoing optimization of production processes, promotion of green packaging, and strengthening of waste sorting, recycling, and resource utilization.

To ensure effective implementation of management requirements, we have established a clearly structured responsibility system with defined roles and accountability. The Company's Headquarters Safety Production and Environmental Protection Management Department serves as the supervisory body, responsible for overseeing and inspecting the implementation of standardized waste management practices across all subsidiaries. Each subsidiary, as the direct responsible entity, has established a sound solid waste pollution prevention and control management system, formulated and strictly implemented relevant internal procedures, and proactively cooperates with internal audits as well as inspections by government authorities. This ensures that waste management requirements are fully integrated into all stages of production and operations, achieving standardized and routine management.

Waste disposal from the company's key environmental supervision units in 2025

Subsidiary	Pollutant Discharge Status
XTC Haicang Branch	A total of 7,808.83 tons of smelting slag and 64.26 tons of hazardous waste were generated. Both types of waste were entrusted to qualified third parties for comprehensive utilization or compliant disposal.
Chengdu Dingtai	The waste includes 206.14 tons of general industrial waste and 66.15 tons of hazardous waste. The hazardous waste and solid waste were entrusted to third-party entities for comprehensive utilization or to qualified units for disposal.
Chengdu Hongbo Industrial	Generated 48.05 tons of general industrial waste (including spent furnace bricks and scrap iron), and 29.97 tons of hazardous waste, which were transferred for disposal.
Golden Dragon Rare-earth (Industrial New Zone)	Transferred and recycled 546.17 tons of general solid waste and 242.04 tons of hazardous waste. All waste was handled by qualified units.
Golden Dragon Rare-earth (Rare Earth Industrial Park)	Transferred and recycled 633.36 tons of general solid waste and 399.35 tons of hazardous waste. All waste was handled by qualified units.
Fujian Xinlu	Generated 28,799.56 tons of general solid waste and 16.22 tons of hazardous waste. All smelting slag and other solid waste were processed by third parties; hazardous waste was entrusted to qualified entities for disposal.
GANPOWER	A total of 58.52 tons of hazardous waste was handled by qualified third parties for comprehensive utilization or compliant disposal.
Duchang Jinding	Generated 3,846,831.15 tons of slag, including 2,110,526.63 tons of waste rock and 1,736,304.52 tons of tailings; 73.10 tons of industrial waste; and 17.63 tons of hazardous waste. A total of 743,513.13 tons of slag was recycled during the reporting period.
Luoyang Yulu	The industrial waste generated amounted to3,116,38 tons, all of which was disposed of in the tailings pond. The hazardous waste transfer quantity was 1.18 tons, which was handed over to a qualified third-party for disposal.
Malipo Haiyu Tungsten	Generated 13,988.96 tons of smelting slag, 13,872.62 tons of by-product gypsum, 1,901.44 tons of furnace slag, 205.14 tons of industrial waste, and 19.14 tons of externally transported waste, totaling 29,987.30 tons. Hazardous waste includes 0.50 ton of waste oil and 1.10 tons of empty reagent bottles, totaling 1.60 tons. A total of 29,988.90 tons of waste was entrusted to qualified third parties for comprehensive utilization.
Ninghua Xingluokeng	Generated 9,084,800.80 tons of slag, including 7,396,748.13 tons of waste rock and 1,688,052.67 tons of tailings; 4.59 tons of hazardous waste was transferred for disposal. A total of 777,453.30 tons of slag was recycled in 2025.
Xiamen Jialu	Generated and recycled 1,670.70 tons of general industrial solid waste; 23.77 tons of hazardous waste was transferred for disposal. All waste was entrusted to qualified units for compliant utilization or treatment.
XWXN(Xiamen)	Generated 1,512.75 tons of general industrial waste (e.g., spent saggers and bulk bags), and 27.57 tons of hazardous waste, all of which were handled by qualified third-party entities.
Xiamen Golden Egret	Transferred 134.80 tons of hazardous waste of Tongan Plant. General solid waste included 423.82 tons of recyclable waste (e.g., non-metallic materials, scrap wood, and cardboard) and 276.24 tons of non-recyclable waste. All waste was handled by qualified service providers.
Chengdu Hongbo Molybdenum	Transferred 77.73 tons of hazardous waste, all handled by qualified entities.
Haicang Golden Egret	The Company's waste includes stainless steel scrap, waste cardboard, waste wood, scrap iron, waste paraffin, waste mineral oil, etc. The amount of general industrial solid waste generated was 193.82 tons, and the amount of hazardous waste transferred for disposal was 154.82 tons. General industrial solid waste was entrusted to third parties for comprehensive utilization, with 61.98 tons recovered, while hazardous waste was entrusted to qualified entities for treatment.

General Waste

General waste generated during our operations primarily consists of industrial waste (such as tailings, waste rock, discarded saggers, and used bulk bags) and domestic waste. Throughout our production and operational processes, we actively implement measures to reduce general waste generation. Through technological innovation and process optimization, we aim to enhance the comprehensive utilization of waste, thereby improving both environmental and economic performance in waste management.

Mining Operations

At Ninghua Xingluokeng, general waste is primarily industrial in nature, including tailings and waste rock. We manage such waste through the following approaches:

- **Recycling and reuse:** A manufactured sand production workshop has been added at the end of the beneficiation process, and ore sorting and waste rejection technology has been introduced. X-ray transmission technology is used to identify density differences between ore and waste rock, enabling early separation of waste rock and low-grade ore during the crushing stage and preventing them from entering subsequent grinding and flotation processes. This technology addresses the limitations of traditional processes, where waste rock mixing leads to excessive tailings generation and unnecessary grinding energy consumption. In addition, a supporting manufactured sand aggregate production line has been established to process materials into construction-grade sand and gravel, further enhancing resource reuse;
- **Compliant disposal:** Other general waste, such as domestic waste, is entrusted to qualified third-party professional service providers for compliant treatment and disposal.

In Duchang, general waste primarily includes industrial materials such as empty waste oil drums. The following measures have been implemented to manage general waste:

- **Strict disposal prohibitions:** It is strictly prohibited to arbitrarily dump or stockpile industrial solid waste in the external environment; it is prohibited to dispose of industrial solid waste in domestic waste collection facilities; and it is prohibited to mix hazardous waste with industrial solid waste during collection, storage, or transfer;
- **Standardized storage management:** Tailings sand is stored in tailings ponds, and the Safety and Environmental Protection Department together with the Beneficiation Department strictly manage daily operations in accordance with regulatory requirements, including tailings transportation, sand pumping stations, and return water pumping stations, to prevent tailings leakage. Waste rock is stored in waste dumps, and the Mining Department strengthens management of waste dump sites in accordance with relevant standards and requirements to prevent waste rock from dispersing into the external environment.

Advanced Materials Production

At the rare earth materials production base, general waste generated during operations primarily consists of industrial waste. We manage this waste through the following measures:

- **Classified disposal:** Each production workshop accurately sorts and places waste into designated bins or storage areas according to category, and recyclable waste is promptly recovered and reused;
- **Supervision and management:** The Safety and Environmental Protection Department is responsible for supervising the management of waste storage sites, urging each department to implement classified storage and regularly handle domestic waste, and conducts monthly inspections of classification and storage conditions at all solid waste storage points;
- **Compliant disposal:** Domestic waste is entrusted to sanitation service providers for treatment. Valuable solid waste such as iron drums and scrap iron is sold through bidding, while low-value materials such as wooden crates are handed over to waste transport personnel for recycling in exchange for transportation cost offsets;
- **Recycling and reuse:** Production by-products including rare earth fire-process recovery materials, rare earth target recovery materials, tungsten and tungsten alloy scrap, molybdenum and molybdenum alloy scrap, as well as niobium and niobium alloy scrap, are managed by converting them from waste into recoverable secondary raw materials that meet recycling standards and are sold accordingly. This is expected to reduce solid waste generation by approximately 4,017 tons per year while generating additional economic benefits of approximately 20 million CNY, achieving synergistic development of environmental protection and economic value.

At the battery materials production base, general waste primarily includes industrial materials such as discarded saggers, used bulk bags, cardboard, and pallets. The following management measures are in place:

- **Established management ledger:** We accurately record information on general waste, including types, quantities, flows, storage, utilization, and disposal, ensuring full traceability and verifiability of general waste management;
- **Improved storage facilities:** We have established designated general waste storage areas within the plant and strictly implemented measures to prevent dispersion, loss, leakage, and other environmental pollution risks;
- **Standardized outsourced disposal:** When entrusting professional third parties with the transportation, utilization, or disposal of general waste, we enter into legally compliant written contracts and explicitly include pollution prevention and control requirements in the agreements.

Deep Processing

At the Alloy and Cutting Tools Division in Jiujiang, general waste primarily includes waste cardboard, discarded wooden pallets, wooden crates, and non-metallic materials. The following measures have been adopted:

- **Standardized classified stacking:** Waste cardboard boxes shall be disassembled, flattened, and stacked properly; it is strictly prohibited to directly pile empty cartons in waste storage areas. All woven bags shall be tied or compacted before being placed in the waste storage area. Waste wooden pallets, wooden crates, and other waste wood materials shall be collected and sorted by the responsible departments before being transported to the storage area for centralized stacking. Non-recyclable waste shall be properly placed into garbage bags, and direct dumping into waste storage areas is strictly prohibited;
- **Construction waste management:** Construction waste generated by subcontractors during construction activities must be disposed of on the same day and shall not be left on-site within the Company or stored in waste storage areas.

Hazardous Waste

We strictly comply with the Basel Convention and relevant national regulations on hazardous waste management and regulations on hazardous waste management, and has established a hazardous waste management system centered on "source reduction, process control, and standardized disposal," achieving full-process closed-loop management covering the generation, storage, transfer, and disposal of hazardous waste. In accordance with requirements such as the Pollution Control Standard for Hazardous Waste Storage and the Hazardous Waste Transfer Management Measures, and taking into account the categories and physicochemical properties of hazardous waste, we carry out standardized classified collection, zoned storage, and labeling management. We also lawfully entrust qualified licensed entities to conduct harmless treatment and disposal, ensuring compliant transfer and safe disposal, and comprehensively preventing environmental risks.

Mining Operations

At Ninghua Xingluokeng, hazardous waste generated during operations primarily includes used engine oil. The following measures are taken to manage hazardous waste:

- **Promoted source reduction:** We actively advance cleaner production and adopt advanced technologies to reduce the generation of waste lubricating oil, while prioritizing its comprehensive utilization to minimize hazardous waste generation at source;
- **Standardized ledger management:** For waste lubricating oil that cannot be comprehensively utilized, we ensure proper storage and establish detailed management ledgers to guarantee full-process traceability;
- **Clarified management responsibilities:** Hazardous waste generating units are responsible for collection, temporary storage, and daily management, while the Safety and Environmental Protection Department is responsible for supervision and oversight. We also entrust qualified third-party entities to carry out compliant transfer and disposal.

In Duchang, hazardous waste mainly includes waste mineral oil, waste paint, oil filters, and laboratory waste liquids. The following measures are in place:

- **Strengthened ledger management:** Hazardous waste is centrally collected and transported to hazardous waste storage facilities for storage. Strict daily in-out warehouse registration is implemented, and a comprehensive management ledger covering hazardous waste storage, transfer, and disposal is established;
- **Implemented management responsibilities:** Regular self-inspections are conducted for hazardous waste storage areas. Responsible persons are clearly designated for each workshop, and the hazardous waste ledger management system as well as related hardware facilities are continuously improved.

Advanced Materials Production

During the tungsten smelting process, hazardous waste generated during operations mainly includes waste resin, waste mineral oil, wastewater sludge, paint waste, chemical reagent bottles, waste acid, and waste alkali. We manage such hazardous waste through the following measures:

- **Established management ledger:** The Safety and Environmental Protection Department reports on a monthly basis the time, category, quantity, and destination of hazardous waste generation, thereby strengthening hazardous waste management;
- **Enhanced recycling and reuse:** Waste acid, waste alkali, and wastewater sludge containing cobalt and nickel are comprehensively recycled and reused to improve resource utilization efficiency;
- **Professional compliant disposal:** Other types of hazardous waste are promptly transferred to dedicated hazardous waste storage facilities within the production base for temporary storage and management, and are ultimately entrusted to qualified third-party entities for professional treatment and disposal.

At the rare earth materials production base, hazardous waste primarily includes waste mineral oil and empty packaging drums. We implement the following measures:

- **Improved management mechanisms:** We strictly implement internal rules and regulations such as the Environmental Protection Management Regulations and the Hazardous Waste Management Regulations, and have established a Hazardous Waste Pollution Prevention and Control Leadership Group to guide and supervise waste management practices. We also entrust qualified professional entities to carry out lawful and compliant disposal of hazardous waste;
- **Standardized storage management:** We have constructed dedicated hazardous waste storage facilities with clearly posted labels and implemented strict anti-corrosion and anti-seepage measures. Dedicated personnel are assigned to conduct daily inspections and routine checks to ensure safe and compliant storage conditions.

At the battery materials production base, hazardous waste generated includes spent activated carbon, waste mineral oil, waste organic solvents, paint residues, and laboratory waste. We manage these materials through the following practices:

- **Source reduction:** We prioritize the use of clean energy and environmentally friendly raw materials, and adopt advanced production processes and equipment to reduce the generation of hazardous waste at source;
- **Standardized storage:** We have established dedicated hazardous waste storage warehouses for classified collection and storage. Isolation facilities are installed within storage areas, and strict measures are implemented for windproofing, sun protection, rainproofing, seepage prevention, and fire prevention. Surveillance cameras are installed for real-time monitoring to ensure safe and reliable storage of hazardous waste;
- **Supervision and inspection:** The Safety and Environmental Protection Department implements end-to-end, full-process supervision and management of hazardous waste covering generation, storage, transfer, and disposal. We also regularly entrust qualified professional institutions to carry out compliant transfer and harmless treatment;
- **Training and awareness:** We regularly organize specialized training on hazardous waste management to strengthen employees' compliance awareness and management capabilities;

- **Circular utilization:** Leveraging our existing precursor and cathode material industrial chain, we actively develop resource recovery of production waste and spent batteries. By establishing a subsidiary dedicated to battery material recycling, we have built an efficient recovery system. In 2025, we recovered 81.17 tons of nickel sulfate, 232.67 tons of cobalt sulfate, and 15.48 tons of manganese sulfate from production waste.

Deep Processing

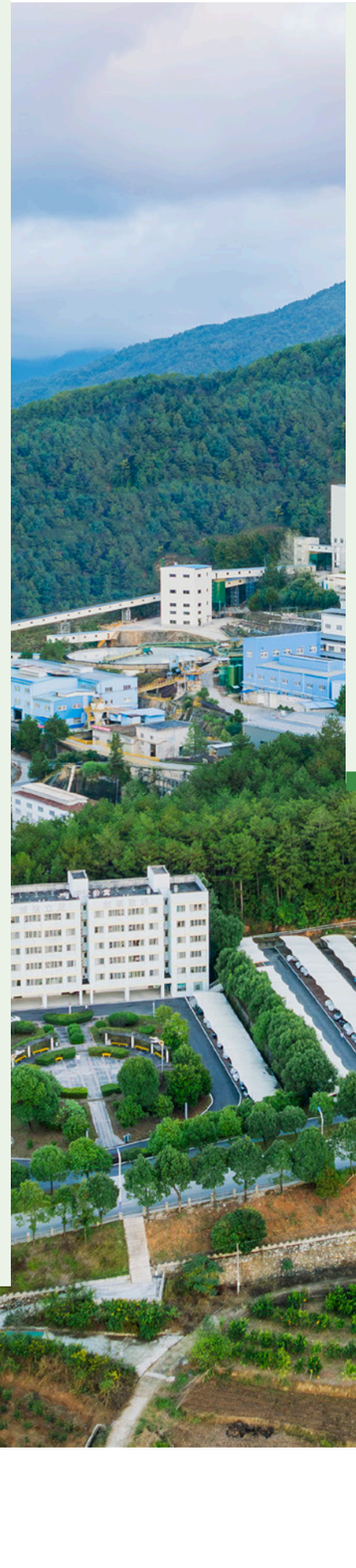
At the Alloy and Cutting Tools Division in Jiujiang, hazardous waste mainly includes waste paraffin, spent grinding fluid, asbestos waste, used oil drums, waste lubricating oil, and laboratory waste liquids. We manage this waste through the following measures:

- **Standardized storage-in procedures:** Hazardous waste is handled in strict accordance with the process of "generation department collection → packaging and weighing → on-site confirmation by the Safety and Environmental Protection Department → labeling with dedicated hazardous waste tags → transfer to storage → handover," with simultaneous completion of ledger records;
- **Strict storage management:** Based on the characteristics of different types of hazardous waste, dedicated containers are used for collection. Waste is temporarily stored in workshops until a certain volume is reached, after which it is transferred in batches by designated personnel to hazardous waste storage facilities. The storage areas are equipped with anti-seepage, anti-leakage, rainproof, and sunproof measures, and are locked to prevent environmental contamination and ensure safe and stable storage conditions;
- **Strengthened operational protection:** Operators are required to wear appropriate personal protective equipment in accordance with regulations. Collection and transfer activities without proper protection are strictly prohibited to avoid environmental pollution;
- **Compliant and safe disposal:** Hazardous waste is entrusted to qualified professional disposal entities. During transportation, strict supervision is implemented to ensure that both vehicles and personnel meet statutory qualification requirements, thereby guaranteeing compliant and safe disposal.

Secondary Resource Utilization

At GANPOWER, hazardous waste generated during operations primarily includes spent activated carbon. We implement the following measures to manage this waste:

- **Standardized collection and storage:** We have constructed dedicated hazardous waste storage facilities and strictly implemented the "three prevention" measures, including anti-seepage, anti-scattering, and anti-loss, to ensure safe and controllable storage conditions;
- **Strengthened process supervision:** We complete and operate electronic hazardous waste transfer manifests through the national hazardous waste information management system. In accordance with relevant national regulations, we publicly disclose information related to pollution prevention and control during hazardous waste transfer. At the same time, inbound storage data is uploaded to the Fujian Province Solid Waste Environmental Supervision Platform, ensuring full-process traceability and verifiability;
- **Improved emergency response system:** We have established an emergency command structure and emergency rescue team, and conduct annual hazardous waste-specific emergency drills to continuously enhance on-site emergency response capabilities.



Ecosystem and Biodiversity Protection

We recognized that mineral resource development and biodiversity conservation are two core priorities that must be carefully balanced to achieve sustainable and responsible mining operations. Healthy ecosystems not only form the foundation for community well-being, water security, and regional climate regulation, but also directly affect the long-term environmental stability surrounding mining areas and the ecological license for resource development. Therefore, we place ecological protection and biodiversity conservation at a central position in our environmental strategy and corporate social responsibility framework, and are committed to exploring and implementing a sustainable development pathway that enables business growth in harmony with nature.

To this end, the Company actively responds to international conventions such as the Convention on Biological Diversity and the Convention on Wetlands (Ramsar Convention), as well as global initiatives including Transforming our World: The 2030 Agenda for Sustainable Development and the Kunming–Montreal Global Biodiversity Framework, and strictly implements relevant requirements under China's Opinions on Further Strengthening Biodiversity Conservation. We have formulated biodiversity conservation-related policies and solemnly commits to systematically assessing and minimizing, as well as mitigating, the direct and indirect impacts of its production and operations on natural ecosystems and biodiversity throughout the entire lifecycle of projects.

In alignment with the framework advocated by the Taskforce on Nature-related Financial Disclosures (TNFD), we systematically assess its dependencies and impacts on nature, identifies biodiversity-related risks and opportunities arising from its operations, and on this basis establishes and continuously improves a full-process management system. At the same time, the Company defines conservation targets and performance indicators to ensure that all management measures are effectively implemented and continuously advanced.

In practice, we actively implement biodiversity conservation initiatives, striving to minimize disturbances to surrounding ecosystems caused by mining activities. We also proactively explore synergistic models that support both ecological restoration and community development, promoting a new paradigm of green mining characterized by positive interaction and long-term synergy between corporate development and nature conservation.

Governance

We strictly adhere to the principles of "prioritizing protection, prevention first, comprehensive governance, public participation, and accountability for environmental damage," and integrates ecological and environmental protection responsibilities throughout the entire decision-making, management, execution, and supervision processes. We have established a comprehensive environmental responsibility system characterized by "full participation, full-process control, and full coverage."

To strengthen organizational governance, the Company has formulated and implemented the Ecological and Environmental Protection Responsibility System, and established an Ecological Civilization Construction Leadership Group jointly led by the Chairman and the President. As a dedicated leadership body for ecological and environmental protection, it is responsible for overall planning, organization, and coordination to ensure that both the headquarters and all subsidiaries systematically carry out ecological environmental protection and ecological civilization initiatives in a comprehensive manner.

Decision-making Level	Party Committee Secretary / Chairman (First Responsible Person)	• Incorporate ecological environmental protection into the Party Committee's highest-level agenda, convene special meetings to deliberate and arrange major matters, and steer the direction of the Company's ecological protection efforts. • Coordinate the establishment of a "dual responsibility" (simultaneous responsibility for both job duties and environmental protection) accountability system for ecological environmental protection, review assessment mechanisms and responsibility targets, and consolidate leadership responsibilities at each level. • Establish ecological environmental protection systems and emergency response frameworks, decide on funding allocations and team building, and provide unified leadership and organizational functions. • Direct unified supervision and inspection of ecological protection and rectification of potential hazards, and review the handling and accountability for sudden ecological incidents.
	President (Primary Responsible Person)	• Coordinate and advance ecological environmental protection work at headquarters and subordinate entities, organize the formulation of plans and annual priorities, and resolve major issues. • Organize and conduct supervision and inspection of ecological environmental protection, and coordinate the identification and rectification of risks and hidden hazards. • Formulate emergency response plans for sudden environmental incidents, and coordinate and guide incident handling and internal investigations.
	Other Vice Presidents (Deputy Group Leaders)	• Organize the departments and subordinate entities under their supervision to implement ecological environmental protection policies, laws and regulations, and higher-level directives. • Guide subordinate entities under their supervision to establish and implement an accountability system for ecological protection, and organize daily environmental education and emergency management. • Participate in organizing annual performance assessments for ecological protection at subordinate entities under their supervision, as well as emergency rescue, disaster relief, and follow-up work for sudden environmental incidents.
Supervisory Level	Commission for Discipline Inspection (Deputy Group Leader)	• Organize supervision and inspection of the Company and its subordinate entities regarding the implementation of ecological environmental protection policies, major decisions, leadership performance of duties, and the enforcement of the "one-vote veto" mechanism. • Participate in environmental incident investigations and take disciplinary actions against personnel for dereliction of duty or misconduct.
Management Level	Each Center/ Department	• Implement ecological environmental protection policies, laws and regulations, and higher-level directives, carry out the environmental protection responsibilities of the Center/Department, and assign them to specific positions. • Organize employees in the department to participate in environmental education and training, and proactively conduct learning on ecological protection. • Perform duties as prescribed in the emergency response plan for the department, participate in emergency drills, and assist in emergency support, follow-up handling, and internal investigations for sudden environmental incidents. • Take charge of the implementation of ecological environmental protection work within the department's scope of business, and guide subordinate entities in solving environmental protection issues within their business areas.
Execution Level	Heads and relevant personnel of each Center/Department	• Organize the preparation of annual departmental plans and targets for environmental protection, formulate and revise environmental protection responsibility systems and management procedures, and guide subordinate entities to improve their responsibility frameworks and operating instructions. • Implement performance assessments on environmental protection for subordinate entities, and strictly enforce the "one-vote veto" mechanism. • Formulate and implement annual training plans, and conduct business guidance and technical promotion. • Take charge of the daily work of the Ecological Civilization Construction Leading Group Office.

We define the prevention and reduction of environmental pollution and ecological degradation, as well as the effective prevention of various sudden environmental incidents, as the core objectives of its ecological and environmental protection work. To systematically implement these objectives, we have formulated and implemented the Ecological Environmental Protection Supervision and Management Regulations, which cover all subsidiaries. It explicitly requires each subsidiary to sign an Ecological Environmental Protection Target Responsibility Agreement with its parent entity, ensuring that environmental protection targets are cascaded step by step and responsibilities are clearly assigned to specific positions and individuals.

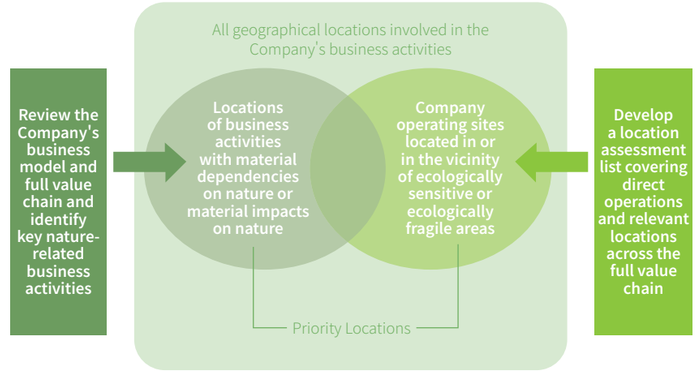
To further strengthen the accountability of subsidiaries, the Company has incorporated ecological environmental protection into its performance evaluation system and established the Ecological Environmental Protection Performance Appraisal Measures. Under these measures, results from routine inspections, annual target fulfillment, and overall performance evaluations are directly linked to the remuneration of subsidiary management teams. Through strengthened performance incentives and accountability mechanisms, the Company is building a long-term environmental governance system characterized by clear responsibilities, effective incentives, and strong constraints, thereby enhancing risk prevention and control capabilities and effectively preventing and mitigating the occurrence of sudden environmental incidents.

Strategy

We regard ecosystem and biodiversity protection as an important topic in our sustainability management. To systematically assess the interactions between our operations and nature, we referred to the LEAP approach (Locate, Evaluate, Assess and Prepare) developed by the Taskforce on Nature-related Financial Disclosures (TNFD), and conducted a systematic assessment of the interactions between our global operating sites and natural ecosystems through the four steps of Locate, Evaluate, Assess and Prepare.

◎ Locate

In accordance with the TNFD framework, we systematically carried out the identification and screening of locations of biodiversity importance, with the aim of effectively managing nature-related risks and opportunities. We first conducted a comprehensive review of our business model and full value chain, and identified the key business activities that have material impacts on, dependencies on, risks relating to and opportunities relating to biodiversity and ecosystem services. On this basis, we developed an assessment list and spatial distribution map covering both our direct operations and relevant locations across the full value chain, and included all identified potentially high-risk areas within the scope of assessment.



Priority Location Screening Process

During the location screening stage, we used a range of professional tools, including BiA, Map of Life, Protected Planet and the WWF Risk Filter, to prioritise the identification and selection of biodiversity-sensitive areas within specified distance thresholds. At present, neither TNFD nor the Global Reporting Initiative (GRI) has established a uniform buffer-zone distance threshold for biodiversity risk assessment. With reference to the recommendations of the Integrated Biodiversity Assessment Tool (IBAT) on buffer-zone delineation, we adopted a 10-kilometre buffer threshold for general office and production sites, and a 50-kilometre buffer threshold for activities such as mining, which may cause more significant disturbance to nature, when assessing biodiversity-related dependencies and impacts. The identified areas primarily cover ecologically sensitive locations of high ecological value as defined by TNFD, including but not limited to various types of nature reserves and their buffer zones, Key Biodiversity Areas (KBAs) and primary forests.

Following systematic analysis and screening, we identified a total of 10 priority locations across our global operations. These include eight locations in mainland China, including Duchang County, Jiujiang City, Jiangxi Province; Ninghua County, Sanming City, Fujian Province; Malipo County, Wenshan Zhuang and Miao Autonomous Prefecture, Yunnan Province; Bobai County, Yulin City, Guangxi Zhuang Autonomous Region; and Changting County, Longyan City, Fujian Province, among others; and two overseas locations, namely Gunsan City, Jeonbuk Special Self-Governing Province, South Korea, and Si Racha District, Chonburi Province, Thailand.

Priority Locations	Sensitive Areas within 50 km
Duchang County, Jiujiang City, Jiangxi Province, China	Wetland park, forest park
Ninghua County, Sanming City, Fujian Province, China	Forest park, geopark, wetland park
Malipo County, Wenshan Zhuang and Miao Autonomous Prefecture, Yunnan Province, China	Nature reserve, geopark
Bobai County, Yulin City, Guangxi Zhuang Autonomous Region, China	Nature reserve
Changting County, Longyan City, Fujian Province, China	Nature reserve, wetland park, forest park
Siming District, Xiamen City, Fujian Province, China	Marine protected area
Tong'an District, Xiamen City, Fujian Province, China	Forest park
Jimei District, Xiamen City, Fujian Province, China	Forest park
Gunsan City, Jeonbuk Special Self-Governing Province, South Korea	Wildlife reserve, marine protected area
Si Racha District, Chonburi Province, Thailand	Wildlife reserve

◎ Evaluate

For the identified priority locations, we drew on the ENCORE database of nature-related risks and opportunities to systematically analyse our core dependencies on natural ecosystems and the potential key impact drivers arising from our operations. On this basis, and in light of the specific practices at each operating site, we further clarified the specific interaction pathways and mechanisms between our business activities and natural systems throughout the full process from resource acquisition and production operations to product output.

Assessment Process for Nature-related Dependencies and Impacts		Assessment Tools
Identify the corresponding ISIC (International Standard Industrial Classification) categories for major business activities		ENCORE database
Assess the degree of nature-related dependencies and impacts for the matched business activities		
Calibrate and refine the assessment results based on the Company's actual operations	Database research	WWF Risk Filter
	environmental data analysis	environmental data ledgers and quantitative analysis models

Assessment of Nature-related Dependencies and Impacts in the Company's Production and Operational Activities

Dependency/ Impact	Ecosystem Services		Mining of non-ferrous metal ores	Casting of metals	Manufacture of basic precious and other non-ferrous metals	Manufacture of batteries and accumulators
Dependency	Provisioning services	Biomass supply	VL	N/A	N/A	N/A
		Water supply	H	M	M	M
	Regulating and maintenance services	Global climate regulation	H	N/A	VL	VL
		Rainfall pattern regulation (at sub-continental scale)	VH	M	M	M
		Local (micro and meso) climate regulation	L	L	L	L
		Air filtration	VL	M	M	VL
		Soil and sediment retention	M	M	L	L
		Solid waste remediation	L	N/A	L	L
		Water purification	VH	M	M	M
		Water flow regulation	H	M	M	M
		Flood mitigation	H	M	M	M
		Storm mitigation	M	M	M	M
		Noise attenuation	VL	N/A	N/A	VL
		Other – Dilution by atmosphere and ecosystems	M	N/A	N/A	L
		Other – Mediation of sensory impacts (other than noise)	L	N/A	N/A	VL
Impact	Disturbances (e.g noise, light)		VH	H	VH	M
	Area of freshwater use		VH	N/A	N/A	N/A
	Emissions of GHG		M	M	M	VL
	Emissions of non-GHG air pollutants		H	M	H	L
	Other abiotic resource extraction		H	N/A	N/A	N/A
	Generation and release of solid waste		H	L	M	L
	Land use		M	L	L	L
	Emissions of toxic pollutants to water and soil		VH	H	VH	H
	Emissions of nutrient pollutants to water and soil		N/A	M	M	N/A
	Volume of water use		M	L	L	L
	Introduction of invasive species		L	N/A	N/A	N/A

VL-Very Low L-Low M-Medium H-High VH-Very High N/A-Not Available

◎ Assess

Based on the assessment and analysis of nature-related impacts and dependencies, we identified the physical risks and transition risks related to nature across our production and operational activities, and formulated corresponding mitigation measures for the identified risks. At the same time, with reference to the TNFD framework and relevant guidance, and in light of the various risks identified, we further assessed and explored nature-related development opportunities.

Nature-related Risks			Risk Description	Action Measures	Dependency-/ Impact-related
Physical Risks	Acute	Extreme Weather Events	• Extreme weather events, such as heavy rainfall, floods, wildfires, typhoons, hurricanes and droughts, may damage the Company's mining and production facilities, thereby disrupting production and operations.	• Strengthen the disaster resilience of production facilities, mines and key infrastructure, improve emergency response plans, emergency reserves and emergency drills, and enhance disaster response and rapid recovery capabilities. • Incorporate disaster prevention and control, ecological safety and operational resilience into the Company's management and performance assessment system, and enhance the overall capability of departments, subsidiaries and employees to respond to nature-related risks. • Strengthen green management and risk control requirements for supply chain partners, and promote coordinated responses to various nature-related risks across the upstream and downstream value chain.	Dependency-related Impact-related
		Geological Disasters	• Geological disasters, such as earthquakes, landslides and mudslides, may damage mines, production bases, supply chain nodes and key infrastructure, giving rise to risks of property loss and casualties.		Dependency-related Impact-related
	Chronic	Water Scarcity	• Water scarcity and reduced water flows will directly constrain water demand in production processes such as mining, mineral processing and smelting, place sustained pressure on drainage, flood control and water allocation at mines and production bases, and increase operating costs and management uncertainty.	• Establish intelligent, full-process water monitoring networks at key production bases, implement quota-based management and dynamic scheduling for production water use, and precisely control water consumption in mining, mineral processing and smelting. • Promote advanced treatment and full-process reuse of wastewater from mineral processing and smelting, supported by rainwater collection systems, so as to improve the reuse rate of production water and reduce dependence on natural water sources at source. • Continuously apply water-saving mineral processing technologies and high-efficiency water-use equipment to enhance the long-term resilience of water supply.	Dependency-related Impact-related
		Rising Average Temperatures	• Rising average temperatures may intensify heat loads in production environments and increase the need for ventilation and cooling, thereby driving up equipment energy consumption and cooling costs, shortening equipment life and increasing the risk of malfunction. At the same time, prolonged high temperatures will pose ongoing challenges to core activities such as open-pit mining and smelting and processing, which rely heavily on outdoor operations and high-temperature working environments, potentially reducing operating efficiency, affecting production safety, and causing long-term adverse impacts on the occupational health and safety of on-site personnel.	• For high-temperature operations such as open-pit mining and smelting and processing, reasonably adjust working hours and provide cooling equipment and protective supplies. • Establish high-temperature health monitoring mechanisms for personnel to reduce the impact of heat loads on personnel safety. • Carry out energy-saving and temperature-control retrofits for core equipment used in open-pit mining and smelting, install heat dissipation devices, and optimise operating parameters, so as to reduce energy consumption and fault occurrence under high-temperature conditions and ensure production continuity.	Dependency-related Impact-related
Transition Risks	Policy and Legal Risks		• Increasingly stringent domestic and international ecological and environmental policy requirements, together with updates to endangered species lists and adjustments to the boundaries of biodiversity-sensitive areas, may restrict the scope of the Company's mining activities, thereby further increasing the difficulty of ecological compliance management and operating costs.	• Strictly comply with domestic and international ecological and environmental regulations, proactively track updates to endangered species lists and biodiversity-sensitive areas, optimise mining plans, and reasonably define mining boundaries. • Strengthen ecological compliance management by conducting environmental impact assessments and biodiversity impact assessments before project planning and construction. • Increase investment in mine ecological restoration and tailings management to reduce compliance risks and operating costs.	Primarily impact-related
	Market Risks		• Customers are paying increasing attention to the sustainability and environmental friendliness of enterprises. Failure to respond in a timely manner to market trends and customer needs may place the Company at a disadvantage in market competition and lead to a decline in market share.	• Actively respond to customers' green development needs, continuously improve the green and low-carbon performance of production, operations and products, and strengthen green management and environmental information disclosure across the full industrial chain.	Primarily impact-related
	Reputational Risks		• Major environmental violations, pollution incidents or similar issues may trigger reputational risks, thereby affecting customer trust and market competitiveness.	• Improve the environmental management system, strengthen environmental control throughout all stages of production, and regularly conduct environmental risk inspections and corrective actions to eliminate major environmental violations. • Establish environmental emergency response mechanisms to ensure timely and appropriate handling and proactive disclosure in the event of environmental incidents, thereby safeguarding brand image and customer trust.	Primarily impact-related

Nature-related opportunities	Opportunity Description	Action Measures	Dependency-/ Impact-related
Resource Efficiency	• By improving resource efficiency, the Company can continue to promote the efficient use of raw materials and the steady reduction of energy and water consumption, thereby advancing its green and low-carbon transition.	• Focus on the full value chain, including tungsten mining, mineral processing, smelting and product manufacturing, optimise mineral processing technologies, and improve resource recovery and utilisation rates. • Promote energy-saving and water-saving technological upgrades to reduce energy, water and material consumption per unit of product.	Primarily impact-related
Market	• Products and services with nature-friendly attributes are better aligned with the growing trends of green consumption and responsible procurement because of their positive impacts on biodiversity conservation, sustainable resource use and ecosystem restoration, and are therefore more likely to gain favour with environmentally conscious customers. Such products and services not only help the Company consolidate its differentiated advantages in existing markets, but may also open up emerging application areas and business models, foster new business growth drivers, and continuously enhance the Company's core competitiveness.	• Increase investment in the research, development and market promotion of green and low-carbon products, and build an environmentally friendly product portfolio centred on low environmental impact, high resource efficiency and circular utilisation. Through eco-design across the full product life cycle, the application of cleaner production processes and the optimisation of recyclability, systematically reduce product carbon footprints and environmental burdens, respond proactively to market demand and regulatory trends, and foster momentum for sustainable growth.	Primarily impact-related
Reputation	• By systematically carrying out ecological protection and restoration and continuously promoting internationally recognised green certifications for operations, products and the supply chain, the Company can not only effectively enhance its environmental performance and sustainability level, but also build a professional, transparent and responsible corporate brand image in global markets and among stakeholders, thereby gaining broader recognition, trust and long-term support.	• Actively carry out ecological protection and biodiversity conservation practices, advance the development of green certification systems, and strengthen the transparency and standardisation of environmental information disclosure, so as to build and reinforce a responsible corporate image in all respects.	Primarily impact-related

◎ Prepare

To proactively address nature-related risks and capture ecological development opportunities, we are guided by the AR3T action framework of the Science Based Targets Network (SBTN) for nature-related target setting, namely Avoid, Reduce, Regenerate and Restore, and Transform. In light of our operational characteristics, we have systematically formulated and implemented measures covering the full value chain for nature-related risk management and ecological value enhancement, with the aim of continuously promoting harmonious coexistence and coordinated development between our operations and natural ecosystems.

Avoid	• We incorporate biodiversity protection into the Company's Environmental Protection Statement, and explicitly prohibit all acts of deforestation and biodiversity destruction. • We systematically conduct biodiversity surveys and assessments in business planning to ensure that all offices, operating sites and industrial plants are located away from ecologically sensitive areas. • At the planning stage of new mining projects, we use GIS technology to identify and avoid sensitive areas such as ecological conservation red lines, nature reserves and water conservation areas, so as to ensure that industrial sites, waste dumps, tailings ponds and other facilities do not encroach on ecologically sensitive areas.
Reduce	• We optimise mining processes and waste management to reduce the environmental pressure arising from solid waste such as tailings and waste rock, and to prevent soil erosion and ecological degradation. • We establish protective buffer zones around ecologically sensitive areas surrounding mining sites and implement targeted protection measures to reduce the impact of mining activities on surrounding ecosystems. • For key areas vulnerable to soil erosion, such as open pits, waste dumps and tailings ponds, we implement a range of ecological protection measures, including enhanced vegetation cover, the construction of interception facilities and optimised sedimentation treatment, in order to effectively reduce diffuse pollution from soil erosion and the risk of geological disasters. • We implement environmental management and monitoring measures for mining operations, dynamically tracking tailings ponds, waste dumps, ground deformation and potential geological hazards, so as to achieve early warning and early response to risks.
Restore & Regenerate	• We have established a sound ecological restoration system for mining areas, under which mined-out areas and abandoned land are promptly reclaimed and revegetated using native plant species so as to restore regional ecological functions. • In biodiversity functional areas affected by mining activities, we carry out ecological reconstruction projects and, through measures such as revegetation, land reclamation and restoration treatment, minimise disturbance to local ecosystems to the greatest extent possible and help create favourable habitat conditions for biodiversity conservation.
Transform	• We cooperate extensively with stakeholders on biodiversity protection and promote the formation of an industry-wide consensus on biodiversity conservation. • We promote the scaled application of comprehensive resource utilisation projects, such as the use of tailings sand in building materials and waste rock in aggregates, so as to reduce at source the occupation of land ecological functions caused by the land take of tailings ponds. • We actively explore the application of in-situ leaching and backfill mining technologies in mining operations, and through process innovation reduce the area of surface stripping and disturbance to original land surfaces, thereby promoting the transformation of mineral resource development towards a low-impact, high-utilisation model. • We actively pursue green mine certification and continuously improve the standardised, ecological and intensive development of our mines. At present, both of our tungsten mines in Ninghua Xingluokeng and Duchang have been recognised as national-level Green Mines. • Leveraging automated monitoring systems, we provide a scientific basis for the safety management and decision-making of tailings ponds and promote the intelligent transformation of management practices. • We deepen the development of ecological civilisation within the Company by carrying out themed ecological protection activities and actively encouraging employees to participate in ecological restoration practices such as tree planting, thereby integrating the concept of green development into our corporate culture and the actions of all employees.

Tree-planting Activities

【Highlight】Green Development, Dynamic Restoration: Ecological Governance Throughout the Mine Life Cycle

At Ninghua Xingluokeng Tungsten Mine, we take as our guide the Revised Plan for Geological Environmental Protection and Ecological Restoration of Ninghua Xingluokeng Tungsten Mine prepared by a professional third-party institution commissioned by the Company. We thoroughly implement the strategy of sustainable mineral resource development, apply the principle of "ecology first and dynamic restoration" throughout the full life cycle of the mine, and systematically build an environmental governance system featuring concurrent development, remediation and restoration.

Based on the characteristics of each stage of mine development, we divide ecological restoration into three stages, namely current-condition treatment, concurrent production and treatment, and post-closure treatment, so as to achieve dynamic coordination between development and protection. Specific measures include:

Current Remediation Stage: Focusing on addressing existing geological and environmental issues at the mine, with priority given to areas affected by current mining activities.	• During the mine construction stage, we fully implement geological environmental protection measures. • We carry out slope cutting and load reduction on steep slopes in open pits, while simultaneously improving interception and drainage systems at waste dumps. • We carry out tree planting and grass planting along both sides of the main waste-rock transportation roads, and install safety warning signs and protective barriers along rural roads leading to and from waste dumps, thereby reinforcing the ecological safety line of defence.
Concurrent Production and Treatment Stage: Implementing a model under which mine production and environmental treatment proceed simultaneously.	• In line with mining progress, we organise and implement restoration and treatment works in phases and over defined periods, and conduct routine monitoring, maintenance and management of completed projects. • We continuously optimise treatment plans in light of actual mining dynamics, and strengthen geological environmental protection and geological disaster prevention and control. • In response to potential risks such as slope collapse and landslides, we adopt concurrent production and treatment measures to effectively reduce soil erosion and achieve coordinated development between mine development and environmental protection.
Post-closure Treatment and Restoration Stage: Restoring ecological functions through systematic remediation.	• Within one year after the expiry of the mining licence, we fully complete the environmental restoration and treatment work for the closed mine. • In response to various geological environmental issues caused by mining activities, we implement comprehensive and thorough restoration works to ensure a significant improvement in the quality of the geological environment in the mining area and ultimately achieve the reconstruction of the regional ecosystem.

For key soil erosion areas such as open pits, waste dumps and tailings ponds, we effectively reduce soil erosion and environmental impact risks through the systematic implementation of integrated ecological protection measures, including vegetation coverage, the construction of interception and drainage facilities, and the optimisation of sedimentation treatment. At the same time, supported by a scientifically planned multi-bench waste disposal model, we strictly control the scale of working faces and reserve sufficient space for revegetation, thereby establishing a green operating process of "layered topsoil stockpiling – progressive waste-rock compaction – topsoil covering and backfilling – fine land levelling – systematic vegetation reclamation". In this way, we ensure the orderly development of mineral resources while achieving effective protection and sustainable restoration of the ecological environment in the mining area.

【Highlight】 Principles-led, Closed-loop Governance: Mine Ecological Protection and Intelligent Monitoring Management

Adhering to the principle of "developing with protection and protecting during development", we carry out scientific environmental impact assessments during mine planning and extraction, optimise mining plans, and minimise disturbance to natural ecosystems to the greatest extent possible. At Duchang, we introduced an integrated mining technology of "stripping – waste dumping – revegetation" at the early stage of mine construction, and adopted a model of "mining while revegetating" to carry out site-specific ecological treatment in areas such as waste dumps, open pits, mining roads, industrial sites and the Hushan Tailings Pond. At the same time, in accordance with environmental restoration and treatment requirements, we carried out revegetation at the closed Qipanshan Tailings Pond, achieving a mine greening rate of 100%.

To minimise the potential impact of business operations on the ecological environment to the greatest extent possible, we have established and improved a comprehensive and highly responsive smart environmental monitoring and management system for mines:

- **Routine environmental and geological disaster monitoring:** dynamic monitoring of ground deformation and geological hazards is carried out for tailings ponds, waste dumps and open pits, so that potential environmental risks can be identified and addressed in a timely manner;
- **Long-term follow-up management of closed tailings ponds:** stability monitoring of the closed Qipanshan Tailings Pond is incorporated into routine flood prevention inspections and monthly safety management, with continuous tracking of key mining platforms, mine slopes and the effectiveness of tailings pond treatment;
- **Automated safety monitoring system for tailings ponds:** key parameters, including dam displacement, phreatic line, pond water level, dry beach length, rainfall, water quality and images of the pond area, are monitored online in real time with intelligent early warning, thereby providing data support for the safe operation of tailings ponds, risk warning and scientific decision-making.

Environmental Compliance Management

We strictly comply with the Environmental Protection Law of the People's Republic of China, the Environmental Impact Assessment Law of the People's Republic of China, and the environmental regulatory requirements of all jurisdictions in which we operate. We have formulated and implemented internal management systems, including the Standardized Management Guidelines for Environmental Protection, the Ecological and Environmental Protection Responsibility System, and the Provisions on the Supervision and Administration of Ecological and Environmental Protection. These systems clearly define the management requirements and responsibilities for key areas such as environmental impact assessment, monitoring of compliant pollutant emissions, environmental risk prevention and control, and emergency management, thereby providing institutional support for us to fulfil our primary responsibility for ecological and environmental protection and for effectively preventing and reducing environmental emergencies.

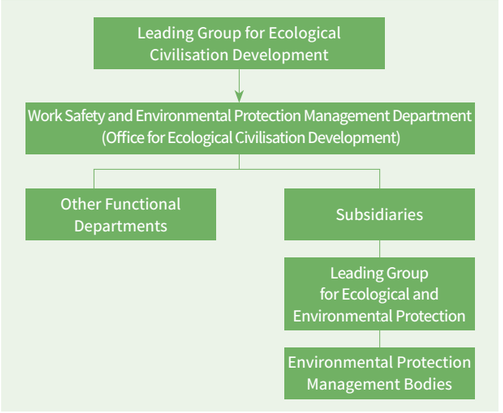
We deeply integrate environmental compliance requirements into our day-to-day operating processes and strategic decision-making mechanisms, and progressively strengthen environmental protection responsibilities at each management level through target decomposition, performance assessment and accountability. Our management is responsible for formulating and promoting the implementation of environmental management objectives, continuously strengthening supervision and inspection of system implementation, and driving the ongoing improvement of our overall environmental management performance. At the same time, we have established a routine mechanism for regulatory tracking and response, regularly identifying the latest developments in domestic and international environmental laws, regulations, standards and policies, and promptly revising and improving relevant internal management systems and operating procedures to ensure that our operations remain on a lawful and compliant track at all times. During the reporting period, the Company had no major environmental incidents and did not receive any environment-related administrative penalties.

As of the disclosure date of this report, the Company had 30 subsidiaries that had obtained ISO 14001 environmental management system certification, covering 71% of its manufacturing enterprises. The Company has achieved notable results in green manufacturing system development, with 2 national-level green mines and 10 green factories, of which 7 are national-level green factories and 3 are provincial-level green factories.

Management Structure

We adhere to the principles of "protection first, prevention first, comprehensive management, public participation, and accountability for damage", and implement a working mechanism featuring graded management, responsibility at each level, and interdepartmental coordination.

- At the Company's headquarters, a Leading Group for Ecological Civilisation Development has been established, headed by the Chairman, to take overall responsibility for the organisation, leadership and management of the Company's ecological and environmental protection work, coordinate relevant work arrangements, and supervise and guide the Company's ecological and environmental protection efforts.
- An office has been established under the Leading Group for Ecological Civilisation Development. The office is housed within the Work Safety and Environmental Protection Management Department at headquarters and is responsible for advancing the Company's ecological and environmental protection work; As the Company's central department for the integrated management of ecological and environmental protection, the Work Safety and Environmental Protection Management Department at headquarters is responsible for the overall management, supervision and guidance of ecological and environmental protection work carried out by other functional departments at headquarters and by subsidiaries. Each functional department performs its corresponding duties according to its business responsibilities.
- Each subsidiary, as the responsible entity for its own ecological and environmental protection work, has established a corresponding leadership group for ecological and environmental protection, headed by its principal person in charge, to coordinate such work within the enterprise and to exercise supervisory responsibilities over lower-level subsidiaries. In line with business needs, each subsidiary has also established environmental protection management bodies as its integrated management departments, responsible for internal coordination and supervision, and has assigned sufficient full-time and part-time environmental protection management personnel to ensure that responsibilities are implemented at every level.



Environmental Risk Management

We attach great importance to environmental risk management in the course of our operations. Adhering to the principles of "prevention first, full-process management and continuous improvement", we are committed to building a systematic, full-process mechanism for the identification, assessment, early warning and response of environmental risks, so as to lay a solid foundation for our sustainable operations and green development.

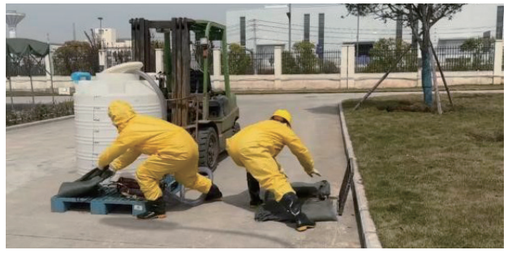
We strictly implement the environmental risk accountability system, clearly define the specific responsibilities of personnel at all levels in risk management, and incorporate the effectiveness of environmental risk management into the performance assessment system for relevant entities and personnel. Through regular environmental risk assessments and special inspections for hidden hazards, we continuously improve risk control measures, dynamically optimise management processes, and steadily enhance our overall risk prevention capability. In addition, we actively expand routine communication channels with surrounding communities and relevant stakeholders, and promote the establishment of information-sharing and emergency coordination mechanisms to jointly build a collaborative regional network for the prevention and control of environmental risks.

With respect to environmental risk identification and assessment, we implement graded and categorised management of environmental risks, rely on scientific assessment methods to accurately identify key risk points, and apply focused supervision to high-risk areas and core process links. We have established and improved an environmental risk early warning mechanism, set scientific risk monitoring indicators and thresholds, and effectively enhance our capability for the early identification of and timely intervention in potential environmental risks. At the same time, we continue to strengthen the operation and maintenance of environmental protection facilities, promote preventive equipment inspection and maintenance as well as technological upgrading and retrofitting, effectively reduce environmental risks arising from facility failures, and reduce environmental risk factors at source through optimised process routes and raw material selection.

In terms of emergency preparedness and response, the Company's principal subsidiaries have formulated comprehensive contingency plans for environmental emergencies as well as a number of specific contingency plans, and have prepared annual emergency drill plans. During the reporting period, the Company conducted multiple environmental emergency drills at key safety units, focusing on typical scenarios such as hazardous chemical leaks, excessive wastewater discharge, radiation incidents, liquid ammonia leaks, and coolant emulsion leaks. Through these routine and practical emergency drills, the Company effectively tested the operability of its emergency plans and improved the emergency response speed, collaborative handling capabilities, and post-incident recovery capabilities of personnel at all levels.

【Highlight】 Hydrochloric Acid Leak Emergency Drill

In June 2025, Manufacturing Division III of Chengdu Dingtai organised a chemical leak emergency drill, simulating a scenario in which an employee, during an inspection in the cleaning room, discovered a hydrochloric acid leak that might flow into a rainwater drain and thereby pose a risk of environmental pollution. The drill successively completed key response steps including on-site cordoning, investigation of the leak source, dilution and flushing of the leaked liquid, diversion of wastewater into the sedimentation tank, and ground ventilation and clean-up. The participants had clear division of duties and responded promptly, effectively verifying the operability of the contingency plan and materially enhancing employees' emergency handling capability and self-protection capability in the face of sudden emergencies.



【Highlight】 Titanium Tetrachloride Leak Emergency Drill

In July 2025, Basic Electronic Materials organised a titanium tetrachloride leak emergency drill. The drill simulated the full process in which a warehouse keeper, during a routine inspection, discovered a titanium tetrachloride leak, activated the department's emergency response plan, and carried out the response measures. The drill successively completed key tasks including ventilation and air exchange, cordoning and evacuation, control of the leak source, dilution and collection of the chemical, and compliant disposal of wastewater. Training on the use of fire extinguishers and eyewash stations was also conducted at the same time, effectively enhancing frontline employees' risk prevention awareness and their self-rescue and mutual rescue skills.

Environmental Education and Training

We continue to advance the development of an environmental protection culture centred on "full participation and the integration of knowledge and practice". Through a variety of approaches, including case-based teaching, scenario simulation and hands-on drills, we closely integrate environmental knowledge, regulatory requirements and job-specific operational practices, thereby comprehensively enhancing employees' awareness of environmental compliance and their capability to respond to environmental emergencies. At the same time, we have established an evaluation and feedback mechanism for environmental training effectiveness. Through post-training assessments, questionnaires and other means, we dynamically collect feedback and continuously optimise training content and formats accordingly, so as to ensure that employees can accurately understand and proficiently master all environmental management requirements.

During the reporting period, the Company and its subsidiaries organised multiple environmental training sessions. The training covered key areas including the interpretation of environmental laws, regulations and policies, the operation and maintenance of environmental treatment facilities, contingency plans and response for environmental emergencies, radiation safety and protection, and the standardised management of solid waste.

Environmental Training

Circular Economy

Against the macro backdrop of tightening global resource supply, accelerating green transition and increasingly stringent environmental compliance requirements, we have elevated the development of a circular economy to a core strategic priority and regard it as a systematic solution for enhancing supply chain resilience, reducing operational risks, proactively addressing climate change and fostering new growth drivers. We are committed to building a closed-loop industrial chain covering "resource extraction – material manufacturing – further product processing – use and end-of-life – recovery and regeneration of secondary resources", and are increasing our deployment of and investment in resource circulation systems across key business areas such as tungsten, rare earths and battery materials. By building a highly efficient resource circulation model covering the full life cycle of products, we aim to maximise resource utilisation efficiency, reduce dependence on virgin minerals and lower the final volume of waste requiring disposal, thereby achieving the coordinated optimisation of economic, environmental and social benefits and driving our deeper transition towards a sustainable development model that is resource-efficient and environmentally friendly.

Mining Operations

At Ninghua Xingluokeng, we continued to deepen two major circular utilisation pathways, namely the "waste rejection process" and "comprehensive resource recovery". On the one hand, through technological optimisation, we converted low-grade waste rock into high-quality construction aggregates meeting market demand and sold them externally. During the reporting period, a total of 353 thousand tons of waste rock and by-products were sold externally, which not only generated economic benefits but also effectively reduced the stockpiling of solid waste. On the other hand, the gravity tailings reprocessing line, with a daily treatment capacity of 1,000 tons, operated steadily, providing stable incremental output of high-value concentrates such as molybdenum and copper and significantly enhancing the overall value of resource utilisation.

At Duchang, we steadily advanced our comprehensive mineral resource utilisation project. By improving the recovery rate of valuable elements, the Company achieved an additional annual output of 400 tons of tungsten metal and 80 tons of molybdenum metal.

Advanced Materials Production

At the tungsten smelting base in Haicang, the Haicang base leveraged its pioneering stepwise separation and high-rate precipitation technologies to efficiently recover molybdenum associated with tungsten hydrometallurgy. During the reporting period, a total of 183.6 tons of metallic molybdenum was recovered, generating economic benefits of over CNY 65.38 million.

At the tungsten production base in Ganzhou, we introduced high-efficiency centrifugal separation technology to achieve the effective separation and purification of waste lubricating oil and tungsten sludge, enabling the recovery and reuse of approximately 620 kilograms of waste oil per day. At the Chengdu base, we put into operation a hydrogen recovery unit integrating advanced molecular sieve technology, achieving the efficient purification and recycling of industrial hydrogen.

At the rare earth materials production base in Changting, we, through technological innovation and process optimisation, converted solid waste generated in the production of rare earth permanent magnet materials into by-products meeting relevant national quality standards for sale, thereby realising the value transformation from "waste" to "resource" and effectively reducing both the generation of solid waste and the pressure associated with its disposal.

At the battery materials production bases, we achieved the full recovery and recycling of production offcuts and scraps by applying innovative technologies such as dust reinjection and triple sintering of iron-removal materials. At the same time, we actively promoted green packaging practices. By using tonne bags that can be reused around 30 times and introducing a shared plastic pallet leasing model, we effectively reduced the consumption of disposable packaging materials in the supply chain and achieved source reduction of packaging waste.

Deep Processing

At the cutting tool division, we adopt the following measures to achieve resource circularity:

- We collect dust captured by dust collection equipment, non-conforming products, defective blanks, scrap materials and other residual materials for resource recovery and reuse;
- We recycle materials such as waste cardboard, discarded woven bags, waste plastic bags, scrap iron and waste wood to maximise resource utilisation;
- We reuse automatic packaging boxes to reduce the consumption of packaging materials;
- Used graphite products are handed over to materials management units for recycling;

At the cutting tool body and holder production base, we introduced and put into operation a cutting fluid circulation and filtration system. Through the centralised purification of used cutting fluid from machine tools, the system restores the fluid to the cleanliness and performance standards required for production, thereby enabling the closed-loop recycling of cutting fluid. This measure has effectively reduced the procurement volume of new cutting fluid, lowered water consumption in the waste liquid treatment process, and significantly reduced the generation and discharge of hazardous waste, thereby mitigating the potential environmental impact of production and operations.

Secondary Resource Utilisation

We have long been committed to developing recycling and recovery technologies for recycled tungsten raw materials and other high-value metals such as cobalt, nickel and rare earths. Through independent innovation, we have developed globally leading green and clean recycling technologies for the tungsten industry, as well as short-process, low-energy-consumption recycling technologies for spent batteries. We have established three major recycling bases, including our tungsten scrap recycling production base in South Korea, all equipped with world-class automated production lines, to recover valuable metal resources such as tungsten, cobalt, nickel and rare earths, promote the efficient utilisation of primary mineral resources, and support the sustainable development of the tungsten, new energy and rare earth industries.

In the cascade utilisation stage, we apply processes such as used battery pack recovery, whole-pack charging, testing and evaluation, and the grading of new energy battery packs, so that recovered battery packs can be reused in energy storage products, backup power products, low-speed vehicle products, solar streetlights and other power supply products.

In the resource regeneration stage, we operate complete production lines for the disassembly, discharge, high-temperature pyrolysis, crushing and separation, leaching, solvent extraction and evaporation crystallisation of end-of-life power batteries, with an annual processing capacity of 10,000 tons for waste batteries, battery scrap, cathode and anode scrap, nickel-cobalt waste and other related materials.

At GANPOWER, we actively seized the market opportunity arising from the large-scale retirement of new energy vehicle power batteries and established an efficient and safe recycling service network covering key regions across China, featuring "response within 3 days and warehousing within 7 days". During the reporting period, we completed a comprehensive process upgrade and capacity expansion for our waste battery crushing operation:

- **Capacity and production line upgrade:** by introducing oxygen-free shredding and multi-stage automated crushing and sorting systems, the Company established a complete production line system covering the pre-treatment of waste batteries and the specialised treatment of cathode and anode sheets, increasing its total annual treatment capacity to more than 18,000 tons;
- **Process and quality breakthrough:** the entire line adopts a closed physical separation process, including dismantling, low-temperature drying and gravity air separation, achieving refined control over powder particle size to below 1 mm. This has significantly improved the quality of recovered black mass and the subsequent extraction rates of valuable metals such as lithium, cobalt, nickel and manganese, while ensuring the environmentally sound and harmless disposal of components such as separators and electrolytes.

Through the dual-driven model of "cascade utilisation + efficient regeneration", the Company continues to provide safe, reliable and sustainable closed-loop battery life-cycle solutions to globally leading battery manufacturers and vehicle manufacturers.

03

Social

- Rural Revitalisation and Social Contributions
- Innovation-Driven
- Suppliers and Clients
- Employees

We fully recognise that our sustainable development depends on broad-based social support and coordinated progress. We fully integrate social responsibility into our development strategy and business management, actively respond to the United Nations Sustainable Development Goals (SDGs), and continue to create shared value for key stakeholders such as communities, employees and partners. Externally, we are committed to social development and actively carry out initiatives in areas such as rural revitalisation, public welfare and charity, and volunteer services in the places where we operate and in wider regions, thereby contributing to improvements in livelihoods, stronger community integration and the fulfilment of social expectations. Internally, we focus on employee development, continuously improve the systems for protecting employee rights and interests and for occupational health and safety management, advance talent development and organisational capability building, and strive to foster a workplace environment that is respectful, diverse and fair. Along the value chain, we promote responsible collaboration, continue to focus on value chain responsibility management, work together with supply chain partners to improve labour rights and interests, work safety, business ethics and compliant operations, and drive industrial progress and high-quality social development through technological innovation and management optimisation. Through systematic responsibility practices, we are committed to working with all parties to advance the effective implementation of the Sustainable Development Goals in our operations and to realise coordinated and mutually beneficial economic, social and environmental outcomes.

Social Matters	Strategic Objectives	Management Indicators	Key Initiatives
Rural Revitalisation and Social Contributions	Focusing on rural revitalisation and social contributions, we promote sustainable development in the places where we operate and in surrounding communities in terms of income growth, livelihood improvement and ecological harmony through local employment empowerment, community co-development, public welfare initiatives and coordinated responsibility across the value chain, with the aim of becoming a benchmark for mutually beneficial development among enterprises, communities and the supply chain and pursuing harmonious development together with society.	• Strengthen community engagement: comply with the principle of Free, Prior and Informed Consent (FPIC), and ensure that local community engagement, impact assessments and development plans are carried out at all operating sites. • Promote local employment: support employment and economic development in the areas where we operate, with local province employees accounting for no less than 60% of the workforce this year. • Carry out public welfare activities: total volunteer service hours for the year shall be no less than 1,000 hours.	• Respect local culture and community practices, and carry out interaction and communication through site visits, discussion sessions, communication and liaison, and community activities, so as to promote positive communication and integration between employees and community residents. • Conduct Social Impact Assessments (SIA) on a regular basis and, in conjunction with project advancement and operational management at each site, carry out community impact identification and risk screening, establish a closed-loop mechanism for tracking and feedback on key matters, and improve the timeliness and effectiveness of community relationship management. • Focusing on key directions such as rural revitalisation and social contributions, and drawing on the Company's resource advantages, carry out actions through local employment, industrial assistance, educational donations, support for public services, infrastructure improvement, and ecological and environmental protection, so as to promote the coordinated economic, social and environmental development of communities and rural areas.
Innovation-Drivent	With industrial technological innovation as the core driver, we continue to increase the intensity of R&D investment, strengthen the effectiveness of scientific research project management, cultivate a pipeline of high-level innovative talent, deepen collaborative innovation among industry, academia and research institutions, accelerate technological breakthroughs and the commercialisation of achievements, improve the full-cycle management system for intellectual property, enhance the Company's independent innovation capability and global competitiveness, and contribute to industry-wide technological upgrading and high-quality social development.	• Continue to increase R&D investment: R&D investment for the year shall be no less than CNY 1.5 billion. • Improve the effectiveness of scientific research projects: achieve a 100% completion and acceptance rate for major and key enterprise-level R&D projects and internally commissioned R&D projects. • Prevent and control intellectual property risks: establish and improve the intellectual property management system and strengthen intellectual property risk prevention and control. The number of new patent applications for the year shall be no less than 200, and no disputes arising from infringement of third-party intellectual property rights shall occur.	• Establish and improve a comprehensive and multi-level R&D and innovation system, remain market-oriented, continue to reinforce the intensity of R&D investment, strengthen the effectiveness of scientific research project management, cultivate a pipeline of high-level innovative talent, and form close alliances with leading enterprises in the industry, research institutes and major universities, so as to expand the breadth of collaborative innovation, continuously advance technological breakthroughs and the commercialisation of achievements, and steadily enhance the Company's independent innovation capability and global competitiveness. R&D investment for the year amounted to CNY 1.74 billion, accounting for 3.82% of revenue from principal operations. • Attach great importance to the protection of intellectual property and scientific research achievements, establish and improve the intellectual property management system, and formulate and issue the Intellectual Property Management Manual so as to implement systematic, standardised and all-round management of intellectual property.

Social Matters	Strategic Objectives	Management Indicators	Key Initiatives
Suppliers and Clients	With sustainable supply chain management and high-quality customer service at the core, we are committed to building a business ecosystem that is fair, transparent, secure and mutually beneficial: • For suppliers: we build a full life-cycle responsibility management system, promote the low-carbon transition, compliance and collaborative development of the supply chain, and empower the growth of small and medium-sized enterprises; • For customers: we build long-term, mutually trusting and mutually beneficial relationships through safe and reliable products, responsive and efficient services, and a firm commitment to privacy protection, thereby leading the upgrading of service standards across the industry.	• Supply chain management: √ Continuously improve the supply chain management system and strengthen ESG review and assessment of suppliers. √ Deepen collaboration with suppliers on sustainable development and advance joint supplier ESG capability-building programmes. √ Conduct responsible minerals due diligence. • Customer service: √ Continuously improve customer satisfaction, with a 100% timely handling rate for annual customer complaints. √ The incidence rate of information security incidents, such as data breaches and privacy infringements, is 0.	• Establish and improve a supply chain security management system covering the full life cycle. By strengthening compliance control, improving risk identification, early warning and response mechanisms, systematically preventing various potential supply chain risks, and continuously deepening coordination with partners, we effectively enhance supply chain resilience and security. • Build a systematic responsible minerals management system covering key links such as policy and system development, supplier management, risk prevention and emergency response, continuously strengthen the transparency of the minerals supply chain, and provide solid support for the sustainable development of the resources industry. • Treat business partners of all sizes equally, establish a fair and transparent supplier evaluation system, provide SME suppliers with reasonable payment terms and order allocation mechanisms, avoid discriminatory thresholds or excessively onerous commercial terms, and effectively safeguard the lawful rights and interests of SMEs. • Establish a safety and quality management system covering the full process from research and development, production and delivery to after-sales service, and effectively protect customer rights and interests through safe and reliable products and timely, efficient services. • Continuously improve the customer service system, conduct customer satisfaction surveys through multi-channel customer feedback mechanisms, continuously optimise service processes, enhance overall service standards, effectively protect customer rights and interests, and build cooperative relationships based on mutual trust and mutual benefit. • Establish a comprehensive information security management system and, through multi-layered protection mechanisms such as data encryption, access control and real-time monitoring, ensure the security and integrity of business systems and customer data, reinforce the information security defence line, and effectively protect the privacy rights and interests of employees, customers and other stakeholders. • Integrate the Company's own development deeply into the broader industry context, actively participate in the formulation and revision of relevant industry standards, maintain close cooperation with a number of industry associations and hold important positions within them, and contribute professional expertise grounded in frontline practice to the industry's standardised and regulated development.
Employees	We are committed to fostering a professional environment that is equal, safe, growth-oriented and healthy, and to enabling employees to realise their self-worth: • Uphold the baseline of compliant employment, eliminate discrimination and infringement of rights and interests, and protect employees' basic human rights; • Build a full-cycle development system to enhance professional skills and overall capabilities and realise coordinated development between individuals and the enterprise; • Reinforce the line of defence for safety and health, reduce the risks of work-related injuries and occupational diseases, and create a secure working environment.	• Communicate the Company's human rights policies and relevant laws and regulations to all employees. • Ensure that there is no discrimination on the grounds of gender, age, ethnicity, religious belief, place of origin or physical condition in recruitment, promotion, remuneration and other employment processes, and that the number of administrative penalties arising from discrimination during the year is zero. • Achieve a 100% response rate for employee communication mechanisms, such as trade unions, staff representative congresses and discussion meetings. • Achieve 100% employee training coverage. • Maintain an annual work-related injury rate of less than 3‰ . • Maintain zero work-related fatalities among outsourced operational personnel during the year. • Maintain a zero incidence rate for major safety accidents, such as fires, mechanical injuries and production interruptions, and for major machinery accidents, and a zero incidence rate for blacklisting due to adverse work safety records. • Achieve 100% coverage of occupational health examinations, with an occupational disease incidence rate of zero.	• Uphold the principle of equal employment and strictly comply with national labour laws and regulations, eliminate any discrimination based on gender, age, ethnicity, religious belief, place of origin or physical condition in recruitment, hiring, promotion and other employment processes, and ensure that employees enjoy fair opportunities for employment and development. • With reference to international standards such as the International Human Rights Covenants, the United Nations Guiding Principles on Business and Human Rights and the ILO Conventions, integrate the concept of human rights protection into business management, establish and improve relevant systems and mechanisms, and systematically identify and prevent human rights risks in operations. • Establish multi-level and multi-channel employee communication mechanisms, including trade union committees, staff representative congresses, employee discussion meetings, harmonious labour relations committees, opinion collection channels, satisfaction surveys, democratic evaluations and internal mailboxes, so as to safeguard employees' right to express their views and participate in enterprise management in accordance with the law. • Establish and improve the employee career development and training system and, through diversified training and learning opportunities, support employees in enhancing their professional skills and overall capabilities so as to achieve common development between individuals and the enterprise. • Establish a remuneration mechanism that combines value orientation with market benchmarking and, with reference to employee performance and industry remuneration levels, ensure that remuneration distribution is fair and competitive. • Uphold the policy of "safety first, prevention first and comprehensive management", continuously strengthen occupational health and safety management, and create a safe and healthy working environment for employees and other relevant parties.

Rural Revitalisation and Social Contributions

In serving the national strategy for rural revitalisation, we uphold the philosophy of promoting rural development through industry and giving back to society through responsibility. Leveraging our strengths in resource security and advanced manufacturing, we deeply integrate rural revitalisation and social contributions into the entire process of corporate development and value creation. We focus on three key directions, namely industrial empowerment, employment promotion and community co-development. By leveraging the advantages of our industrial chain and supply chain, we promote the precise alignment of resources with rural needs and strive to enhance the sustainability and replicability of our assistance initiatives. At the same time, we actively expand public welfare initiatives such as volunteer services and educational support, proactively respond to the expectations of communities and stakeholders, and are committed to contributing corporate strength to coordinated regional development and common prosperity.

Rural Revitalisation

Drawing on our business footprint and collaborative experience, we steadily advance various assistance initiatives in alignment with the national strategy for rural revitalisation. We focus on key regions and key projects, and systematically promote actions in a number of areas, including industrial development, consumption-based assistance, employment support, skills enhancement, livelihood services and improvements to public facilities. In serving rural revitalisation, we place emphasis on coordination and collaboration with local governments, village-level organisations and relevant institutions, base our actions on actual local needs, allocate resources in a scientific manner, and ensure that assistance measures are grounded, practical and effective, thereby enabling assistance outcomes to be steadily delivered and to form sustainable, long-term contributions.

【Highlight】 Building Harmonious and Beautiful Villages: Supporting Livelihood Improvement and the Enhancement of Living Environments

Taking into account actual local needs and project implementation conditions, we focus on shortcomings in public well-being and the needs of rural development. In the regions where we operate, we carry out targeted public welfare support initiatives in areas such as drinking water safety, the optimisation of public spaces and the enhancement of village appearance, thereby helping to improve local livelihoods and continuously enhance living environments.

Through targeted financial support, the Company's subsidiary Bobai Judian invested a total of CNY 210 thousand to advance a number of public service and environmental improvement projects, including:

- Public welfare project for livelihood facilities in the Ximaoping Tun of Wangdong Village: supporting the construction of livelihood facilities and enhancing public service capacity;
- Construction of the SME cluster zone and supporting pocket park in Jingkou Town: helping to improve public leisure spaces and enhance the urban living environment;
- Demonstration project for the enhancement of rural appearance in Ximaoping Tun, Wangdong Village: promoting village appearance improvement and environmental enhancement;
- New drinking water facilities for Wangdong Village and Xiuling Village: constructing drinking water facilities to effectively safeguard villagers' drinking water safety and quality of life.

These initiatives reflect Bobai Judian's sense of responsibility in taking root locally and giving back to the community, and have also provided positive support for promoting balanced local public service development and building harmonious, livable and business-friendly villages.

【Highlight】 Consumption-based Assistance: Bringing Warmth and Supporting Farmers

In fulfilling our social responsibility and conveying corporate care, we combine routine staff welfare with rural revitalisation. In procuring festive gifts, we consciously incorporate the concept of consumption-based assistance and proactively give priority to the purchase of specialty agricultural products from less-developed areas, thereby not only bringing festive warmth to employees but also providing tangible support for industrial development and farmers' income growth in the assisted regions.

In 2025, the Company's subsidiary Chengdu Hongbo Industrial carefully selected a specialty agricultural product from Yanyuan County, Sichuan Province, namely Yanyuan sugar-core ugly apples, as a New Year gift for all employees. This procurement not only enabled employees to enjoy a natural delicacy from the plateau, but also directly supported the sale of local agricultural products in a market-oriented manner, thereby generating economic income for farmers in less-developed areas.

【Highlight】 Building a Skilled Talent Development Hub to Empower the Coordinated Development of Industry and Communities

The manufacturing industry is currently facing a widespread structural shortage of skilled talent. To effectively address the operational risks arising from an insufficient supply of highly skilled cutting tool manufacturing personnel, the Company's subsidiary Tianjin SofTool actively established the "Haihe Craftsman Training Base", focusing on systematic development in key job-related skills. With "on-the-job practice plus skills enhancement" as its core approach, the base is dedicated to improving the professional capabilities of frontline technical personnel, broadening their career development pathways, and building a stable and reliable talent support system for enterprise development.

We recognise that training resources are currently used mainly to meet our own needs and that their broader social value has yet to be fully realised. Therefore, Tianjin SofTool reserved room for future openness and sharing from the very beginning of the base's planning. When conditions permit, it may explore sharing training resources with industry partners and communities and gradually build an open skills enhancement platform. This would not only help alleviate the shortage of industrial talent in the region more effectively, but also strengthen coordination between the enterprise and the community, thereby building a sustainable development ecosystem of "enterprise-led cultivation, industry-wide benefits and win-win outcomes for communities" and providing long-term support for the high-quality development of local manufacturing.

Community Co-development

In carrying out community co-development, we take institutional rules as our guiding standard and respect as our foundation. Through internal rules such as the Code of Business Conduct, we clearly require all business units to fully respect local culture and customs in their operations, maintain appropriate cultural sensitivity, and strive to avoid adverse impacts on communities. At the same time, we actively promote the establishment of long-term, stable and positive relationships with communities. Through regular communication and practical support, we participate in community development in areas such as the environment, education and economic development, and give priority to local residents in recruitment, thereby ensuring fair processes and equal opportunities.

In specific project implementation, we adopt various forms of support flexibly in light of actual circumstances, including financial support, donations of materials, technical assistance, employment promotion, consumption-based collaboration and volunteer services. We also work closely with local governments, village-level organisations and relevant institutions, clarify the division of responsibilities and coordination mechanisms, and ensure the orderly implementation and effective delivery of projects. At the end of each stage of work, we carry out a systematic review based on project progress and feedback from all parties, summarise successful practices, identify areas for improvement, and provide a basis for continuously enhancing the effectiveness of community work, thereby promoting the formation of a sustainable and replicable model of community collaboration.

Community Engagement

In community engagement, we follow the internationally recognised principle of Free, Prior and Informed Consent (FPIC), respect local culture and community rights and interests, and regard community communication and collaboration as an important cornerstone of our sustainable development. We have established a regular dialogue mechanism and maintain open, trust-based and constructive interaction with communities.

In day-to-day operations, we have established multiple channels, including hotline numbers, email, social media, the corporate website and on-site suggestion boxes, to collect opinions and concerns from surrounding communities on a broad basis, and we urge relevant units to respond promptly and address them effectively. At the same time, we carry out exchange activities such as community discussion meetings and public consultation sessions as appropriate, introduce our operations, environmental management and sustainable development plans to communities, carefully listen to community concerns, and incorporate them into management improvements.

◎ Regular Communication Mechanism

To enhance the systematic nature and effectiveness of communication, each of our operating sites has clearly defined responsibilities for community liaison and has established open and transparent mechanisms for information sharing and coordination with local governments and communities. On issues of community concern such as noise, waste, water resources and traffic, we proactively conduct communication and promote the implementation of corresponding management measures and long-term improvement plans. For major matters that may affect communities, such as new projects, environmental changes or production adjustments, we disclose information in advance and, where appropriate, organise dedicated communication meetings and invite community representatives to participate in discussions, so as to reduce uncertainty jointly and enhance community participation.

◎ Community Impact Assessment

We conduct Social Impact Assessments (SIA) on a regular basis. In light of our operations and actual project conditions, we systematically analyse the impacts of business activities on the local economy, environment and social well-being, identify affected stakeholders and potential risks, and formulate corresponding mitigation and response measures accordingly. In the assessment process, we focus in particular on the following dimensions:

- **Environmental dimension:** focusing on the potential impacts of production activities on air, water sources and soil quality, and continuously improving control and remediation measures in accordance with pollution prevention and environmental management requirements.
- **Economic and employment dimension:** focusing on the Company's role in driving local employment and industrial coordination, actively promoting the integration of community residents into the industrial chain, and supporting the sustainable development of the local economy.
- **Social and health dimension:** focusing on the impacts of operations on residents' health, safety and quality of life, and carrying out activities such as risk prevention and control and health support in light of actual conditions, including vocational skills training and community medical consultation services, so as to effectively enhance communities' sense of gain and well-being.

Through systematic assessment and continuous improvement, we strive to achieve coordinated enhancement of corporate development and community well-being.

◎ Closed-loop Grievance and Feedback Mechanism

At the same time, we provide accessible and effective grievance channels, encourage stakeholders to raise feedback on matters such as community concerns and operational impacts, and ensure that the handling process is fair, transparent and confidential. Each project unit regularly evaluates the effectiveness of the mechanism in light of communication and grievance handling, and continuously optimises communication methods and response measures based on community feedback, thereby promoting coordinated development and mutual growth between the Company and communities.

Community Care

Focusing on key areas such as educational support, medical and health care, emergency relief and volunteer services, we carry out public welfare, charitable and community care initiatives in a steady and pragmatic manner on the basis of a full understanding of actual social needs and in light of our own resource advantages, striving to broaden the scope of coverage and enhance practical effectiveness. In the course of implementation, we place emphasis on establishing coordination mechanisms with government departments, public welfare organisations, community institutions and other relevant parties, so as to ensure that all activities are carried out in a compliant manner, with efficient resource coordination and effective execution. In response to the actual needs of different regions and groups, we also provide targeted assistance through financial donations, material support and other means, thereby continuously enhancing the precision of response and the long-term sustainability of our public welfare initiatives.

◎ Promoting a Volunteer Culture

We actively promote and organise employee participation in volunteer services in an orderly manner on the premise of ensuring safety and without affecting employees' regular duties, encouraging them to contribute to areas such as community care, public welfare activities, educational outreach and emergency response. Each enterprise and business base plans and carries out a wide variety of volunteer activities in light of local circumstances, promoting the deep integration of the volunteer spirit with corporate culture and gradually fostering a positive atmosphere characterised by broad employee participation, the sustained implementation of activities, and coordinated engagement by internal and external parties, thereby achieving multi-party benefits in employee growth, the fulfilment of corporate responsibility and the coordinated development of communities.

【Highlight】 Enterprise-Community Collaboration for Building Better Communities

The Company's subsidiary Golden Dragon Rare-earth actively responded to local community needs and established a co-development linkage mechanism with Hexie Community. Through regular communication and coordinated action, it closely aligned corporate resources with community needs and carried out two community service activities focusing on convenient services, environmental improvement, policy communication and care for vulnerable groups, with 172 participants, thereby supporting the enhancement of community governance capabilities and the improvement of residents' quality of life.

- **Convenient repair services:** the Company organised equipment and engineering technicians to enter the community with professional tools and provide free repair services for small household appliances. A total of 28 appliances, including kettles and electric fans, were repaired, effectively alleviating residents' difficulties arising from the lack of repair services and high repair costs. During the repairs, technicians also explained daily appliance maintenance knowledge to residents and carried out science outreach on the applications of rare earth materials in connection with the Company's business, thereby enhancing public understanding of the relevant industry.
- **Community environmental beautification initiative:** the Company carried out community sanitation improvement and green belt clean-up activities, focusing on cleaning neglected sanitary corners and removing waste, while also conducting green and low-carbon awareness activities to encourage residents to jointly maintain a clean and pleasant community environment.
- **Public-interest publicity and consultation services:** publicity and consultation points were set up in community public areas to distribute materials on infectious disease prevention, anti-fraud and related topics, while residents' questions on matters such as medical insurance policies and the prevention of pension fraud were answered on site, helping to enhance community awareness of public safety and health.
- **Visits and care for vulnerable groups:** the Company visited 20 households of community Party members and residents in need, delivered daily necessities such as rice and cooking oil, gained a detailed understanding of their living conditions and practical difficulties, and conveyed the Company's care and warmth.

【Highlight】 Youth Volunteers in Action: Bringing Warmth to the Community

We actively encourage and support young employees to participate in community service and work hand in hand with local community organisations to advance civic co-development. In 2025, the Youth League Committee of our subsidiary Xiamen Golden Egret, together with the Youth League Committee of Binhai Community in Tong'an District, Xiamen, jointly organised a volunteer service activity featuring intangible cultural heritage handicraft experiences, community service outreach and a civic public welfare fair. The activity widely promoted community issues of concern such as waste sorting, anti-drug education, anti-fraud awareness, food safety and the promotion of new social customs, and, together with community volunteers, launched a charity bazaar to actively foster a community atmosphere of mutual assistance, friendliness and civility.

A total of 60 young Youth League members from the Company actively participated in the event, contributing approximately 180 hours of volunteer service and directly serving and benefiting hundreds of residents in Binhai Community. The initiative not only enriched community cultural life and enhanced residents' awareness of safety and civility, but also vividly demonstrated the Company's young employees' sense of social responsibility, further promoting positive interaction and integrated development between the Company and the community.

【Highlight】 Deepening Community Collaboration to Empower Grassroots Development

We closely respond to the actual needs of local communities and continue to advance community co-development and public welfare initiatives through a combination of institutionalised exchanges and routine services, thereby effectively fulfilling our corporate social responsibility.

The Company's subsidiary Xiamen Qianlu actively conducted joint exchange activities with relevant organisations, sharing practical experience on topics such as digital transformation and the integration of business and finance, promoting mutual learning in management expertise and professional capabilities, and enabling its partners to grow together. At the same time, it organised employees to go into communities and rural areas and, in light of local conditions, carry out volunteer activities in various forms, including convenient public services, themed outreach, care for the elderly and holiday visits and care activities. It also strengthened coordination with relevant institutions to expand the coverage of public welfare services and improve the efficiency of resource integration.

In 2025, a total of 155 participant attendances were recorded in volunteer activities organised by Xiamen Qianlu, contributing approximately 244 service hours. Through a series of service practices closely aligned with people's livelihoods and presented in diverse forms, these activities effectively enhanced the community's sense of gain and cohesion, demonstrating the Company's proactive role and sustained commitment in promoting community harmony and supporting grassroots development.

Mid-Autumn Festival Handmade Mooncake Activity Bringing Warmth

"Clean Breeze Nourishing the Tea Village, Services Warming People's Hearts" Activity

◎ Supporting Education

We regard educational support as a key focus of fulfilling our social responsibility. We pay close attention to the balanced development of educational resources and the actual needs of students, and continue to support the development of education through student assistance, awards for teachers and students, science outreach, support for campus development and teacher training. In advancing relevant projects, we place emphasis on collaboration with schools, education authorities and relevant professional institutions, so as to improve the precision and effectiveness of resource input and jointly promote the continuous enhancement of public education service capacity.

【Highlight】 Supporting Higher Education: Advancing Materials and Engineering Disciplines at Universities

We have long paid attention to higher education and the cultivation of engineering and technical talent, and are committed to continuously supporting the development of related disciplines through educational public welfare initiatives. In 2025, the Company's subsidiary Xiamen Golden Egret made special-purpose donations to the education development foundations of Xiamen University, Central South University, University of Science and Technology Beijing and Wuhan University of Technology, among other universities. All such funds were earmarked for talent cultivation, scientific research and innovation, and scholarship and grant programmes in related disciplines such as materials science and mechanical engineering. During the year, total cash donations amounted to CNY 355 thousand. Through the relevant foundations, the funds were managed in a standardised manner and used for designated purposes, ensuring that they were applied to the agreed educational public welfare purposes.

These contributions benefited teachers and students in the relevant disciplines at the above universities, providing strong support for their further study, scientific research exploration and innovative practice, and also contributing corporate strength to the improvement of engineering education quality and the development of a high-level talent cultivation system.

【Highlight】 Rewarding Teachers and Supporting Students: Supporting Local Educational Development

We have long paid attention to and supported the development of local education. Closely focusing on the development of the teaching workforce and the growth needs of students, we continue to carry out a series of initiatives to reward teachers and support students. Through financial donations, we support the establishment of incentive mechanisms for outstanding teachers and students, help foster a stronger educational environment, and promote the overall improvement of regional education quality.

In 2025, ahead of the 41st Teachers' Day, the Company's subsidiary Golden Dragon Rare-earth launched its annual programme to reward teachers and support students, and held a donation ceremony at the Changting County Education Bureau, donating CNY 625 thousand to the Changting education system. The funds were earmarked for the recognition and rewarding of outstanding local teachers and students, including 206 teachers and 30 students. This contribution injected corporate support into the sustained development of education in Changting and reflected the Company's sense of responsibility and commitment in taking root locally and giving back to society.

Golden Dragon Rare-earth Donated CNY 625 Thousand to the Changting Education System

【Highlight】 Supporting Special Education and Caring for Children with Special Needs

To support the development of special education, the Company's subsidiary Jiujiang Golden Egret carried out a public welfare service activity at Jiujiang Special Education School. The activity combined "material support + volunteer service + practical classes" to respond precisely to the school's actual needs, enrich students' learning experience, and convey the Company's warmth and care.

- **Public welfare donation:** donating a batch of sports equipment and learning materials to the school to provide resource support for day-to-day teaching and cultural and sports activities.
- **Interactive classes:** drawing on the Company's technological background and traditional culture, organising students to participate in activities such as making solar-powered satellite models and experiencing the crafting of traditional lacquer fans, so as to stimulate students' interest through hands-on practice and convey knowledge and care.

Innovation-Driven

Technology innovation is the wellspring of vitality for sustainable corporate development. The Company has consistently regarded independent innovation as the core engine driving high-quality development, establishing a multi-tiered, full-chain R&D and innovation system. Focusing on the three business domains of tungsten and molybdenum, rare earth, and new energy materials, we adhere to a market-oriented approach, actively seize opportunities arising from the green and low-carbon transition, and continuously advance technological breakthroughs, process optimization, and product iteration. We systematically strengthen innovation capabilities spanning fundamental research, technology development, and industrial transformation, steadily reinforcing the green competitiveness of our enterprise. By building high-caliber R&D platforms and deepening industry-academia-research-application collaboration mechanisms, we have effectively facilitated the efficient conversion of scientific and technological achievements into real-world productive forces, striving to provide customers with more competitive products and solutions while furnishing robust technical support for industrial green transformation and sustainable development.

R&D and Innovation System

R&D innovation is crucial for supporting the Company's core business development and building long-term competitiveness. The Company has established an R&D organization system with the XTC Technology Research Center at its core, complemented by the collaborative efforts of research institutes at its subsidiaries and divisions. We continue to increase R&D investment, enhance the efficiency of research project management, and actively cultivate high-level innovative talent. Moreover, with an open and collaborative approach, we have forged close partnerships with leading industry players, research institutes, and universities, continuously expanding the breadth and depth of collaborative innovation. We are committed to driving technological breakthroughs and the transformation of research outcomes, thereby comprehensively strengthening the Company's R&D and innovation capabilities.

The Company has been deeply advancing the development of its Integrated Product Development (IPD) system and its International Advanced Manufacturing (IAM) system. Leveraging three national-level and provincial-level innovation platforms—the China National R&D Center for Tungsten Technology, the National and Local Union R&D Center for High-end Energy Storage Material, and the Fujian Province Rare Earth Materials and Applications Engineering Research Center—the Company conducts systematic R&D in areas such as cemented carbides, refractory metals, optoelectronic crystalline materials, permanent magnet materials, and their applications. This provides solid technical support for business expansion and the layout of the industrial chain.

The Company's IPD system has now covered all business divisions and subsidiaries engaged in R&D activities. By implementing five major initiatives—Concept Reshaping, System Construction, Organizational Optimization, Capability Improvement, and High-Quality Product Creation—and advancing the rollout of pilot projects and demonstration projects, the Company has deepened the application of IPD methodologies. The Company is committed to building an open, collaborative, and efficient R&D and innovation ecosystem, continuously enhancing its capabilities in forward design and sustained innovation, and driving continuous improvement in its overall performance and industrial competitiveness.

During the reporting period, the Company comprehensively advanced the development of IPD 2.0, methodically promoting the establishment of product innovation management accountability mechanisms within its product divisions. The Company actively set up product line organizations, using product lines as the core units for business segmentation, clarifying authority and responsibility boundaries, and integrating resources across R&D, marketing, and sales to enhance cross-departmental collaboration efficiency and product line operational capabilities. At the same time, the Company continued to strengthen the development of business-oriented talent, improving the professional skills of product managers and systems engineers. Through the deepening of the IPD system, the Company achieved the following preliminary results in product management:

"Intensive operations": Resources were effectively concentrated on high-potential products, improving resource utilization efficiency.

"Clear accountability": A normalized mechanism of "who operates, who is accountable, who benefits" was established, ensuring that responsibilities were effectively implemented.

"Internalized capabilities": The transformation of organizational change capabilities shifted from "externally driven" to "internally generated," achieving deep embedding of organizational capabilities and facilitating the internalization and upgrading of change capabilities.

"Aligned objectives": Through training and exchanges among key roles such as product line managers, systems engineers, and project managers, the common goal of "business success" was continuously aligned.

"Assetized knowledge": A "Raw Material Preferred Library" and a "Core Technology Library" were established, transforming intangible knowledge and experience into reusable, value-adding core corporate assets, thereby laying a solid foundation for sustained innovation.

◎ Ethics of Science and Technology and Research Integrity

We adhere to conducting research activities in a responsible manner, following the fundamental principles of "advancing human well-being, respecting the rights to life, adhering to fairness and justice, appropriately managing risks, and maintaining openness and transparency." The Company has formulated the Guidelines for Responsible Research Behavior, which explicitly requires R&D personnel to abide by laws, regulations, and internal policies while strictly observing the ethics of science and technology and research integrity. These guidelines systematically regulate the conduct of R&D personnel in areas such as research topic selection and implementation, data management, literature citation, authorship and publication, ethical review, academic exchanges and collaboration, and intellectual property protection, thereby ensuring that research activities are carried out in an orderly manner, with controlled processes and credible outcomes.

The Company has established the Group R&D Project Management Measures, which cover key stages such as project initiation and justification, resource allocation, progress tracking, stage reviews, and final acceptance and closing. These measures promote the standardization and process orientation of R&D project implementation, effectively improving R&D efficiency and the quality of outcomes, while ensuring effective project delivery. At the same time, the Company has introduced a capability rating and assessment mechanism for R&D project management. By defining scientific, reasonable, and comprehensive evaluation criteria, this mechanism guides R&D teams to benchmark, continuously improve, and steadily enhance the Company's overall R&D management capabilities and system maturity.

◎ Collaborative Innovation Across Industry, Academia, Research, and Application

The Company actively builds a collaborative innovation system that deeply integrates industry, academia, research, and application. Focusing on areas such as fundamental research, cutting-edge technologies, key processes, and technology transfer, the Company engages in joint research and development with leading domestic and international research institutions, research institutes, and universities through various forms of cooperation, including the establishment of joint laboratories and off-campus training bases. This effectively bridges external research resources with the Company's internal independent innovation capabilities.

The Company has established in-depth collaborations with several universities, including Xiamen University, Fuzhou University, Wuhan University of Technology, Beijing University of Technology, Guangdong University of Technology, and Huaqiao University. Together, the Company has undertaken a number of major national research projects, such as the National Key R&D Program, National Science and Technology Major Projects, and Technology Innovation Guidance Program. Throughout the collaboration process, the Company places emphasis on the rigorous selection of partners, clearly defines R&D directions and objectives, strengthens progress tracking and process management, and standardizes provisions for ownership of outcomes and confidentiality requirements. This ensures the orderly progress of collaborative R&D and the efficient transformation of results. During the reporting period, the Company carried out 17 collaborative R&D projects.

【Highlight】Key Preparation Technology and Application of High-Purity Molybdenum Powder for High-End Sputtering Targets

The Company's subsidiary, Chengdu Hongbo Industrial, in collaboration with Sichuan University, Chengdu Hongbo Molybdenum, and Chengdu Dingtai, carried out the R&D project "Key Preparation Technology and Application of High-Purity Molybdenum Powder for High-End Sputtering Targets." The project focuses on three objectives: achieving ultra-high purity of 4N and above, ensuring domestic self-sufficiency and control, and establishing a new green molybdenum metallurgy model. It systematically pursues innovations in precise chemical reaction control and systematic deep impurity removal technologies, key equipment and automation control technologies for the industrial production of high-purity molybdenum powder, and new recycling and green molybdenum smelting technologies. The project aims to overcome international technical barriers and develop key preparation technologies and industrial-scale production capabilities for high-purity molybdenum powder used in high-end sputtering targets.

Based on the technological achievements of the project, the Company has built the world's largest demonstration line for 4N-grade molybdenum powder, achieving independent and controllable industrialization of a series of high-purity molybdenum products. This has significantly enhanced the supply security of key materials and provided important support for the supply chain security of the electronics and energy industries. During the reporting period, this project's achievements won the First Prize of the 2024 Sichuan Province Scientific and Technological Progress.

◎ R&D and Innovation Incentives

The Company has always regarded innovative talent as the core pillar of its science and technology innovation system. To meet business development needs, we continuously strengthen the development of our R&D team and specialized talent echelon through a combination of external recruitment and internal development. The Company fully recognizes the distinct roles that technical management talent and technical R&D talent play in technological breakthroughs and the transformation of outcomes, and is actively building a talent structure and competency framework that aligns with the Company's technology roadmap. Using each research institute as a platform and R&D projects as the vehicle, the Company closely integrates talent development with hands-on project experience. Through targeted training, case study discussions, technical exchanges, and practical project work, we promote knowledge accumulation and capability enhancement. As of the end of the reporting period, the number of R&D personnel at the Company was 2,826, accounting for 14.50% of the total workforce; this includes 6 expert-level core talents, 12 professor-level senior engineers, and 22 provincial- and ministerial-level recognized talents.

In terms of innovation incentives, the Company has formulated internal policies such as the Science and Technology Innovation Reward Management Measures and established a robust R&D innovation incentive mechanism. The Company reinforces a positive incentive orientation to fully stimulate the motivation and creativity of R&D personnel, thereby injecting vitality into the Company's continuous innovation:

- **Technological innovation incentives:** The Company has established the Science and Technology Innovation Achievement Awards and the Outstanding Scientific Talent Awards, under which R&D personnel are rewarded based on criteria such as technological advancement and economic benefits.
- **Outcome transformation incentives:** The Company has implemented a revenue-sharing mechanism for the transformation of research outcomes. For projects that are successfully transformed, up to 10% of the net profits generated annually within the three years following the transformation will be allocated by the Company as rewards to the R&D team or individual researchers.

【Highlight】Empowering Frontline Teams, Driving Lean-IAM Phase 3 Excellent Team Leader Empowerment Program

To continuously strengthen the management capabilities of frontline team leaders and promote the solid implementation of the International Advanced Manufacturing (IAM) system at the grassroots level, the Company organized the third phase of the IAM Excellent Team Leader Empowerment Program in Foshan, Guangdong Province in 2025. The training brought together 35 outstanding team leaders from over 20 manufacturing entities within the Group, focusing on the two core areas of on-site management and continuous improvement. Adopting a training model that combined benchmarking and thematic empowerment, the program systematically enhanced the participants' practical management skills and their ability to apply tools and methods at the grassroots level. During the training, participants visited FAW-Volkswagen's Foshan plant for benchmarking exchanges, gaining in-depth insights into its advanced practices in automated production and lean management. Meanwhile, through lectures delivered by external experts and hands-on case study discussions, the participants further mastered systematic problem-analysis methods and on-site improvement tools. In addition, the training included dedicated sessions to interpret and discuss the Group's 2025 team evaluation system standards, fostering consensus on the standards and facilitating the sharing of management experiences. The trained team leaders will translate the knowledge and tools they have acquired into concrete actions in daily management and team improvement, effectively driving the continuous enhancement of grassroots management capabilities and laying a solid foundation for the full implementation of the IAM system and the ongoing optimization of manufacturing efficiency.

IAM Phase 3 Excellent Team Leader Empowerment Program

【Highlight】Pooling Innovation Strength, Steadfastly Advancing — The 6th XTC Science and Technology Innovation Conference

In December 2025, the Company successfully held the 6th Science and Technology Innovation Conference under the theme "Pooling Innovation Strength, Steadfastly Advancing." A total of 442 people attended the conference, including members of the Group's leadership team, management teams from subsidiaries and business divisions, technical directors, core R&D personnel, and experts. The conference systematically reviewed the phased innovation achievements and outlined plans for future R&D priorities and management measures.

At the conference, the Company officially released the XTC Science and Technology Innovation White Paper and delivered a keynote report, systematically reviewing its technological innovation achievements and key breakthrough practices over the past decade. The Company also outlined the progress made in building the IPD (Integrated Product Development) product management system, while clarifying key priorities for the next phase, including deepening the implementation of IPD 2.0, strengthening the development of innovation talent teams, and enhancing intellectual property operation capabilities, so as to continuously unlock innovation value.

At the conference, the Company presented plaques to 11 collaborative innovation partners for joint R&D efforts, and honored a number of outstanding scientific and technological achievements and individuals. A total of 22 achievement awards were granted, 10 outstanding technology talents were selected, and teams and individuals who demonstrated exceptional performance in building the IPD system were also recognized. During the conference, the Company also organized thematic sharing sessions on topics such as IPD system development and the integration of artificial intelligence with technological innovation, promoting the widespread exchange and adoption of advanced concepts and management methods across the Group.

The 6th XTC Science and Technology Innovation Conference

Intellectual Property Protection

The Company places great emphasis on the management and protection of intellectual property and research outcomes, and has established a "3456" intellectual property management system. Through three major safeguards—organization, resources, and systems—this system achieves full coverage across four dimensions: patents, trademarks, copyrights, and trade secrets, deeply embedding IP management into five key business processes: R&D, procurement, sales, investment, and manufacturing. The Company is among the first batch of "Candidate for the National Demonstration Enterprise for IP Powerhouse Construction" and is the first enterprise in the tungsten and molybdenum industry to receive ISO 56005 international certification for its innovation and intellectual property management system.

Intellectual Property Management System

To achieve systematic, standardized, and comprehensive management of intellectual property, the Company has established and continuously improved its IP management system. The Company has formulated and published the Intellectual Property Management Manual, which clearly defines provisions regarding the management structure, differentiated management strategies, and routine operational matters such as IP registration, use, and transfer. At the same time, the Company has embedded IP management into core business activities including investment, procurement, R&D, manufacturing, and sales, identifies key risk points, clarifies responsible management departments, and establishes corresponding preventive and control measures.

In terms of management systems, the Company governs its intellectual property management work in accordance with internal policies and regulations, including the Patent Management Measures, Trademark Management Measures, Commercial Secret Management Measures, and Technology Innovation Management Implementation Guidelines. The Company embeds IP and research outcome protection requirements throughout the stages of R&D project initiation, process management, outcome generation, and transformation and application. For trade secrets, the Company has established a strict confidentiality management mechanism, implementing graded controls and strictly limiting the scope of access for personnel handling confidential information, as well as their custody, usage rights, and approval procedures. Individuals who promptly report a leak or actively take remedial measures to avoid or reduce losses will receive corresponding rewards, while those who violate confidentiality provisions will be subject to penalties and pursued for legal liability in accordance with the law.

In terms of management structure, the Company has established a three-tier, three-dimensional intellectual property management framework comprising "Group-level coordination, subsidiary-level responsibility, and business-level implementation," ensuring clear authority and responsibilities at each level, as well as efficient collaboration: The Technology Development and Collaboration Department of the Technology Center at headquarters is responsible for top-level design, resource coordination, and supervision and assessment at the Group level; the IP management departments or IP specialists at each subsidiary are responsible for establishing and operating the IP management system within their respective entities; and the business departments at each subsidiary are responsible for executing specific IP-related tasks.

Under the framework of the headquarters' IP management system, each subsidiary, taking into account its specific business characteristics and stage of development, builds a dynamically optimized IP management system that aligns with its core business and core IP assets. Subsidiaries also adopt differentiated management strategies and implementation pathways to enhance the alignment and effectiveness between IP management and business operations.

During the reporting period, the Company continued to strengthen intellectual property risk prevention and proactive rights protection. The Company pursued judicial enforcement actions against trademark infringement in its core business areas and achieved its objectives. In the area of trade secret management, the Company completed the establishment of a systematic framework, signed confidentiality agreements with all employees, and signed non-compete agreements with personnel in core positions, further enhancing risk control. Throughout the year, no major disputes arising from the infringement of third-party intellectual property rights occurred.

During the reporting period, the Company actively expanded its intellectual property portfolio, achieving steady growth in the number of patent and trademark applications. The proportion of high-value patents reached a new high:

The overseas trademark layout covered
65 countries and regions

The Company filed
477 new patent applications

The Company was granted
577 new patents

The Company filed
29 trademark applications

The Company obtained
107 new trademark registrations

The Company registered
73 new copyrights

As of the end of the reporting period,

The Company held a total of
2,502 patents

The Company held a total of
888 registered trademarks

The Company held a total of
195 copyrights

IP Culture Development

The Company continues to strengthen its intellectual property culture by actively promoting the IP philosophy of "respect for knowledge, admiration for innovation, integrity and compliance, and fair competition" through various forms, including themed events during IP Awareness Week and specialized training sessions. These efforts enhance company-wide awareness of IP protection and foster a corporate environment that respects and protects intellectual property.

At the same time, the Company has formulated and implemented the Intellectual Property Certification Implementation Plan for Various Levels of Technical Sequence. Through knowledge acquisition, skills training, and certification assessments, the Company continuously enhances R&D personnel's awareness of IP risk prevention and strengthens their capabilities in IP management and service.

【Highlight】Building a Strong IP Moat to Support Steady and Long-Term Innovation

To enhance company-wide awareness and practical capabilities in intellectual property protection, and to effectively mitigate risks related to infringement and compliance, the Company organized an IP Awareness Week campaign in April 2025. This campaign was led by the XTC Technology Center, in collaboration with the Group's Youth League Committee and various subsidiaries. Adopting an integrated online and offline approach and covering multiple sites, the campaign closely combined IP culture promotion with hands-on training in risk prevention and control.

During the campaign, the Company held a dedicated kick-off meeting to engage in in-depth exchanges with government authorities and industry experts. The Company also integrated external professional service resources and granted plaques to a number of strategic IP partners, providing systematic support for the Company in areas such as patent portfolio development, risk early warning, and overseas IP response. Focusing on key risk areas in R&D and operations, the Company organized an IP portfolio and experience-sharing salon, as well as a series of "IP Torch Relay" lectures, concentrating on practical topics such as IP protection for enterprises going global, international trademark portfolio development, identification of IP risk blind spots, and offensive and defensive strategies. In addition, the Company conducted systematic dissemination and interpretation of its group-wide trade secret management system, promoting effective implementation of relevant requirements among R&D and management teams.

Through this awareness week campaign, the Company further strengthened company-wide awareness of IP risks and collaborative prevention and control capabilities, promoted deeper integration of IP management with R&D, marketing, and operational activities, and provided strong support for the compliant transformation of innovation outcomes and the steady development of the Company's overseas operations.

Intellectual Property Week Launch Meeting

Themed Salon on IP Portfolio Strategy and Experience Sharing

R&D and Innovation Achievements

The Company has deeply implemented the innovation-driven development strategy. During the reporting period, the Company continued to strengthen the construction of scientific research and innovation platforms, actively undertook and made breakthroughs in various national, regional, and local research projects, and steadily enhanced its technological R&D and problem-solving capabilities. Leveraging solid R&D accumulation, the Company received multiple honors, recognitions, and science and technology innovation awards during the reporting period, and actively participated in the formulation of a number of national and industry standards. Through continuous innovation, the Company drives technological progress and industrial upgrading, demonstrating its innovation value and social responsibility. During the reporting period, the Company's total R&D investment amounted to 1.74 billion CNY, accounting for 3.82% of its core business revenue.

R&D Platforms

During the reporting period, the Company and its subsidiaries newly added 5 R&D platforms, including 1 national-level, 2 provincial-level, and 2 municipal-level platforms. As of the end of the reporting period, the Company held a total of 62 R&D platforms, including 15 national-level, 19 provincial-level, 25 municipal-level, and 3 district-level platforms.

New R&D Platforms Established by the Company and Its Subsidiaries in 2025

Names of R&D Platforms	Construction Entity	Competent Authority
National Survey Site for Science and Technology Workers	XTC	National Academy of Innovation Strategy (NAIS) affiliated to the China Association for Science and Technology (CAST)
Xiamen XTC New Energy Materials Co., Ltd. Enterprise Technology Center	XWXN(Xiamen)	Fujian Provincial Department of Industry and Information Technology
Xiamen Ciitto Yuneng Technology Co., Ltd. Enterprise Technology Center	Xiamen Ciitto Yuneng	Fujian Provincial Department of Industry and Information Technology
Golden Dragon Rare-earth Technology Innovation (Xiamen) Center	Golden Dragon Rare-earth	Longyan Science and Technology Bureau
Basic Electronic Materials Dielectric Materials R&D Center	Basic Electronic Materials	Longyan Science and Technology Bureau

R&D Innovation Projects

During the reporting period, the Company was newly assigned 30 R&D projects at various government levels, including 8 national-level, 20 provincial-level, 1 municipal-level, and 1 district-level project. In total, the Company undertook 71 R&D projects at various government levels, including 23 national-level projects (such as major projects from the Ministry of Industry and Information Technology and the National Key R&D Program), 34 provincial-level projects (such as provincial "Leading in the 'Battlefield' by Announcing" projects), 12 municipal-level projects, and 2 district-level projects.

Science and Technology Awards and Honors

During the reporting period, the Company and its subsidiaries received a total of 22 science and technology awards at various levels, including 17 at the provincial and industry levels and 5 at the municipal level. As of the end of the reporting period, the Company had received a total of 208 science and technology awards, including 17 national-level awards, 116 awards at the provincial and industry levels, and 75 municipal-level awards.

Science and Technology Awards Received by the Company and Its Subsidiaries in 2025

Level	Name of the Award-Winning Project	Award Name and Level	Award Recipient
Provincial	Key Preparation Technology and Application of High-Purity Molybdenum Powder for High-End Sputtering Targets	First Prize of Sichuan Provincial Science and Technology Progress Award	Chengdu Hongbo Industrial
Provincial	Complete Set Technology and Industrial Application of Novel Nanoceramic Balls with High Strength, High Hardness, and Low Wear for Ore Grinding	First Prize of Jiangxi Provincial Science and Technology Progress Award	Ninghua Xingluokeng

Level	Name of the Award-Winning Project	Award Name and Level	Award Recipient
Provincial	Development and Application of High-Strength Tungsten Alloy Micro-Wire for Photovoltaic Crystalline Silicon Cutting	Second Prize of Fujian Provincial Science and Technology Progress Award	Xiamen Honglu, XTC
Provincial	Key Technology and Industrialization of Grain Boundary Regulation and Efficient Heavy Rare Earth Utilization for NdFeB Permanent Magnet Materials	Second Prize of Jiangxi Provincial Science and Technology Progress Award	Golden Dragon Rare-earth
Provincial	Basic Theory and Digital Precision Mining Technology for In-Situ Leaching of Ion-Adsorption Rare Earths	Second Prize of Jiangxi Provincial Science and Technology Progress Award	XTC
Provincial	Design, Manufacturing and Industrialization of High-Efficiency and High-Precision Cutting Tools for Complex Components of Heavy-Duty Gas Turbines	Third Prize of Fujian Provincial Science and Technology Progress Award	Xiamen Golden Egret, XTC
Provincial	Key Preparation Technology of High-End Rare Earth Sputtering Targets for the NdFeB and OLED Industries	Third Prize of Fujian Provincial Science and Technology Progress Award	Golden Dragon Rare-earth
Provincial	Method for Assessing the Solid Solution Content of Grain Inhibitors in Tungsten Carbide Powder	Third Prize for Excellent Achievements in the 2024 "Five Small" Innovation Competition for Million Workers	XTC
Provincial	Optimization and Retrofit of the Automatic Control System for the Second-Stage Screen Hydrocyclone in Ore Grinding	Third Prize for Excellent Achievements in the 2024 "Five Small" Innovation Competition for Million Workers	Ninghua Xingluokeng
Provincial	A Novel Self-Service Material Collection Device	Third Prize for Excellent Achievements in the 2024 "Five Small" Innovation Competition for Million Workers	XWXN (Sanming)
Industry Award	Research, Development and Industrial Application of Key Technologies for the Recycling of Strategic Tungsten Resources	First Prize of China Nonferrous Metals Industry Science and Technology Award	Xiamen Golden Egret
Industry Award	Efficient Extraction and Selective Separation Technology for Multi-Component Complex Tungsten Scrap and Its Industrial Application	First Prize of China Nonferrous Metals Industry Science and Technology Award	XTC, Xiamen Jialu
Industry Award	Key Technology and Application of Powder Preparation for High-Performance Tungsten-Containing and Tungsten-Based Coatings	First Prize of China Nonferrous Metals Industry Science and Technology Award	Luoyang Golden Egret
Industry Award	Green Quality-Based Separation and Multi-Channel High-Absorption Utilization Technology for Metal Mine Tailings	Second Prize of China Nonferrous Metals Industry Science and Technology Award	Ninghua Xingluokeng
Industry Award	Processing Technology and Application of Compacted Graphite Iron for High-Power, High-Performance Engines	Third Prize of China Society of Automotive Engineers Science and Technology Award	Xiamen Golden Egret
Industry Award	D938 Series Twist Drill	Vogel Pioneer of Industry Award	Xiamen Golden Egret
Industry Award	Ball-Nose Copying End Mill	ANCA Tool of the Year 2025	Xiamen Golden Egret
Municipal	Development and Application of High-Strength Tungsten Alloy Micro-Wire for Photovoltaic Crystalline Silicon Cutting	First Prize of Xiamen Municipal Science and Technology Progress Award	Xiamen Honglu, XTC
Municipal	An Alloy Wire and Its Preparation Method and Application	First Prize of Xiamen Municipal Patent Award	Xiamen Honglu
Municipal	A Nickel-Manganese-Titanium Composite Material and Its Preparation Method and Application	Second Prize of Xiamen Municipal Patent Award	XWXN (Xiamen)
Municipal	Key Technology and Application of Green and Efficient Extraction of Complex Recycled Tungsten Resources	Second Prize of Xiamen Municipal Science and Technology Progress Award	XTC, Xiamen Jialu
Municipal	Development and Application of High-Efficiency Cutting Tools for Difficult-to-Machine Heat-Resistant Alloy Materials	Second Prize of Xiamen Municipal Science and Technology Progress Award	Xiamen Golden Egret, XTC

During the reporting period, the Company and its subsidiaries received a total of 25 honors and qualifications, including the "Industry Mover" in the metals and mining sector, National Manufacturing Single Champion Enterprise, and one of the Top 100 Fujian Manufacturing Enterprises.

Corporate Honors and Qualifications Received by the Company and Its Subsidiaries in 2025

Accredited Entity	Honor/Accreditation Title	Level
XTC	"Industry Mover" in the metals and mining sector	International
	2024 China's Top 500 Enterprises	National
	Excellent-level Smart Factory	National
	2025 Top 100 Fujian Manufacturing Enterprises	Provincial
	Enterprise under the Advanced Manufacturing Industry Multiplication Plan	Municipal
Golden Dragon Rare-earth	Manufacturing Single Champion Enterprise - High-Purity Lutetium Oxide	National
	"Energy Efficiency Leader" Enterprise in in Fujian Provincial Key Energy-Consuming Industries	Provincial
Xiamen Honglu	Manufacturing Single Champion Enterprise - Tungsten Wire for Photovoltaic Crystalline Silicon Rod Cutting	National
Chengdu Hongbo Industrial	Excellent Case of the Fourth Batch of Healthy Enterprise Construction by the National Health Commission	National
Ganzhou Hongfei	The Second Batch of "Small Lighthouse" Enterprises in Jiangxi Province	Provincial
Basic Electronic Materials	"Specialized, Sophisticated, Distinctive and Innovative" SME	Provincial
XWXN (Xiamen)	Advanced-level Smart Factory	Provincial
	Gazelle Enterprise	Provincial
	Enterprise under the Advanced Manufacturing Industry Multiplication Plan	Municipal
	Xiamen Municipal Advanced-level Smart Factory	Municipal
XWXN (Ningde)	2025 (First) New Era Enterprise Party Building Innovation Outstanding Case	National
XTC(Jinglu)	Xiamen Municipal Green Factory	Municipal
XTC(Hydrogen)	"Specialized, Sophisticated, Distinctive and Innovative" SME	Municipal
Xiamen Golden Egret	Xiamen Municipal Green Factory	Municipal
Haicang Golden Egret	Enterprise under the Advanced Manufacturing Industry Multiplication Plan	Municipal
	"Specialized, Sophisticated, Distinctive and Innovative" SME	Municipal
Jiujiang Golden Egret	The Second Batch of "Smart Factories" in Jiangxi Province	Provincial
Xiamen Ciitto Medical	Scientific and Technological SME	Municipal
Xiamen Ciitto Jicheng	Xiamen Future Industrial Backbone Enterprise	Municipal
Xiamen Ciitto Servo-Motor	Xiamen High-Quality SME	Municipal

【Highlight】Driving Green Recycling Through Innovation to Empower Sustainable Development of the Tungsten Industry

To improve the recycling and utilization level of regenerated tungsten resources and overcome bottlenecks such as high pollution and high costs associated with traditional recovery technologies, the Company, together with its subsidiary Xiamen Jialu, jointly carried out the R&D project "Key Technology and Application of Green and Efficient Extraction of Complex Recycled Tungsten Resources." Through the development of core technologies—including low-temperature roasting with alkaline earth metals combined with counter-current alkaline leaching, tungsten-molybdenum separation using specific functional groups of acrylic acid-based resins, and chlorine-phosphorus mixed acid leaching synergized with macroporous weak-base adsorption—the project established a new green and efficient recovery process system for complex regenerated tungsten resources. This system enables high-efficiency, clean smelting of complex recycled tungsten resources, holding significant strategic importance for ensuring China's tungsten resource security and promoting high-value and sustainable resource utilization.

Based on the project achievements, the Company built the world's largest production line for recycling regenerated tungsten resources, with an annual processing capacity of 24,000 tons, significantly improving resource recycling efficiency. The project was awarded the First Prize of the 2025 Science and Technology Award by the China Nonferrous Metals Industry Association and the Nonferrous Metals Society of China.

Standard Formulation and Revision

During the reporting period, the Company and its subsidiaries led or participated in the formulation or revision of a total of 34 standards, including 27 national standards and 7 industry standards.

Standards Formulated by Company and Subsidiaries (as Editor-in-Chief or Co-Editor) in 2025

Standard Number	Standard Name	Type	Entity Serve as Editor-in-Chief or Co-Editor
GB/T 1480-2025	Metallic powders-Determination of particle size by dry sieving	National level	Luoyang Golden Egret(Co-Editor)
GB/T 45330-2025	Cathode materials for lithium ion batteries-Determination of water content-Carl fisher coulomb method	National level	XWXN(Co-Editor)
GB/T 45327-2025	Lithium-rich lithium iron oxide	National level	XWXN(Co-Editor)
GB/T 45324-2025	Determination of powder resistivity for cathode materials of lithium ion battery	National level	XWXN(Editor-in-Chief)
GB/T 31968-2025	Rare earth composite yttrium zirconium oxide ceramic powder	National level	Golden Dragon Rare-earth(Co-Editor)
GB/T 45651-2025	Recycling raw materials for neodymium iron boron by roasting process	National level	Golden Dragon Rare-earth(Co-Editor)
GB/T 21707-2025	Insulation specification for frequency conversion machine	National level	XTC Motor Industry(Co-Editor)
GB/T 31967.3-2025	Test methods for physical property of rare earth permanent magnetic materials-Part 3: Determination of resistivity	National level	Golden Dragon Rare-earth(Co-Editor)
GB/T 45756-2025	Technical specification of sintered rare earth permanent magnet splicing	National level	Golden Dragon Rare-earth(Co-Editor)
GB/T 34695-2025	Terminology for treatment and disposal of waste battery chemicals	National level	XTC(Co-Editor)
GB/T 755-2025	Rotating electrical machines-Rating and performance	National level	XTC Motor Industry(Co-Editor)
GB/T 9967-2025	Neodymium metal	National level	Golden Dragon Rare-earth(Co-Editor)
GB/T 29655-2025	Strip-casting neodymium iron boron alloy flakes	National level	Golden Dragon Rare-earth(Co-Editor)
GB/T 46324-2025	Cemented carbide products for ultra precision optical dies	National level	XTC(Editor-in-Chief)
GB/T 46515-2025	Evaluation specifications for recycling technology in waste battery chemicals	National level	XTC(Co-Editor)
GB/T 46512-2025	Lithium manganese iron phosphate	National level	XWXN(Co-Editor)
GB/T 46513-2025	Electrochemical performance test of lithium ion battery cathode materials—Test method for low temperature performance	National level	XWXN(Co-Editor)
GB/T 3488.2-2025	Hardmetals-Metallographic determination of microstructure-Part 2: Measurement of WC grain size	National level	Xiamen Golden Egret(Editor-in-Chief) Haicang Golden Egret(Co-Editor) Luoyang Golden Egret(Co-Editor) XTC(Co-Editor)
GB/T 46565-2025	Technical specifications for assessment of greenhouse gas emission reductions at the project level-Echelon utilization of retired vehicle battery	National level	Golden Dragon Rare-earth(Editor-in-Chief) XTC(Co-Editor)
GB/T 31967.4-2025	Test method for physical property of rare earth permanent magnetic materials—Part 4: Determination of compressive strength	National level	Golden Dragon Rare-earth(Co-Editor)
GB/T 46763-2025	Evaluation method for grain boundary diffusion result of sintered rare earth iron boron permanent magnets	National level	Golden Dragon Rare-earth(Co-Editor)
GB/T 46734-2025	General principles for evaluation of smart factory	National level	XTC(Co-Editor)
GB/T 46478-2025	Magnetizing method of permanent magnet	National level	Golden Dragon Rare-earth(Co-Editor)
GB/T 46762-2025	Corrosion test methods of rare earth permanent magnet protective layers	National level	Golden Dragon Rare-earth(Co-Editor)
GB/Z 150-2025	Guide for magnetizing behaviour of permanent magnets	National level	Golden Dragon Rare-earth(Co-Editor)
GB/T 46992-2025	Technical specifications for classification and comprehensive utilization of recyclable rare earth secondary resources	National level	Golden Dragon Rare-earth(Co-Editor)
GB/Z 155-2025	General principles of sodium ion battery cathode materials	National level	XWXN(Co-Editor)
YS/T 1728-2025	High-purity tungsten powder	Industry level	Xiamen Honglu(Editor-in-Chief)
YS/T 1761-2025	Cut-resistant tungsten filament	Industry level	Xiamen Honglu(Editor-in-Chief)
YS/T 559-2025	Method for Spectrographic Emission Analysis of Tungsten	Industry level	Xiamen Honglu(Co-Editor)
YS/T 1726-2025	High-purity tungsten trioxide	Industry level	Xiamen Honglu(Co-Editor)
JB/T 15227-2025	Industrial Internet platform–Motor-Basic technical requirements	Industry level	XTC Motor Industry(Co-Editor)
XB/T 307-2025	High-purity holmium metal	Industry level	Golden Dragon Rare-earth(Co-Editor)
XB/T 306-2025	Highly pure erbium metal	Industry level	Golden Dragon Rare-earth(Co-Editor)

Suppliers and Clients

Guided by the principles of mutual benefit and collaborative development, the Company regards supplier and customer relationship management as an integral part of its ESG efforts, continuously deepening upstream and downstream collaboration along the industrial chain. In supplier management, the Company implements standardized, systematic, and full-process management. By defining cooperation standards, strengthening compliance oversight, and providing professional empowerment, the Company continuously reinforces the stability and sustainability of its supply chain. In customer service, the Company remains customer-centric, precisely responding to needs with high-quality products and professional services, striving to create lasting value for its customers. We are always committed to working hand in hand with suppliers and customers, pooling development synergies, and jointly building an open, collaborative, and win-win industrial ecosystem.

Supply Chain Security

Based on industry trends and its own operational realities, the Company has established a supply chain security management system that covers the entire lifecycle. By strengthening compliance controls, improving risk identification, early warning, and response mechanisms, the Company systematically mitigates potential risks at every stage of the supply chain. At the same time, the Company continues to deepen collaboration with partners, effectively enhancing the resilience and security level of the supply chain, thereby providing a solid foundation for stable business operations and sustainable development.

Responsible Sourcing

Upholding the concept of responsible sourcing, the Company has formulated and strictly implements the Supplier Code of Conduct, which sets out clear and specific compliance requirements for partners across multiple dimensions, including human rights protection, labor standards, environmental protection, and business ethics. At the same time, the Company has established a systematic supplier evaluation and supervision mechanism, deeply embedding the principles of sustainable development into the entire procurement process, continuously guiding and regulating supplier behavior, and working together to move the supply chain toward greater responsibility and sustainability. The Company's Operations Management Center coordinates, guides, and supervises the establishment and implementation of supplier management mechanisms at each subsidiary, while each subsidiary sets up relevant functional departments or designates dedicated positions to carry out daily management, ensuring the robust operation of the supply chain security management system.

Supplier Admission

In the supplier admission process, the Company has established a systematic qualification review mechanism to screen qualified suppliers through multi-dimensional comprehensive evaluation, including:

- **Qualification review:** Comprehensive assessment of a supplier's corporate reputation, product quality, and compliance records, with a focus on the status of its quality and environmental management systems, including management system certifications such as ISO 45001, ISO 14001, ISO 9001, and IATF 16949, as well as relevant qualification certifications such as RoHs, HF, SVHC, CNAS, and CMA.
- **Capability assessment:** Through procedures such as sample testing, material production line validation, development admission audits, and on-site verification, the Company conducts a comprehensive evaluation of suppliers prior to formal cooperation to ensure that their production capacity and quality control systems meet the Company's requirements. Suppliers that fail to meet the Company's minimum ESG and compliance requirements will not be included in the scope of procurement cooperation.
- **Green preference:** Under comparable conditions, the Company gives preference to suppliers that practice environmental friendliness and demonstrate strong ESG performance, extending the concept of green procurement to the front end of the supply chain.

In addition, the Company requires all qualified suppliers to sign documents such as the Supplier Agreement, Business Ethics Agreement, Supplier Integrity Commitment Letter, and Quality Assurance Letter, committing to strictly comply with the Company's compliance requirements in areas including business ethics, environmental protection, occupational safety and health, labor rights, and product quality. The Company also continuously tracks supplier ESG performance through a dynamic monitoring system.

Supplier Evaluation

In the supplier evaluation process, the Company adopts a combination of supplier self-assessment, desk evaluation, and on-site audits to establish a comprehensive supplier evaluation system covering multiple dimensions such as quality performance, operational efficiency, environmental management, and social responsibility. The Company conducts quantitative scoring of suppliers, focusing on key indicators including incoming material acceptance rate, management systems, delivery capability, price level, after-sales service, environmental management, and R&D capability, while also paying attention to the environmental and social impacts of their products and services.

Based on the evaluation results, we implement tiered management of suppliers:

- Suppliers with excellent performance across all indicators and no specific national, industry, or commodity risks are designated as key suppliers and given priority in cooperation.
- For suppliers that fail to meet the standards, we formulate targeted corrective measures and follow up on their implementation.
- For suppliers with poor rectification results, we take measures such as downgrading, reducing procurement, or elimination, depending on the circumstances.

Supplier Communication

In the area of supplier communication, the Company has established a regular and diversified supplier communication mechanism, maintaining close interaction with suppliers through various means such as on-site visits, email correspondence, industry forums, and on-site audits, thereby continuously consolidating long-term and stable cooperative relationships. At the same time, we regularly conduct capacity-building training for suppliers, helping partners improve their ESG management level, and jointly promoting the development of responsibility capabilities across the entire supply chain, laying a solid foundation for sustainable development.

【Highlight】 Deepening Supply Chain Collaboration to Empower a Green Future: Supplier ESG Special Training

In 2025, Golden Dragon Rare-earth, a subsidiary of the Company, continued to deepen ESG governance across its supply chain by conducting ESG special training for core suppliers. This training systematically explained the Company's management requirements regarding social responsibility, green supply chain, Supplier Code of Conduct, and cooperation agreements. The topics covered included social responsibility standards, green supply chain development, hazardous substance control, conflict mineral management, environmental safety, and integrity operations, helping suppliers fully understand the Company's norms and expectations in the ESG field.

Through standardized and systematic training, the Company has effectively enhanced the compliance awareness and green operation capabilities of its core suppliers, promoted the solid implementation of ESG management requirements into supply chain operational practices, and provided strong support for building a more responsible and sustainable supply chain ecosystem.

Supplier ESG Special Training

Supply Chain Risk Management

We integrate the philosophy of comprehensive risk management throughout the entire supply chain system, deeply embedding supply chain risk control into management systems and business processes. We continuously improve risk identification, assessment, and early warning mechanisms covering the entire chain of procurement, production, and logistics. By strengthening company-wide risk awareness, we drive the deep development of risk control toward a normalized, standardized, and systematic approach, striving to build a responsive, efficient, and stable supply chain risk management system.

At the same time, the Company has established and improved its supply chain reserve and emergency management mechanisms, set up a list of qualified and backup suppliers, and defined emergency response procedures for various emergency situations. This effectively reduces the risk of supply chain disruptions and comprehensively enhances supply chain resilience and business continuity assurance capabilities.

【Highlight】 Preventing Risks Through Drills, Securing the Chain Through Control: Emergency Drill for Supply Chain Disruption

In 2025, Golden Dragon Rare-earth, a subsidiary of the Company, organized an emergency drill simulating a disruption in the supply of vacuum bag materials, assuming a scenario where the original supplier experienced a supply interruption due to equipment failure. Facing the simulated emergency, Golden Dragon Rare-earth promptly activated its emergency response mechanism, immediately identified urgent procurement needs, and organized relevant departments to formulate an emergency plan. The Company contacted backup suppliers to expedite material transfers, while coordinating logistics resources to ensure timely delivery of the procured materials. After the drill, in response to identified issues such as insufficient safety stock, the Company conducted a systematic review, improving safety stock settings and optimizing supplier supply share allocations, thereby strengthening its supply chain risk response capabilities.

Responsible Mineral Management

Throughout the entire mineral procurement process, the Company follows international and domestic standards, including the United Nations Guiding Principles on Business and Human Rights, China's Guidelines for Social Responsibility in Outbound Mining Investments, Chinese Due Diligence Guidelines for Mineral Supply Chain, and the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. The Company commits to respecting human rights and not contributing to conflict, and firmly opposes any activities that may fund conflict or violate human rights, ensuring that the supply chain does not involve conflict minerals or human rights abuses.

Management System

At present, the Company has established a systematic responsible mineral management system covering key aspects such as policy development, supplier management, risk prevention, and emergency response, continuously strengthening the transparency of the mineral supply chain to support the sustainable development of the resource industry.

In line with the relevant requirements of the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, the Company has formulated the Supply Chain Due Diligence Management System, regularly communicates responsible mineral and supply chain management policies to upstream suppliers, and incorporates due diligence requirements into cooperation agreements. For suppliers potentially involved in conflict minerals, signing the Responsible Supply Chain Commitment is required before cooperation can be established. The Company conducts annual on-site inspections of major suppliers, integrating due diligence management requirements into the assessment process to mitigate the risk of procurement activities indirectly funding conflict or violating human rights.

Due Diligence

In accordance with the framework and implementation steps outlined in the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas and the Chinese Due Diligence Guidelines for Mineral Supply Chain, the Company systematically carries out supply chain due diligence. By establishing a risk management system covering the entire procurement cycle, the Company deepens supplier compliance review and traceability management, ensuring the security and stability of the mineral supply chain.

Responsible Mineral Due Diligence

- **In the tungsten smelting production stage:** The Company has established due diligence procedures for the tungsten supply chain, and developed policy documents such as the Responsible Mineral Verification Process Assessment Manual, Due Diligence Supplier Questionnaire/On-site Inspection Report, and Identification of Conflict-Affected and High-Risk Areas (CAHRA) Process. These are used to assess whether the supply chain contains CAHRAs as defined by the OECD Guidance and applicable to RMAP standards, and to define the risk categories and specific risk types associated with the countries of origin. Once high-risk factors are identified in the supply chain, the Company will conduct enhanced due diligence, participate in upstream assurance mechanisms recognized by RMI, and work with relevant parties to develop risk mitigation plans. If a supplier fails to improve its performance or if risks are not mitigated and eliminated within a reasonable agreed timeframe, the Company will activate a risk alert mechanism, suspending or terminating cooperation with the upstream supplier. In addition, the Company prepares and externally discloses an annual Responsible Mineral Supply Chain Due Diligence Management Report.
- **In the battery material production stage:** The Company conducts qualification reviews for all suppliers involved in the mining, supply, procurement, or processing of materials containing lithium, nickel, and cobalt and their supply chains. Through the Responsible Cobalt Initiative (RCI), the Company performs qualification audits and due diligence on potential suppliers regarding environmental and ethical compliance, tracing the supply process and origin of mineral resources (transportation routes and mining locations). This ensures that battery raw material suppliers are not involved in human rights violations such as child labor or poor working conditions. During the reporting period, the Company's battery material production sites issued Responsible Mineral Supply Chain Declarations to their strategic partner suppliers and collected signed confirmations, achieving a 100% completion rate, with no responsible mineral supply chain risks identified.

Grievance Mechanism

The Company has established a transparent procurement grievance mechanism, providing smooth channels for stakeholders to file complaints and make suggestions regarding mining, trading, processing, export, and responsible minerals, thereby safeguarding the legitimate rights and interests of all stakeholders. Upon receiving a grievance, the relevant departments of the Company will initiate a series of procedures including identification, investigation, and corrective actions, and will promptly provide feedback to the complainant on the progress and results of the handling process.

The Company strictly protects the identity information of complainants, ensuring the fairness and confidentiality of the channel. The Company also regularly summarizes and analyzes grievance cases, promoting a closed-loop management system and continuous improvement.

Equal Treatment to Small and Medium-sized Enterprises

The Company adheres to the principles of fairness, impartiality, and transparency in cooperation, treating all partners regardless of size equally. In supplier management, we have established an open and transparent evaluation system to ensure that small and medium-sized enterprises (SMEs) enjoy equal opportunities in bidding and cooperation.

In terms of cooperation mechanisms, the Company provides reasonable payment terms and order support for SME suppliers, rejects discriminatory clauses, effectively safeguards their legitimate rights and interests, and is committed to building an inclusive and win-win supply chain partnership.

In terms of payment, the Company strictly adheres to the commitment of "no extension of payment terms, no overdue payments," and has established a sound accounts payable monitoring mechanism. The procurement and finance departments regularly review and audit accounts payable, promptly follow up on payment progress, and ensure that payment obligations to SME suppliers are fulfilled on time, effectively guaranteeing the stability of their cash flow.

Safety and Quality of Products and Services

Product and service safety and quality are fundamental to our corporate development. Based on our three core businesses—tungsten and molybdenum, new energy materials, and rare earths—we have built a safety and quality management system covering the entire chain of R&D, production, delivery, and after-sales service. We are committed to providing safe and reliable products as well as efficient and timely services, continuously creating value and offering assurance for our customers.

◎ Product Quality Management

We strictly comply with laws and regulations such as the Product Quality Law of the People's Republic of China and have established scientific product quality standards. From product R&D, manufacturing, and finished product delivery to after-sales service, we fully implement standardized, process-oriented, and refined management. We continuously improve our quality control and risk prevention mechanisms, striving to enhance quality management throughout the product lifecycle. At the same time, we actively promote lean production and intelligent manufacturing, integrating green and low-carbon concepts into all production processes. By strengthening the foundation of product quality, we win market trust through reliable products and high-quality services.

Guided by the principles of "customer orientation, goal-driven, self-criticism, people-oriented, and continuous improvement," we continue to implement the International Advanced Manufacturing (IAM) program across five key professional pillars: production processes, production equipment, quality management, lean site management, and safety, environment, and health. Using lean production and Six Sigma quality management as our main tools, we are committed to building a modern manufacturing system characterized by "scientific management, high-end products, and strong profitability," while comprehensively advancing our manufacturing capability development. To ensure the effective implementation of the IAM program, we have developed guiding documents such as Xiamen Tungsten Group IAM System Planning Guide Manual and Xiamen Tungsten Group IAM Automation Implementation Guide, and organize annual IAM planning and reviews, providing clear guidance for each manufacturing unit to carry out IAM-related work.

During the reporting period, During the reporting period, the Company carried out a number of quality improvement projects centered on lean production and Six Sigma management, continuously enhancing product quality. The Company collaborated with over 20 enterprises along the tungsten industry supply chain to establish a quality empowerment framework characterized by "chain leader guidance, chain member coordination, foundational support, and institutional enablement." Together with the Xiamen Institute of Measurement and Testing, Xiamen University, the Institute of Rare Earths, CAS, and other institutions, the Company formed a "Quality Innovation Consortium" and led the "5+5" quality research projects, with cumulative R&D investment exceeding 170 million CNY, thereby driving the deep integration of the innovation chain and the industrial chain. In addition, the Company hosted the Third XTC Quality Conference and Tungsten Industry Supply Chain Quality Empowerment Promotion Meeting, and organized a series of empowerment activities, including training for chief quality officers, training on innovation management systems, and Quality Month initiatives, continuously fostering the development of quality talent within the tungsten industry supply chain.

【Highlight】 Building a Full-Chain Quality Management System to Drive Excellence in the Rare Earth Industry

Our subsidiary, Golden Dragon Rare-earth, guided by the vision of "building a world-class rare earth materials industrial base," has established a systematic quality management system covering the entire product lifecycle. Quality construction is systematically advanced across four dimensions: organization, systems, site management, and incentives:

- **Organizational Structure:** A Quality Management Committee has been established, with the General Manager serving as Director to coordinate overall quality management efforts. At the corporate level, a Science and Technology Innovation Service Center is responsible for the construction, operation, and continuous optimization of the quality system, and a Testing Center is dedicated to the inspection and analysis of product materials, covering quality inspection of raw materials, semi-finished products, and finished products. Each business division has a dedicated quality management team responsible for daily quality monitoring, problem identification, and implementation of improvement measures.
- **System Framework:** Integrating multiple system standards such as IATF 16949, ISO 9001, and QC 080000, we have established a four-tier document management system consisting of "Quality Manual – Program Systems – Standard Documents – Record Forms," forming a standardized and normalized quality system.
- **Site Management:** We have developed site operation standards covering control plans, equipment maintenance, and failure mode and effects analysis. Using tools such as benchmarking, visual management, Total Productive Maintenance (TPM), and proposal improvement, we have achieved systematic and standardized site quality management.
- **Incentive Mechanism:** A quality assessment system covering all levels has been established, integrating quality indicators deeply into organizational performance. This forms an incentive mechanism that covers front, middle, and back ends, with clear rewards and penalties and continuous improvement, fully stimulating the intrinsic motivation of all employees to participate in quality enhancement.

◎ Material Safety Management

We continuously strengthen material safety management and have established a rigorous raw material quality control and inspection system to ensure that all procured materials fully comply with relevant standards in terms of quality, safety, and environmental protection. In the production process, we give priority to environmentally friendly materials and actively implement clean production processes. We require that all production operations strictly comply with laws, regulations, and industry standards related to hazardous substance control, and prohibit the use of low-quality or hazardous materials, thereby controlling quality and safety risks at the source. In addition, we continuously strengthen the tracking and management of product raw materials by reviewing supplier raw material test reports and commissioning third parties to conduct sample testing, providing reliable assurance for improving product quality and safety levels.

【Highlight】 Full-Process Traceable Material Management to Build a Solid Foundation for Product Quality and Safety

Xiamen Honglu incorporates material safety requirements into its supplier management system, implementing strict access audits and full-cycle control to ensure material quality and safety at the source. For key outsourced processing materials with high safety requirements, we arrange technical and quality personnel to conduct unscheduled on-site supervision of suppliers, focusing on verifying raw material usage records, production process execution, in-process inspection records, and finished product test results, ensuring that each batch of materials has a traceable source, trackable destination, and controllable quality. At the same time, we organize monthly material safety meetings to review risk points, potential hazards, and quality anomalies in the production process, formulate corrective measures, and track their implementation. Through the combination of on-site supervision, traceability management, and continuous improvement, we have achieved the target reduction in the non-conformance rate of outsourced materials, effectively mitigating material safety risks and ensuring product quality and production safety.

◎ Customer Rights Protection

We adhere to a customer-centric service philosophy and continuously improve our customer service system. Through multi-channel customer feedback mechanisms, we ensure that customer concerns are responded to promptly and properly addressed. To accurately understand customer needs, we regularly conduct customer satisfaction surveys and use the results as an important basis for optimizing product performance and improving service quality.

In terms of complaint handling, we have established a standardized response process and a professional customer complaint handling team, defining responsibilities and time limits for each step to ensure efficient and closed-loop resolution of customer issues. At the same time, we focus on extracting common needs and improvement directions from customer feedback, continuously optimizing service processes, enhancing overall service levels, effectively protecting customer rights, and building mutually trusting and win-win cooperative relationships.

【Highlight】 Establishing a Closed-Loop Customer Complaint Management Mechanism to Fulfill the Responsibility of Protecting Customer Rights

Our subsidiary, Golden Dragon Rare-earth, puts customer needs at the core and has built a full-process, standardized, and traceable customer rights protection system. We have formulated the Magnetic Materials Division Customer Complaint Management Measures, establishing a clear mechanism for complaint classification, time-limited response, closed-loop handling, and assessment and improvement, ensuring that customer concerns are efficiently responded to, properly resolved, and continuously optimized:

- **Standardized Complaint Receipt and Rapid Confirmation:** A first-response mechanism for customer complaints is established. Within one hour of receiving a complaint, key information such as anomaly details and impact level is confirmed; within two hours, a collaborative process is initiated to ensure timely, accurate, and complete information transmission.
- **Clear Complaint Classification and Handling Standards:** Complaints are classified into S, A, and B levels based on impact level and loss amount, with response times and handling requirements defined for each level, ensuring that high-risk issues are prioritized and quickly contained.
- **Standardized 8D Closed-Loop Handling Process:** The 8D problem-solving method is fully implemented. We strictly adhere to the time requirements of completing 3D responses within 24 hours, 5D responses within 96 hours, and a full 8D report within five days. Review and approval responsibilities are clearly defined at each level, with automatic escalation for overdue cases, ensuring transparent and controllable complaint handling.
- **NTF Special Testing and Returned Product Management:** For NTF (No Trouble Found) products where faults cannot be reproduced, a special process of "standard testing + load testing" is initiated, and joint simulations with the R&D team are conducted under operating conditions. For returned products, we have established a full-process specification for sampling, testing, analysis, and disposal, ensuring that returned products are traceable, analyzable, and closable.
- **Measure Verification and Standardization:** Both temporary corrective actions and permanent corrective actions must undergo data-driven effectiveness verification. Improvement results are promptly incorporated into FMEA, operation standards, and other documents, triggering engineering changes and initial flow management to prevent recurrence of similar issues at the source.
- **Complaint Closure and Tracking Assessment:** The core principle for complaint closure is customer confirmation that the defect has been eliminated. We track the quality status of at least three shipments after improvement. A complaint assessment and incentive mechanism is established, with assessments based on loss amount and issue type, along with a long-term effective improvement rebate mechanism, promoting company-wide quality enhancement and continuous protection of customer rights.
- **Full-Process Documentation and Review Improvement:** Throughout the customer handling process, we fully retain complaint information, 8D reports, verification materials, etc., and conduct regular special audits and closed-loop reviews. Based on customer feedback, we continuously optimize product and service quality.

Data Security and Customer Privacy Protection

Amid the wave of digitalization, corporate security governance carries even greater responsibility. We strictly comply with laws and regulations such as the Cybersecurity Law, the Data Security Law, and the Personal Information Protection Law, and have established a comprehensive information security management system to effectively protect the privacy rights and interests of employees, customers, and related parties.

We adopt multi-layered protective measures including data encryption, access control, and real-time monitoring to safeguard system and data security. Through company-wide security awareness training, we continuously reinforce employees' responsibility for protection. During the reporting period, we experienced no information security or customer privacy incidents.

◎ Information Security Management

We have systematically built a comprehensive security governance framework covering management, technology, and operations, based on a series of internal policies such as the Group Information Security Management Measures, Group Information System Management System, Group Information System Data Management Measures, and Group Information System Development, Operation and Maintenance Management Measures. These policies clarify the division of responsibilities and coordination mechanisms from the Group headquarters to each subsidiary:

- **Security Management and Systems:** We implement centralized guidance and tiered management under the leadership of the President's Office. Specifically, our President's Office serves as the highest decision-making body; the IT Center is responsible for guiding, supervising, and inspecting information security work as well as information system development; each subsidiary undertakes daily information security management and the implementation and operation of information systems.
- **Data Management:** An Operation and Maintenance Collaboration Team has been established to carry out the operation, maintenance, and audit of basic information system data. Each business department and subsidiary assigns dedicated data audit personnel based on their actual circumstances, ensuring that data operation and maintenance processes are standardized and controllable.

To strengthen accountability in information security management and ensure the effective implementation of information security work, we include information system security operation events such as system downtime caused by information security issues in the performance assessment of relevant personnel.

In terms of information security protection strategies, following the ISO 27001 information security management system standards, and combining technical means with operational control mechanisms, we have established a closed-loop management system of "identify – assess – manage – monitor – respond":

- **Risk Identification:** We maintain a cross-departmental asset inventory, regularly taking stock of and classifying information assets such as core ERP systems and MES production systems. We conduct regular network-wide vulnerability scans and penetration tests to analyze and identify potential information security vulnerabilities and risks.
- **Risk Assessment:** We conduct an annual information security risk assessment, using production interruption time and data leakage impact as core indicators to quantitatively assess the potential impact of scenarios such as ransomware attacks on our operations, and determine risk treatment priorities accordingly. During the reporting period, we also commissioned an external professional organization to conduct a comprehensive information security risk assessment, including vulnerability analysis and simulated hacker attacks.
- **Risk Management:** We deploy encryption systems and leakage prevention strategies for core technical data, and strictly control employee system access rights following the principle of least privilege. We deploy technical protection devices such as firewalls and EDR systems to address information security vulnerabilities in a timely manner.
- **Risk Monitoring:** We have established a security operations monitoring mechanism, applying a security situational awareness system for 7×24 real-time monitoring and early warning of abnormal situations such as unusual traffic, brute-force attacks, and irregular operations.
- **Emergency Response:** We have established a robust emergency response mechanism and a dual data backup system covering both local and off-site backups, ensuring rapid and effective response in the event of anomalies to minimize potential impact and safeguard business continuity and data security. We organize at least one emergency drill annually covering ransomware prevention and data recovery to verify the integrity of backup data and the timeliness of recovery procedures, enhance incident response capabilities, and strengthen information security awareness among relevant personnel.

In addition, we conduct internal control evaluations of information systems, commission third-party IT audits, and encourage employees to proactively report security issues, forming a security governance ecosystem characterized by internal and external collaboration and company-wide participation, jointly building a strong corporate information security defense line.

◎ Customer Privacy Protection

We strictly comply with laws and regulations such as the Personal Information Protection Law and have established a customer information and trade secret management system. Through the formulation of Xiamen Tungsten Trade Secret Management Measures, we have clarified matters such as the management structure, division of responsibilities, protection mechanisms, and reward and punishment systems for trade secrets. Each subsidiary, based on its own operations and business realities, has accordingly developed supporting policies such as Customer Management Measures and Trade Secret Management Measures, continuously strengthening the foundation of privacy security through standardized processes and technical means.

At the organizational implementation level, the Technology Development and Collaboration Department of our Technology Center serves as the centralized department for trade secret management, responsible for coordinating trade secret management efforts. Each subsidiary has established its own centralized trade secret management department or appointed a trade secret management specialist to implement trade secret management within the entity.

In terms of management measures, we comprehensively apply various controls including permission approvals, graded management of personnel with access to secrets, technical encryption of systems and devices, and signing of confidentiality agreements. We strictly adhere to the "minimum necessity" principle, collecting only the personal information essential for business operations, thereby preventing the risk of customer data misuse and leakage at the source, and ensuring that customer privacy is upheld and maintained throughout our operations.

Promoting Industry Development

We integrate our own development into the overall context of industry development, actively participating in the formulation and revision of relevant national and industry standards. We maintain close cooperative relationships with multiple national and provincial industry associations, and serve in important positions such as board member and committee member in various professional organizations. We are committed to promoting industry standardization and normalization with our front-line practical experience, contributing our professional expertise to the development of a more robust industry standard system. The main associations that the Company and its subsidiaries have joined include:

Engagement of Associations

Enterprise	Participated Association	Position
XTC	International Tungsten Industry Association	Member, Member of Technical Committee of Tungsten Consortium
XTC	TI-CMC (Tungsten Industry - Conflict Mineral Council)	Director
XTC	Xiamen Technology Innovation Association	President
XTC	Xiamen New Materials Industry Association	President
XTC	China Tungsten Industry Association	Vice President
XTC	Association of China Rare Earth Industry	Vice President
XTC	Xiamen Intellectual Property Association	Vice President
XTC	China Mining Association	Executive Director
XTC	Fujian Metallurgical Industry Association	Executive Director
XTC	Fujian Provincial Silicate Society	Executive Director
XTC	China Nonferrous Metals Industry Association	Director
XTC	Strategic Alliance for Technological Innovation of China's Renewable Resources Industry	Director
XTC	Strategic Alliance for Technological Innovation of China's Nonferrous Metals Industry	Director
XTC	Fujian Mechanical Engineering Society	Director
XTC	Fujian Technology Innovation Association of Graphene Industry	Director
XTC	Powder Metallurgy Industry Council	Director
XTC	Metallic Functional Materials Council	Director
XTC	Cemented Carbide Association in CTIA Cemented Carbides Journal	Director
XTC	Journal of Materials China	Director
XTC	Fujian State-owned Assets Management Association	Director
XTC	Fujian Metallurgical and Metallurgy Society	Vice Director
XTC	Strategic Alliance for Technological Innovation of Compulsory Resource Recycling Industry of China Resources Recycling Association	Board of Supervisors
XTC	The Chinese Society of Rare Earths	Unit in Charge of the Board of Directors
XTC	The Nonferrous Metals Society of China	Member
XTC	National Nonferrous Metals Standardization Committee	Member
XTC	Materials Branch of the Chinese Mechanical Engineering Society	Member
XTC	Fujian Industry and Education Integration Promotion Association	Member
XTC	Technology Market Association of Xiamen	Member
XTC	Xiamen International Talent Exchange Association	Member
Golden Dragon Rare-earth	National Rare Earth Standardization Technical Committee	Member
Xiamen Honglu	National Nonferrous Metals Standardization Technical Committee	Member
Xiamen Golden Egret	China Metal Cutting Tool Engineering Association	Vice Chairman
Xiamen Golden Egret	Tool Branch of China Machine Tool & Tool Builders' Association	Executive Director
Xiamen Golden Egret	National Technical Committee for Standardization of Cutting Tool	Member
Chengdu Hongbo Molybdenum	Molybdenum Branch of China Nonferrous Metals Industry Association	Vice President
Chengdu Hongbo Industrial	China Electronics Materials Industry	Executive Director
Chengdu Hongbo Industrial	Chinese Association of Vacuum Electronic Industry	Executive Director
Tianjin SofTool	China Metal Cutting Tool Engineering Association	Director
Tianjin SofTool	Tool Branch of China Machine Tool & Tool Builders' Association	Member
XWXN	China Industrial Association of Power Sources	Director
XWXN	China Nonferrous Metals Industry Association Nickel & Cobalt Branch	Director
XWXN	Lithium Industry Branch of the China Nonferrous Metals Industry Association (CNIA)	Director
XWXN	Responsible Critical Mineral Initiative (RCI)	Member

Simultaneously, we are deeply involved in building the industry ecosystem. By participating in various high-end industry summits, industrial forums, and thematic seminars, we actively connect upstream and downstream resources along the industrial chain, facilitating exchanges and collaboration on technology, markets, and policies. On these platforms, we not only share practical insights but also engage in in-depth discussions on cutting-edge topics such as sustainable development and digital transformation. We promote collaborative innovation across industry, academia, research, and application, working with partners to foster a healthy, orderly, and synergistic industrial ecosystem, and continuously injecting momentum into the high-quality development of the industry.

【Highlight】Co-developing Industry ESG Standards, Supporting Sustainable Mining with Practical Expertise

In December 2025, the release ceremony for two group standards—Mineral Enterprise Environmental, Social and Governance (ESG) Information Disclosure General Principles and Mineral Enterprise ESG Governance Capability Rating Specifications—was held in Beijing by the China Mining Association. As one of the core contributing entities, we participated extensively in the entire process, from preliminary discussions and framework building to content development. Drawing on our long-standing practical experience in environmental management, social responsibility fulfillment, and corporate governance, we contributed solid "Xiamen Tungsten wisdom" to building an ESG disclosure and rating framework that combines international perspectives with the characteristics of China's mining industry.

At the ceremony, our representative also systematically shared our innovative measures and achievements in ecological restoration, energy conservation and emission reduction, and comprehensive resource utilization, focusing on the themes of "green mine construction" and "efficient resource recycling." This vividly demonstrated how ESG management concepts are deeply integrated into our strategic decision-making and daily operations. Our participation in developing these standards and sharing our practices not only reflects our proactive role in advancing industry standards but also provides a replicable and actionable model for promoting greener, more responsible, and more sustainable development across the entire mining industry.

【Highlight】The Third Sustainable Mineral Supply Chain International Forum

In September 2025, the Third Sustainable Mineral Supply Chain International Forum (SMISC Forum), hosted by the China Chamber of Commerce of Metals, Minerals & Chemicals Importers & Exporters, was held at the Xiamen International Conference Center. As the only comprehensive international exchange platform in China focused on the theme of sustainable mineral supply chains, this year's forum featured multiple special events on topics such as standards cooperation, supply chain transparency, mining and biodiversity protection, and the security of overseas mining investments. XWXN, as a member of the Responsible Cobalt Initiative (RCI) Council, was invited to attend the forum. We engaged in in-depth exchanges with government representatives, international organizations, industry leaders, experts, and scholars, jointly exploring the opportunities and latest trends facing mineral supply chains in the context of the global energy transition. We are committed to promoting the development of an open, inclusive, secure, stable, and sustainable global mineral supply chain.

Employees

Employees are our most valuable asset. Guided by a people-oriented philosophy, we are committed to building a respectful, inclusive, and caring development platform for our employees, treating them as partners in our shared growth. We strictly comply with national labor laws and regulations, and have established and continuously optimize a fair and competitive compensation and benefits system. Through channels such as employee satisfaction surveys and regular communication, we actively listen to our employees' voices, continuously improving various management and support measures to create a safe, healthy, and stable working environment. In terms of talent development, we have built a multi-channel career development system covering both professional and managerial tracks. Focusing on core capability enhancement, we systematically carry out tiered and categorized professional skills and management training. Through mechanisms such as internal promotions, job rotations, and project-based assignments, we provide employees with diverse growth paths. We encourage employees to gain experience and broaden their perspectives in different roles, achieving the resonance and synergy between personal value and our corporate development.

Equal Employment

Building an equal, diverse, and respectful workplace ecosystem is a direction we consistently pursue. In employment, we strictly follow national labor laws and adhere to equal employment practices, ensuring fairness in every step from recruitment and hiring to promotion. We firmly prohibit any discrimination based on gender, age, ethnicity, religious belief, region, or physical condition, providing all employees with equal starting points and development opportunities, and effectively implementing equal pay for equal work between men and women.

To translate this philosophy into action, we, together with our business units, have developed policy documents such as the Human Rights Protection Guidelines and the Social Responsibility Management Manual, which set out clear provisions for employee rights protection and employment management. We also continuously review our employment policies and management practices, conducting regular assessments of their implementation to ensure these standards are effectively applied within our organization, continuously fostering a respectful, fair, and transparent work atmosphere.

Human Rights Protection

At a time when globalization and sustainable development are deeply integrated, corporate human rights responsibility has become an important yardstick for measuring operational compliance and social value. We respect and follow internationally recognized human rights protection standards, taking into account international frameworks such as the UN Guiding Principles on Business and Human Rights and relevant International Labour Organization conventions. In our management, we systematically focus on and implement the protection of rights and interests for employees and stakeholders. We integrate human rights concepts into our corporate operation system, identifying, assessing, and managing potential human rights risks across the entire business process through institutional development and mechanism optimization, continuously improving relevant management measures.

In terms of employee rights protection, we explicitly prohibit any form of forced labor, child labor, employment discrimination, workplace violence, and harassment. We ensure that employees enjoy fair compensation, a safe and healthy working environment, and the right to communicate and negotiate in accordance with the law. At the same time, through regular training and awareness campaigns, we enhance the human rights awareness and compliance literacy of all employees.

With regard to extending responsibility along the supply chain, we have incorporated human rights protection requirements into our supplier management system. By developing the Supplier Code of Conduct and conducting supplier audits and specialized training, we guide suppliers and partners to pay attention to labor rights and human rights risks, working together to build a responsible and sustainable supply chain ecosystem.

Topic	Management Systems	Company Commitment	Management Practices
Equal Employment	• "Human Rights Protection Guidelines" • "Corporate Social Responsibility Manual" • "Anti-Violence, Anti-Discrimination, Anti-Sexual Harassment, and Anti-Drug Policy" • "Employee Protection Code" • "Anti-Discrimination Management Guidelines"	• We adhere to the principle of equal employment and oppose any form of employment discrimination. Factors such as gender, age, ethnicity, nationality, religious belief, region, or physical condition do not affect employee recruitment, development, or career advancement opportunities.	• We conduct human rights training to educate managers on anti-discrimination and human rights protection policies, integrate these requirements into our daily management and assessment systems, and hold managers at all levels accountable for fulfilling human rights protection responsibilities. • We continuously monitor and assess potential human rights risks in our business activities, identify and analyze relevant risk factors, and steadily improve our internal human rights management measures. • We regularly carry out anti-discrimination inspections and assessments, focusing on areas such as job postings, hiring, training and development, internal promotions, and compensation and benefits, to ensure that employees are not treated unfairly based on gender, age, ethnicity, or other factors during recruitment and employment.
Protection of Female Employees	• "Job Risk Assessment Guidelines for Pregnant Employees and New Mothers"	• We strictly comply with laws and regulations such as the Law of the People's Republic of China on the Protection of Women's Rights and Interests, and are committed to providing female employees with fair and equitable development opportunities, as well as a safe and friendly working environment. • We guarantee that female employees enjoy equal rights with male employees in recruitment, compensation, promotion, and training, and firmly oppose any form of gender discrimination or workplace bias.	• We strictly implement national labor protection provisions for special stages such as pregnancy, maternity leave, and breastfeeding, providing corresponding rights protection measures for female employees. • We have set up facilities such as "Mom's Corner" and nursing rooms in our workplaces to provide convenience and humane support for female employees who are pregnant or breastfeeding, ensuring their physical and mental health during these special stages. • We organize special activities such as women's health lectures and legal knowledge seminars to raise awareness of women's health management and legal protections for women's rights and interests, and invite professionals to provide consulting services, enhancing female employees' health awareness and self-protection capabilities.
Anti-Violence and Forced Labor	• "Anti-Violence, Anti-Discrimination, Anti-Sexual Harassment, and Anti-Drug Policy" • "Public Security Management Regulations" • "Human Rights Protection Guidelines"	• We prohibit any form of forced labor or debt labor, do not support or use corporal punishment, imprisonment, violence, or other means to restrict employees' personal freedom, and firmly oppose bullying, intimidation, and abuse.	• We have established standardized labor contract management procedures to ensure that all employment relationships are based on employees' voluntary consent. We strictly prohibit any form of forced labor, including withholding employee ID documents, restricting personal freedom, or using unreasonable financial means to limit employees' right to freely choose their work. • We have established open communication and grievance channels, encourage employees to voice their concerns in accordance with the law, and promptly investigate and address related complaints or reports, safeguarding employees' legitimate rights and interests. • Through special training sessions conducted by external instructors, we strengthen education and awareness on workplace violence, discrimination, sexual harassment, and drug prevention, enhancing employees' understanding of professional conduct standards and related risks.
Anti-Harassment	• "Anti-Violence, Anti-Discrimination, Anti-Sexual Harassment, and Anti-Drug Policy"	• We prohibit threatening employees or subjecting them to cruel or inhuman treatment, including but not limited to verbal abuse, harassment, psychological pressure, mental or physical abuse, and sexual harassment.	• We adhere to a "zero tolerance" management principle for misconduct such as harassment and abuse, requiring all employees to comply with relevant anti-harassment and anti-abuse regulations to prevent inappropriate behavior in the workplace and production areas. • We have established reporting mechanisms and confidential grievance channels, encouraging employees to promptly report any inappropriate behavior they experience or witness, and conduct fair investigations and resolutions of related complaints, effectively protecting the privacy and legitimate rights and interests of whistleblowers. • Through specialized training sessions, we strengthen employees' awareness of workplace violence, discrimination, sexual harassment, and drug prevention. We also invite external instructors to conduct relevant training activities, continuously improving employees' awareness of professional conduct standards.
Prohibition of Child Labor	• "Child and Juvenile Labor Management Guidelines" • "Child Labor Remediation Procedures" • "Protection Guidelines for Child Labor, Juvenile Workers, and Female Employees"	• We strictly comply with national laws and regulations on the protection of minor workers and prohibit the use of child labor.	• We have established and implemented management processes and systems to prevent child labor, rigorously verifying applicants' identity documents and related information during recruitment. Only after confirming the authenticity and validity of age and information do we proceed with hiring procedures, preventing the risk of child labor at the source. • Our Human Resources department conducts regular and ad-hoc employment inspections to prevent child labor issues arising from management oversights, and has developed remedial procedures for child labor. In the event of any such situation, we will handle it properly in accordance with the law and strictly avoid simply or irresponsibly dismissing child laborers.

Topic	Management Systems	Company Commitment	Management Practices
Freedom of Association	• "Freedom of Association Policy"	• We respect and guarantee employees' legally protected rights to freedom of association and collective bargaining, supporting employees in lawfully joining or forming organizations such as trade unions and employee representative committees.	• We have established trade unions in accordance with the law, and regularly listen to employee opinions and suggestions through trade union meetings and employee representative exchanges, taking employees' reasonable concerns as important references for corporate management improvements. • We respect and guarantee employees' legally protected freedom of association, committing not to interfere with, discriminate against, or suppress organizations lawfully formed or joined by employees. We also provide necessary support and resources for such organizations to carry out activities in accordance with the law, ensuring that employees exercise their legitimate rights and interests in a fair and safe environment.

Training on Labor Protection Laws and Regulations

Establish Women's Groups

Nursing Room

Female Employee Care Room

【Highlight】Deepening Human Rights Awareness to Build an Inclusive Workplace

To deepen employees' understanding of human rights protection and their own rights and interests, our subsidiary Bobai Judian organized a special training session on human rights protection, systematically communicating our human rights protection philosophy and related policies. The training content focused on international labor standards and relevant laws and regulations, elaborating on our basic principles in human rights protection and clarifying the specific responsibilities and obligations of management, line managers, and ordinary employees in implementing human rights protections.

The training focused on core topics such as anti-discrimination and anti-sexual harassment, occupational health and safety, diversity and inclusion, and the protection of female employees' rights and interests. It also clearly introduced internal grievance channels and issue resolution procedures, helping employees identify potential human rights risks in their work and master corresponding response methods. Through this training, we further promoted the creation of a fair, inclusive, and safe working environment in our management and operations, fostering the integration of human rights respect into daily behavior and culture.

Employee Communication

We have established a multi-level employee communication and participation mechanism. Through trade union committees, employee representative congresses, employee forums, harmonious labor relations committees, employee opinion collection, and satisfaction surveys, we provide open channels for employees to express their concerns and safeguard their rights to participate in corporate governance and voice opinions in accordance with the law. Trade unions, representing employees, have signed the Collective Contract, the Corporate Wage Collective Contract, and the Special Collective Contract for the Protection of Female Employees' Rights and Interests with us. These contracts explicitly stipulate matters such as employee compensation levels, wage payment, work safety, working conditions, occupational health protection for female employees, and leave benefits, providing institutional support for protecting employees' legitimate rights and interests and building harmonious labor relations.

In daily operations, we rely on existing mechanisms to facilitate regular communication between employees and management, promptly responding to and driving the resolution of relevant issues.

Through internal suggestion boxes, information platforms, and other channels, we have established processes for collecting employee opinions and tracking feedback, studying and implementing reasonable suggestions. In addition, we regularly conduct employee satisfaction surveys to systematically understand employees' feelings about the work environment, career development, compensation and benefits, corporate culture, and other aspects. We analyze and evaluate the feedback, using employee concerns as an important basis for management optimization, and continuously improve our communication mechanisms and employee care systems.

New Graduate Onboarding Exchange Meeting

New Employee Symposium

Employee Representative Congress

Retired Employee Symposium

Employee Development

We have built a multi-sequence, multi-channel career development system, providing diversified growth paths for employees in different job categories and at different stages of development. In promoting individual employee development, we focus on alignment with organizational goals. Through regular assessments and feedback, we continuously track and dynamically optimize personal development plans, ensuring clear and effective growth pathways. To support continuous employee growth, we continuously improve our training resource system, offering a series of courses and diverse learning platforms focused on deepening professional skills, enhancing job capabilities, and expanding overall competencies. This helps employees advance their capabilities and builds a solid talent foundation for our corporate development.

◎ Career Development

In terms of systems, we have formulated a series of policy documents, including the Guiding Principles for Building the Group's Position Qualification System, the Implementation Guide for the Position Qualification System of Subsidiaries, the Xiamen Tungsten Headquarters Position Qualification Management Measures, and the Group Promotion and Demotion Management Measures. These systematically establish and continuously optimize our position qualification and talent development management system. The Group has built career development paths covering multiple sequences, including management, technical, marketing, professional, and operational roles, providing clear development guidance for employees.

We conduct regular talent reviews, combining job competency assessments with performance results to draw a "talent map," systematically identifying high-performing, high-potential talent to provide a basis for succession planning and talent allocation. Each business unit, based on its operational realities, establishes differentiated promotion paths. Through mechanisms such as job level certification, promotion assessments, and competitive selection for positions, we open up talent growth channels, promote the emergence of outstanding talent, and foster a fair and orderly talent development environment.

【Highlight】Multi-Channel Progression and Systematic Empowerment – Building a Multi-Dimensional Employee Career Development System

Our subsidiary XWXN continuously improves its employee career development system, building a multi-channel career development mechanism covering management, technical, and functional sequences. Employees can choose suitable development paths across different sequences based on their professional backgrounds, capability characteristics, and career aspirations, and achieve career development through on-the-job practice, capability assessments, and training enhancement.

To ensure the effective operation of the career development system, we have established supporting policies such as the Graduate Training Provisions, the Position Qualification Management Provisions, the Technical Position Qualification and Performance Management Provisions, the Implementation Provisions for Vocational Skill Level Assessment and Technician Evaluation, the Reserve Management Cadre Training Provisions, and the Middle-Level Position Competitive Selection Management Provisions. Through mechanisms such as position qualification reviews, competitive selection for positions, cadre training, and employee training, we help employees enhance their capabilities and achieve development within their respective channels, realizing mutual promotion between individual growth and organizational needs.

◎ Performance Management

In a business environment full of change and competition, scientific and effective performance management is the core engine for corporate strategy implementation, talent development, and organizational evolution. We adhere to the management principles of fairness, justice, and transparency, and have established a performance management system covering the entire organization. Through scientific performance evaluation mechanisms, we drive the effective execution of corporate strategic goals, promote standardized and scientific management, and continuously stimulate organizational vitality and employee motivation.

We implement a performance management mechanism covering all employees, emphasizing both incentives and constraints. We have formulated and implemented policies such as the Goal and Performance Management System, the Detailed Implementation Rules for Annual Cadre Assessment, and the Detailed Implementation Rules for Cadre Term Assessment, continuously improving our performance management system. This system not only provides a clear basis for talent retention, promotion, and transition but also supports the identification and development of key talent, promoting the shared growth of the organization and its employees.

In terms of performance management methods, we integrate multiple tools for continuous optimization:

- **Balanced Scorecard (BSC):** We set differentiated performance goal systems based on different management levels and business characteristics.
- **360-Degree Assessment Mechanism:** We conduct annual competency assessments for members of manager teams and develop corresponding training and capability enhancement plans based on the assessment results.
- **Goal Management Mechanism:** We break down the performance goals of the Group and product divisions step by step to departments and positions, and continuously track goal achievement through monthly or quarterly assessments.

Through strategy decoding, we have established a five-level goal management system of "Group – Subsidiary – Product Division – Department – Position." We set performance indicators following the SMART principle and rely on the PDCA cycle for whole-process tracking, evaluation, and improvement. At the same time, we focus on the application of performance results, closely linking assessment data with compensation incentives and promotion development, and using it as an important basis for business process optimization and organizational effectiveness enhancement.

To further enhance the refinement of performance management, we have built a performance process management platform. Through business reviews, performance monitoring, and resource coordination, we strengthen performance process management, improving the timeliness and relevance of performance management. We are committed to motivating employees to continuously improve in a fair and transparent performance environment, achieving the synergistic progress of personal growth and corporate development.

During the reporting period, we further deepened the application of our performance management system, issuing the Performance Assessment Management Operation Manual to standardize performance management processes and execution standards. Considering the development stages of different business units, we actively explored differentiated performance optimization paths. Through initiatives such as holding "Performance Improvement Workshops," we promoted continuous iteration of performance management, effectively ensuring the achievement of our business goals.

◎ Employee Training

Guided by our strategy, we have systematically built a talent development system focused on business needs. Centered on the four management cultures of "Comprehensive Budget Management, Target Performance Management, Integrated Product Development, and International Advanced Manufacturing," we continuously improve our training mechanisms. We have formulated and iterated a series of policies, including Xiamen Tungsten Talent Training and Development Management Measures, IAM International Advanced Manufacturing Talent Training Program, IPD Integrated Product Development Talent Training Program, and "Talent Bud Program" Talent Training Program, steadily advancing our talent pipeline development.

Supported by this institutional framework, we have gradually built a training management mechanism covering job qualification systems, talent development paths, learning maps, and curriculum systems. Through point-based management and other methods, we encourage employees to engage in continuous learning, ensuring that talent development aligns with our corporate development needs.

Relying on Xiamen Tungsten Training Institute, we focus on developing management and professional talent, creating a tiered and categorized empowerment system:

- **Management Talent Development:** We have established training programs such as the General Manager Class, Talent Bud Class (General Manager Succession Class), Flying Dragon Class (Deputy General Manager Class), Jiao Long Class (Manager Class), Qian Long Class (Supervisor Class), and Team Leader Class, systematically enhancing the leadership, strategic vision, and business decision-making capabilities of managers at all levels.
- **Professional Talent Development:** We offer specialized training courses in key business areas such as quality management, marketing, finance, human resources, and safety, strengthening professional skills through systematic curricula to support business excellence and innovation.
- **Personalized Learning for All Employees:** We are advancing a job qualification management upgrade project, completing the initial job level classification for all employees, allocating corresponding course resources to employees at different levels, and encouraging self-directed learning based on personal development plans to continuously enhance overall competence and job proficiency.

【Highlight】Launch of Xiamen Tungsten Craftsman Academy to Empower High-Skilled Industrial Talent Development

In 2025, we officially established the Xiamen Tungsten Craftsman Academy, positioning it as a high-skilled talent cultivation platform for industrial technical craftsmen. The establishment of this platform represents an important initiative to deepen our craftsman talent development and improve our skilled talent training system. It aims to systematically cultivate technical backbone personnel who meet the needs of industrial development, providing solid skilled talent support for sustained business growth.

Following the launch ceremony, the academy held its first three-day smelting intensive training program. The program adopted an integrated teaching model of "two days of theory + one day of practice," inviting external industry experts to provide systematic instruction on core processes in tungsten and molybdenum smelting and key technologies such as ammonium molybdate roasting. A fault simulation exercise was also included to strengthen participants' ability to analyze and solve practical production problems, effectively transforming theoretical knowledge into practical skills.

【Highlight】Human Resources Empowerment Program Focusing on Organizational Change and Internationalization

In 2025, we held our annual Human Resources Empowerment Program in Jiujiang, Jiangxi Province. More than 60 HR managers and key personnel from our subsidiaries gathered to learn and grow together.

The training closely focused on the Group's annual HR priorities, centering on two core topics: "International Human Resource Management" and "Industrial Group Organizational Change." The program adopted a model combining "cutting-edge sharing by external experts + in-depth interpretation of internal policies," systematically explaining the Group's relevant systems and management requirements while incorporating external advanced concepts and practical cases, promoting deep integration of theory and practice.

The training aimed to systematically enhance the professional capabilities of the HR team, strengthen experience sharing and collaboration among business units, and provide strong talent support and institutional guarantees for the Group's strategic transformation and organizational development.

【Highlight】First International Talent Training Program to Strengthen Overseas Safety and Emergency Response Capabilities

In 2025, we organized our first International Talent Training Program, focusing on overseas safety risks and emergency response capabilities, providing systematic training to 40 key employees. The training was held at the Xiamen Shuguang Rescue Team Command and Dispatch Center, combining on-site visits, thematic lectures, and hands-on exercises to enhance employees' ability to identify overseas safety risks and respond to emergencies.

The training covered thematic lectures on overseas public safety risks and crisis response management, as well as key emergency first aid skills such as CPR and wound bandaging. The curriculum was closely aligned with real overseas work scenarios through explanations and drills, helping employees master response essentials in simulated situations and effectively enhancing their risk prevention and emergency response capabilities in overseas environments.

【Highlight】Learning Through Competition with Practical Integration – IPD Knowledge Contest for New Graduate Training Camp

In 2025, we organized an IPD Knowledge Contest for our new graduate training camp, aiming to test and reinforce new employees' understanding of IPD (Integrated Product Development) concepts. The event featured two segments: multiple-choice quiz and case analysis. Participants engaged in group-based competition and case discussions, deepening their understanding of IPD principles and methods.

In the case analysis segment, each group discussed real business-related scenarios and, under the guidance of mentors, gradually developed systematic solutions. This event, combining competition with exchange, not only ignited new employees' enthusiasm for learning but also promoted the internalization of professional knowledge and the enhancement of teamwork skills, laying a solid foundation for their rapid integration into roles and adaptation to job requirements.

◎ University-Industry Collaboration

Deepening university-industry collaboration is an important pathway for us to acquire cutting-edge technologies, build a pipeline of high-end talent, and establish sustained competitive advantage. We actively promote long-term, stable partnerships with domestic universities and research institutions. Through joint research, collaborative innovation, co-building internship and practice bases, and customized talent development programs, we have built an ecosystem platform for deep integration of industry, academia, research, and application.

This collaboration mechanism not only accelerates technology R&D and the transformation of results but also continuously supplies us with high-quality professionals possessing both theoretical foundations and practical capabilities. It effectively promotes the two-way empowerment of technological innovation and talent development, injecting fresh energy into our sustainable growth.

【Highlight】Bridging Industry, Academia, and Research to Explore New Development

In 2025, our Technology Center hosted a "Visit and Exchange at Xiamen Tungsten Technology Center" event, attracting more than 40 participants, including faculty and students from Xiamen University, Xiamen University of Technology, Xiamen Institute of Technology, Xiamen Huaxia University, and other institutions, as well as representatives from related industry chain companies.

During the event, participants visited the Technology Center's research platforms, gaining an in-depth understanding of our technology R&D status and achievements in areas such as new materials and high-end equipment. In the subsequent discussion session, all participants engaged in in-depth discussions on topics including industrial technology development trends, university research directions, and corporate technology needs.

This event provided a direct dialogue platform for universities, enterprises, and industry chain stakeholders, facilitating effective alignment between research directions and industrial needs, and creating favorable opportunities for further deepening industry-university-research cooperation and promoting technological innovation and industrial collaborative development.

Campus Recruitment

In terms of attracting and developing young talent, we continuously improve our campus recruitment system. Each year, we conduct a series of recruitment activities at key domestic universities, including campus presentations, internship programs, and corporate open days, broadly attracting promising graduates to join us.

For newly hired graduates, we have designed a systematic development program. Through centralized training, one-on-one mentoring, and cross-functional rotations, we help new hires quickly integrate into teams, understand our business, and enhance their professional skills and overall competencies through hands-on experience, laying a solid foundation for their career development.

Employee Compensation and Benefits

We are committed to building a compensation management system that is value contribution-oriented and aligned with market standards. We have formulated and implemented a series of policies, including the Total Wage Management System, the Management Measures for Special Items and Separately Listed Personnel under Total Wages, the Reward Regulations for Obtaining National Policy Bonuses, and the Guiding Opinions on the Implementation of Annual Salary for Product Division Management Teams. The Group's HR Center and the HR departments of our subsidiaries continuously optimize our compensation incentive mechanisms based on employee performance and industry compensation levels, safeguarding employees' compensation rights while fully stimulating their enthusiasm for creating value.

◎ Standardized Management

We strictly comply with relevant national laws and regulations, ensuring that employee compensation is not lower than the minimum wage standard, effectively safeguarding employees' basic living needs. Salaries are paid in full on a monthly basis, and overtime pay is provided in accordance with the law, comprehensively ensuring the fairness, compliance, and sustainability of our compensation management.

In terms of working hours and leave management, we have established standardized systems to ensure that employees enjoy paid annual leave, marriage leave, prenatal check-up leave, bereavement leave, and other rights in accordance with the law. In daily operations, we promote efficient working methods. By continuously optimizing processes, scientifically arranging tasks, and clarifying working hour requirements, we strive to reduce unnecessary overtime, avoid long working hours, and actively foster a healthy and sustainable working atmosphere and environment.

◎ Compensation Structure

In compensation structure design, based on the 3P theory combining Position, Person, and Performance, we have built a diversified compensation system. With job-based skill wages at the core, we flexibly incorporate piece-rate systems and market-based negotiation mechanisms, forming a composite compensation structure that includes base salary, performance bonuses, allowances and subsidies, special awards, and overtime pay.

◎ Equity Incentives

We encourage employees to leverage their expertise, embrace innovation, and actively engage in technical improvement and business optimization, achieving mutual value creation for individuals and the Company through creative outcomes. To continuously stimulate talent vitality, following the completion of our joint-stock reform, we have gradually built a long-term incentive and restraint mechanism based on "shared benefits and shared risks," promoting the participation of outstanding employees and core talent in employee stock ownership plans.

This mechanism aims to enhance the sense of belonging and responsibility among core talent, fully stimulating their initiative and creativity, so as to continuously cultivate a team of talents with independent innovation capabilities, providing solid and stable talent support for our technological innovation and long-term development.

◎ Employee Benefits

On the basis of paying social insurance and housing provident fund for employees in accordance with the law, we continuously improve our employee benefits system. By providing multi-level benefits such as enterprise annuities, accident insurance, birthday vouchers, and festival greetings, we enhance employees' sense of gain and belonging.

- **Meal Support**
  We have a "Xiamen Tungsten Specialty Canteen" that provides employees with nutritionally balanced and diverse meal options, making it convenient for employees to dine nearby. At the same time, the canteen strictly implements food safety and hygiene management systems, continuously improving the dining environment to ensure healthy meals for employees.
- **Housing Support**
  The Group and its subsidiaries, based on local conditions, provide diversified housing support for employees:
  —In Xiamen, we have multiple employee dormitories and provide public rental housing for eligible employees.
  —In Jiujiang, we provide housing support for outstanding employees and core talent, and offer single apartments for new graduates.
  —In Changting, we have formulated the Regulations on Welfare Guarantees for Non-Local Talent, prioritizing employee dormitory arrangements for eligible employees.
  —In Luoyang, we revised the Luanchuan County Dormitory Occupancy Management Plan to address accommodation challenges for recruited talent in the county.
- **Hardship Assistance**
  We have established an employee hardship subsidy mechanism, providing support to employees facing financial difficulties and offering scholarship support for their children to help them complete their education.

Occupational Health and Safety

In production and operation activities, occupational health and safety represents not only the bottom line for our compliant business operations, but also the foundation for safeguarding employees' life safety and occupational health, ensuring sustainable and stable production, and fulfilling social responsibilities. We attach great importance to occupational health and safety management, consistently adhere to the principle of "safety first, prevention priority, and comprehensive management", and strive to create and sustain a safe and healthy working environment for all stakeholders including employees, suppliers and contractors.

We strictly comply with relevant national laws and regulations, including the Work Safety Law of the People's Republic of China, the Law of the People's Republic of China on the Prevention and Control of Occupational Diseases, the Regulation on Work Safety Permits, the Regulation on Work Safety in Coal Mines, the Regulations on the Safety Management of Hazardous Chemicals, and the Regulations on Work-Related Injury Insurance, as well as all applicable laws and regulations at our operating locations. We continuously improve our safety management systems, with the Basic Specifications for Work Safety and the Regulations on the Supervision and Administration of Work Safety serving as our core frameworks to ensure that safety work is carried out in accordance with the law. In addition, we have formulated the XTC Three-Year Action Plan for Fundamental Work Safety Improvements (2024-2026) in line with national, Fujian provincial, and governing entity's safety requirements, detailing specific measures and responsibilities for safety management.

As of the end of the reporting period, a total of 30 of our affiliated entities had obtained ISO 45001 Occupational Health and Safety Management System certification, covering 71% of our major production entities. Additionally, 10 subsidiaries have been certified as Level 2 Safety Standardization Enterprises, and 25 as Level 3 Safety Standardization Enterprises. We employ 223 work safety management personnel, including 186 full-time work safety managers (accounting for 84%) and 36 part-time work safety managers (accounting for 16%), 75 intermediate registered safety engineers (accounting for 34%), and 30 internal work safety management experts across various professional fields. This provides strong personnel support for the implementation and operation of our work safety management system.

◎ Occupational Health and Safety Management Structure

We have established a comprehensive occupational health and safety (OHS) management structure to systematically control risks throughout our production and operations. We have set up a Work Safety Committee chaired by the Chairman of the Board, which provides unified leadership over work safety across the company and its affiliated enterprises, coordinates decision-making and resolves major safety issues, and ensures the correct direction of work safety management and the implementation of responsibilities.

To ensure the effective advancement of safety management, we have also assembled an internal and external team of experts to form a Professional Work Safety Committee. The Committee is tasked with promoting and reviewing the company's work safety standards, providing professional recommendations, and proposing improvement measures. Under the guidance of the Group Work Safety Committee, each of our subsidiaries has established its own work safety committee, which operates under the supervision and management of the Group-level committee, thereby forming a work safety management structure featuring vertical coordination and hierarchical accountability.

In daily management, we focus on implementing a full-staff responsibility system for work safety, improve work safety management systems and operating procedures, systematically carry out risk classification control and hidden danger investigation and remediation, conduct solid safety training and occupational health education, and strengthen safety supervision over contracted projects. Through the above measures, we continuously consolidate the foundation of work safety management, promote the steady improvement of occupational health and safety management, and effectively safeguard the life and health of employees as well as the stable and orderly operation of the company's production and business activities.

Occupational Health and Safety Management Structure

We incorporate occupational health and safety performance into the annual key performance indicators (KPIs) of senior management and relevant position holders, linking performance results directly to compensation. All employees are required to sign the Responsibility Statement for Work Safety Objectives and Responsibility Statement for Ecological Environment Protection Objectives based on their respective job responsibilities. These documents clearly define the responsible person, area of responsibility, performance objectives, safeguards, and evaluation methods, so as to establish a responsibility system covering all employees. The safety management departments at our headquarters and subsidiaries are responsible for annually setting and updating both outcome-based and process-based indicators related to occupational health and safety. These indicators are implemented by department heads and direct supervisors. Additionally, we track and compile monthly statistics on each subsidiary's safety performance, assess progress toward safety objectives, and accordingly provide improvement suggestions based on evaluation results.

During the reporting period, all employees signed the annual Responsibility Statement for Work Safety Objectives and Responsibility Statement for Ecological Environment Protection Objectives, forming a full-staff responsibility network that covers every department and every level to provide strong support for the achievement of work safety management objectives.

◎ Occupational Health and Safety Risk Management

Occupational health and safety risk management is a fundamental function for enterprises to prevent accidents, control hazards, and ensure personnel safety and operational stability, and is also a critical component in achieving sustained excellence in work safety performance. The Company strictly adheres to the company's Safety Supervision and Management Regulations and applies tools such as Job Hazard Analysis (JHA) and Safety Checklist (SCL) to comprehensively identify risk points and potential hazards across the entire production process. Scientific risk assessments are conducted using the Likelihood-Exposure-Consequence-Detection (LECD) method.

Focusing on the identified occupational health and safety risks of various types and levels, we continuously carry out systematic hazard identification and remediation, formulate and implement annual special inspection plans, and establish and effectively operate a dual prevention mechanism integrating graded risk control and hazard identification and remediation. Through these efforts, we strengthen control over all processes and elements of work safety management and continuously enhance our risk prevention and mitigation capabilities.

XTC Group Safety Management

Safety Incidents with Zero Loss and Property Loss

Laws and Regulations

Technical Specifications

Operational Activities or Equipment and Facilities	Hazard Identification	Risk Assessment	Risk Level Classification	Typical Control Measures
	Various Hazards	Job Hazard Analysis (JHA) Safety Check-List (SCL) LEC Method in Risk Assessment (LEC)	Extra-Major Risk Major Risk General Risk Low Risk	Engineering Technical Measures Management Measures Training and Education Personal Protection Emergency Response

Risk Grading Control	Hazard Identification	Hazard Grading and Classification	Graded Hazard Management
Company Level Professional Level Workshop Level Team Level Position Level	Comprehensive Specialized Seasonal Holiday Routine Inspection	General Hazards Major Hazards On-site Management Basic Management	**Requirement:** Rectification measures, responsibility, funding, deadlines, and contingency plans in place **Acceptance:** Establish a hazard identification and management ledger

Establish Inventory and Database	Safety Risk Inventory and Database + Hazard Identification and Management Ledger or Database
Develop System Plans	Major Safety Risk Control Measures + Safety Risk Grading and Control System + Hazard Identification and Management System + Major Hazard Management and Implementation Plan
Risk Notification and Risk Mapping	Major Safety Risk Notice Board + Job Safety Risk Notification Cards + Enterprise Safety Risk Four-Color Distribution Map + Enterprise Operational Safety Risk Comparison Chart
Establish Management System	Information Management System for Safety Risk and Hazard Investigation

During the reporting period, we took the following measures to reduce occupational health and safety risks in our production and operational activities:

- **Strengthened the dual prevention mechanism:** Developed a framework for graded risk control and hazard identification and remediation, identified and assessed hazards in the production process, and implemented effective control measures;
- **Enhanced source-based risk prevention:** Introduced advanced technologies and equipment to improve production efficiency and reduce the likelihood of safety incidents;
- **Deepened on-site safety management:** Carried out on-site safety improvement initiatives. For identified hazards, the Company set clear deadlines and assigned personnel for follow-up supervision to ensure timely completion of corrective actions.

◎ Intelligent Safety Management

We actively promote intelligent safety management, which not only enables real-time collection and analysis of safety data, but also significantly enhances the accuracy and responsiveness of risk identification through early warnings and intelligent assessments. By leveraging advanced information and digital technologies, we continuously improve the effectiveness of our safety operations.

Through the development of a digital safety management platform that integrates real-time monitoring, data analytics, and risk warning functions, we dynamically track safety conditions across the entire production process, enabling precise identification and rapid resolution of potential hazards, thereby effectively enhancing the efficiency of our safety management.

Mining Operations

At Ninhua Xingluokeng, we continuously enhance infrastructure and intelligent safety monitoring, implementing comprehensive tracking of key indicators such as tailings pond water levels, phreatic lines, dry beaches, and rainfall. A dedicated network ensures stable, real-time data transmission to government regulatory platforms, while scientifically set early warning thresholds and multi-channel alerts—including audio-visual signals, SMS, voice, and calls—enable rapid response to anomalies. Synthetic Aperture Radar has been deployed for full real-time monitoring of high-steep slope settlement and displacement, and GNSS (Global Navigation Satellite System) has replaced traditional total station and prism systems at the waste dump, improving monitoring stability under extreme weather conditions.

At Duchang, we strictly follow the Checklist for Routine Safety Standardization Tasks to advance safety standardization and routine operations across key areas, including open-pit mines, ore processing plants, and tailings ponds. During the reporting period, we successfully passed the on-site expert re-evaluation for Level-2 tailings pond safety standardization. Meanwhile, we steadily promoted the construction of the SPS system, completing Phase II functionality testing and formal operation, with assessments conducted in strict accordance with the Monthly System Operation Evaluation Plan. Through these digital and intelligent safety management initiatives, we continue to strengthen the foundation of our safety operations, ensuring the efficient implementation and stable operation of the safety standardization system.

At Luoyang Yulu, we continuously advance the iteration and upgrading of the mine safety information system, focusing on optimizing processes and enhancing efficiency across core modules such as safety personnel responsibilities, risk grading and control, hazard identification and remediation, safety training, and permit-to-work approvals. This drives the system's application from being "built and usable" to being "practical and effective." By leveraging digital tools, we strengthen closed-loop management and data integration, break down data silos, and significantly improve the efficiency of statistical analysis and issue resolution in safety operations. This enables real-time, dynamic monitoring of safety performance across all positions, providing a foundation for standardized, precise, and intelligent mine safety management.

Advanced Materials Production

At our tungsten smelting base in Longyan, we utilize automated process control throughout production, such as:

- In terms of hardware, pneumatic valves are installed, and instruments such as online flow meters, temperature sensors, and pressure sensors are used to collect real-time data on key parameters including flow rate, temperature, and pressure at the production site.
- The on-site production processes are controlled through PLC (Programmable Logic Controller) programming, with all operating parameters connected in real time to the process monitoring center, enabling centralized and dynamic monitoring of every stage of production.

We have also equipped the production site and surrounding plant boundaries with key safety alarm systems, including flammable and explosive gas detection alarms. Safety-related parameters such as steam pressure and compressed air pressure are continuously monitored, with automatic alarms triggered immediately if thresholds are exceeded. In addition, real-time monitoring and data collection of core equipment parameters, including current and temperature, enable early detection of potential equipment anomalies and timely maintenance, effectively ensuring safe and stable production operations.

Deep Processing

At our Alloy Division I site in Haicang, we continue to enhance fire protection and security facilities, deploying intelligent smoke and flame early-warning systems at key monitoring points across the plant. The system can detect anomalies in real time, immediately sending alerts to area managers and safety personnel, enabling "early detection and early response" to fire incidents and effectively controlling potential fires at the initial stage to prevent escalation.

Meanwhile, we have engaged a third-party professional organization to install combined smoke and temperature detectors in accordance with national standards, with alarm signals integrated into the main fire control panel to further enhance early fire detection and warning capabilities. Alarm signals are also relayed to the extrusion and mixing duty room, ensuring timely alerts and rapid response in the event of abnormal leaks of hazardous chemicals.

In addition, we have commissioned specialized personnel to implement lightning protection upgrades for hydrogen storage cabinets, adding dedicated grounding systems to significantly improve lightning safety during hydrogen storage.

◎ Workplace Safety Inspections

Our Work Safety and Environmental Protection Department at the headquarters works closely with the safety management departments of all subsidiaries to systematically carry out safety inspections in line with the annual inspection plan. By establishing a routine, multi-level supervision and inspection system, potential safety hazards are identified and eliminated in a timely manner, ensuring effective control of safety risks throughout the production process. Key inspection activities include:

- Weekly self-inspections by production teams at each manufacturing site, covering all critical stages of operations;
- Regular comprehensive inspections by the safety management departments of subsidiaries, as well as special inspections during holidays, seasonal transitions, and "Safety Month/Season" campaigns;
- Annual audits conducted by the headquarters' Work Safety and Environmental Protection Supervision Department on the safety management of all subsidiaries.

For any safety hazards identified during inspections and audits, the company strictly adheres to the principle of localized management and implements a closed-loop corrective process. Corrective measures and deadlines are determined according to the severity of each hazard, with a detailed hazard identification and remediation log maintained to ensure full tracking from discovery to resolution. Employees are also encouraged to capture on-site hazards using mobile devices and upload the information to the EHS (Environment, Health, and Safety) management information system. The system immediately notifies the responsible departments and monitors progress to ensure hazards are addressed promptly and thoroughly. This approach not only enhances the convenience and responsiveness of safety management but also fosters a culture of full participation and shared responsibility, providing strong support for a safe and stable production environment.

【Highlight】Establishing a Dual-Prevention Mechanism to Strengthen a Four-Level Safety Defense

At Ninghua Xingluokeng, safe production has always been a top priority, and we continuously promote the optimization and upgrading of our safety management system. A series of management rules have been developed and implemented, including the Hazard Identification and Risk Assessment Management System, the Graded Safety Risk Control Management System, and the Hazard Identification and Rectification Management System. Through these systems, the mining area has established and standardized a dual-prevention mechanism for graded risk control and hazard rectification, enabling precise identification and effective management of safety risks at all levels and across all processes.

In practice, the mining area has built a routine, four-level safety inspection system linking the "company, departments, workshops, and production teams," with clear inspection frequency requirements: the company conducts at least one comprehensive inspection, one major risk special inspection, and one flood-season special inspection per month; each department conducts no fewer than one inspection per month; each workshop conducts at least one inspection per week; and each team conducts one inspection per shift. Through this comprehensive, no-blind-spot inspection approach, a total of 18 company-level inspections were conducted throughout the year, identifying and rectifying 358 hazards. In addition, 13 inspections by regulatory authorities and superior units identified 71 hazards. All hazards were strictly addressed following the "Five-Assignment" principle, ensuring a closed-loop process with full tracking and complete resolution.

◎ Safety Incident Management

We recognize that scientific and standardized accident handling is not only critical for controlling incidents and minimizing losses, but also serves as an important mechanism for analyzing root causes, improving management, and preventing recurrence, with far-reaching significance for enhancing overall safety governance. The company adheres to the principles of safety first, prevention foremost, and comprehensive management and has established a sound safety incident management system. All employees are required to report accidents immediately. A professional investigation team conducts a thorough review of the incident, analyzes the root causes in depth, identifies responsibilities, and formulates targeted corrective measures.

In accordance with the severity of the incident and relevant laws and regulations, responsible personnel are dealt with appropriately, while injured employees receive timely treatment and proper support. Work-related injury claims are submitted promptly to safeguard employees' legal rights. In addition, the company regularly conducts reviews and evaluations of its safety incident management work, continuously improving the system and optimizing workflows to strengthen accident prevention and emergency response capabilities, thereby reinforcing a long-term safety management framework.

During the reporting period, the company and its subsidiaries recorded a total of 22 work-related accidents, with no major safety incidents reported.

◎ Emergency Management and Drills

We continuously improve our emergency management system, strictly following the company's Safety Supervision and Management Regulations, the Emergency Response Plan Management Guidelines, and the Emergency Plan for Extreme Weather Events. Both headquarters and our subsidiaries develop risk-specific prevention measures, specialized emergency plans, and on-site response procedures based on the safety risk characteristics of their respective business areas, ensuring rapid and efficient response in the event of an emergency. At the same time, we maintain regular emergency drills to strengthen employees' safety awareness and enhance practical emergency response skills and coordinated handling capabilities, striving to achieve the safety management objective of "safety awareness for all, emergency readiness for everyone."

During the reporting period, in line with the national Work Safety Month theme and under the goal of "safety awareness for all, emergency readiness for everyone—identifying safety hazards around us," we systematically conducted specialized training on work safety and emergency management. The training covered safety regulations, analysis of typical accident cases, and explanations of emergency response procedures. By combining theoretical instruction with practical drills, we further reinforced employees' safety awareness and improved frontline staffs' ability to react quickly and handle emergencies in a standardized manner. Building on this, headquarters and subsidiaries conducted a total of 1,308 emergency drills during the reporting period. These drills covered multiple typical scenarios, including fire extinguishing, natural gas boiler leakage, anti-terrorism and anti-violence responses, and nighttime emergency evacuations, comprehensively covering offices, production workshops, storage areas, and other key locations. By simulating real emergency situations, we tested the feasibility of our emergency plans and the effectiveness of coordinated response mechanisms, enhancing the overall practical response capabilities across all operational levels.

Acetylene Leak Emergency Drill

Fire Drill

◎ Safety Culture Development

As the underlying foundation for work safety, corporate safety culture permeates the levels of philosophy, systems, and behaviors, representing the critical transformation from "passive compliance" to "proactive prevention" and from "institutional constraint" to "conscious practice." Following a systematic pathway of project preparation, research and analysis, culture development, implementation and promotion, and consolidation and enhancement, we have steadily integrated safety culture into employee conduct and management practices, continuously strengthened our safety foundation, and provided strong cultural support for our high-quality development.

Focusing on safety culture development, we and our subsidiaries carried out a series of key initiatives:

- **Conduct themed safety awareness and education activities:** Use on platforms such as the "Work Safety Month" campaign, and strengthen employees' awareness of safety prevention through activities such as posting themed posters, organizing training for all employees, conducting safety quiz activities on the Liangongbao platform, and arranging video learning sessions under the Risk Avoidance and Escape Training Camp.
- **Promote systematic development of mine safety culture:** Carry out training on job-specific risks and preventive measures, KYT hazard prediction training before operations, one-theme-per-month team training sessions, and "Three Minutes for Safety" pre-shift learning activities; invite external experts to provide policy briefings and analyze management weaknesses, and organize activities such as short video competitions, emergency drill contests, and travelling mine safety lectures to enhance employees' safety skills and awareness.
- **Implement diversified safety culture development:** Organize themed activities such as Environmental Protection and Safety Day, the Publicity Week for the Law of the People's Republic of China on the Prevention and Control of Occupational Diseases, and Fire Safety Publicity Month. Through EHS system training and examinations, on-site Q&A sessions, case analysis, visits and study sessions, as well as oath-taking and commitment activities, assess employees' mastery of safety knowledge and enhance their awareness of safety and environmental protection as well as their operational skills.

Mining Safety Education and Training

"Work Safety Month" Campaign

Safety Education Video Training Session

Occupational Health and Safety Training

We place great importance on occupational health and safety training. In accordance with the requirements of relevant internal regulations, including the company's Safety Supervision and Management Regulations and Basic Specifications for Work Safety, we systematically carry out safety education and training to enhance employees' safety awareness and emergency response capabilities. During the reporting period, we formulated and implemented our annual work safety training plan. The training covered fundamental areas such as work safety standardization, the work safety responsibility system, work safety management systems and emergency response plans for work safety accidents. We also organized specialized training on key areas including chemical management, electrical safety, work at height, confined space operations, energy isolation and lockout/tagout, fire safety, visual management and emergency management, and reinforced practical skills through emergency drills.

To continuously optimize our approach to fostering safety culture, we established a Safety Culture Research Group to conduct surveys on employees' understanding of safety culture, thereby providing a basis for subsequent development. At the same time, we incorporated contractor personnel into the unified training system, standardized their operational behaviour and reinforced the full-chain line of defence for safety. During the reporting period, we organized a total of 4,796 work safety training sessions, with total training attendances reaching 137,022.

Contractor Occupational Health and Safety Management

Incorporating contractors' occupational health and safety management into a unified system is not only an extension of our fulfillment of primary responsibility, but also a key measure to prevent risk transmission, safeguard the stable operation of the entire value chain and build a sustainable supply chain. We continue to optimize and improve our Supplier Code of Conduct, setting out clear management requirements for suppliers and contractors in areas such as emergency preparedness and response, chemical management, and the prevention and control of communicable diseases. We encourage suppliers and contractors to establish quantifiable safety targets such as "zero accidents" and "zero fatalities", so as to jointly enhance occupational health and safety management and work together to build a safe, healthy and sustainable supply chain ecosystem.

In the area of work safety management for outsourced engineering projects, we have established the Work Safety Management System for Civil Engineering and Installation Projects, and clearly require all subsidiaries to strictly conduct contractor qualification reviews, sign work safety agreements, and carry out routine supervision and inspections as well as semi-annual reviews. At the same time, we regularly organize contractors to conduct targeted inspections for hidden hazards, and implement closed-loop management throughout the entire operation process, covering site entry permits, safety agreements, safety briefings and safety training, so as to systematically reduce safety risks in outsourced operations and resolutely prevent work safety accidents. During the reporting period, the overall management of contractors remained effective, and no work safety accidents occurred.

Tailings Pond Work Safety Management

Tailings ponds are important infrastructure for mining operations, and their safety and stability are directly related to ecological and environmental safety as well as the interests of surrounding communities. In strict compliance with the requirements of relevant laws, regulations and standards, including the Environmental Protection Law of the People's Republic of China, the Safety Technical Regulations for Tailings Ponds, the Guidelines for the Safety Standardization of Metal and Non-metal Mines, and the Implementation Guidelines for Tailings Ponds under the Safety Standardization Specifications for Metal and Non-metal Mines, we have established a full-lifecycle management system covering the design, construction, operation, maintenance, monitoring, closure and post-closure management of tailings ponds. At the same time, we have proactively introduced the Global Industry Standard on Tailings Management (GISTM), together with other advanced international standards and best practices, and continue to promote the standardisation of tailings pond management.

Hardware Reinforcement and Intelligent Monitoring

In terms of hardware support, we ensure the structural safety and reliability of tailings ponds through the high-standard deployment of anti-seepage systems, monitoring and early warning facilities, and drainage and flood control works. At the same time, we have established a professional team to carry out 24-hour online monitoring, using intelligent sensing technologies to conduct real-time monitoring of key indicators such as dam displacement, phreatic line levels and pond water levels. We also regularly conduct safety assessments and hidden hazard inspections and rectification work to ensure early risk identification and timely response.

Resource Utilization and Risk Prevention and Control

We actively promote research on technologies for the resource utilization of ultra-low-grade tailings, with a focus on developing new technologies and processes for tailings reduction and harmless treatment, so as to minimize the environmental impacts and potential safety risks arising from tailings storage to the greatest extent possible. By continuously advancing ecological restoration projects and improving emergency response mechanisms, we continue to strengthen our capacity for environmental risk prevention and control in relation to tailings ponds, thereby reinforcing the lines of defence for safety and environmental protection and supporting our sustainable development.

Scientific Closure and Long-term Governance

To ensure the long-term safety and effective control of tailings ponds, we proactively advance closure management for facilities planned for decommissioning, so as to ensure that flood control standards, dam stability and other indicators fully comply with regulatory requirements. For the already closed Qipanshan Tailings Pond, we continue to carry out routine flood control inspections, safety inspections and stability monitoring, so as to achieve long-term safety management after closure. For the Wangtongkeng Tailings Pond of Ninghua Xingluokeng, we initiated closure design in advance, systematically implemented dam reinforcement, flood discharge capacity improvement and ecological restoration, and, upon completion of the design, strictly organized construction and acceptance in accordance with applicable specifications, thereby achieving compliance throughout the entire process and controllable quality, and establishing a complete closed-loop management system covering the pre-closure, closure and post-closure stages.

Occupational Health

Occupational health management is directly related to employees' physical and mental well-being and the protection of their labour rights and interests, and also reflects our fulfillment of social responsibility and commitment to sustainable development. We strictly comply with relevant national laws and regulations on occupational health and safety and, in light of industry characteristics and our own operational realities, have systematically established occupational health management systems and operating procedures, so as to continuously improve our occupational health management system.

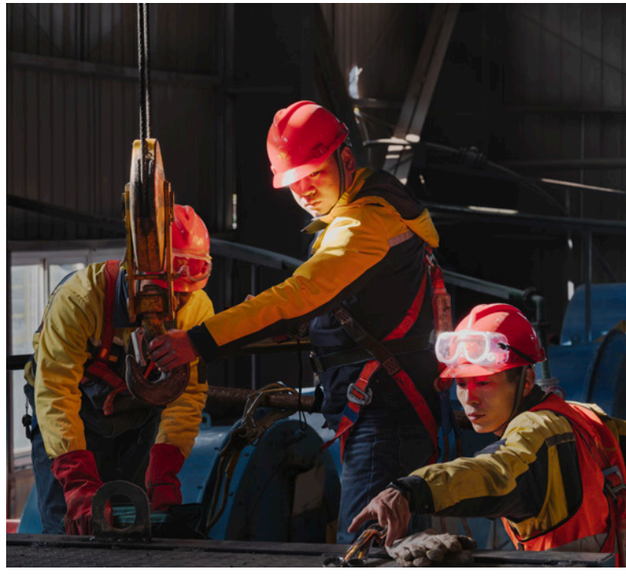
In terms of hardware support, we continue to increase investment in improving the working environment, provide protective facilities that comply with national standards, and regularly monitor occupational hazard factors such as noise, dust, and toxic and hazardous substances in the workplace. At the same time, we provide employees with personal protective equipment that meets occupational health requirements, so as to effectively safeguard workplace safety and comfort.

In terms of health management, we have established and improved the occupational health surveillance system, and standardized occupational health examinations at the pre-employment, on-the-job and upon-leaving stages, while establishing health records for every employee. By regularly organizing training on occupational health knowledge, we continue to enhance employees' awareness and capabilities in self-protection. For employees in special positions, we implement focused health surveillance and formulate individualized health management plans, striving to create a safer and healthier working environment for our employees.

Prevention of Occupational Disease

In accordance with the requirements of the Basic Specifications for Work Safety, we have established and continuously improved a full-process occupational health management system, proactively identified, assessed and controlled occupational disease hazard factors, standardised the investigation and handling procedures for occupational disease hazard incidents, and effectively prevented work-related occupational injuries and health risks. The main occupational disease prevention measures we implemented include:

- **Occupational Health Surveillance:** We closely monitor employees' occupational health conditions and strictly arrange occupational health examinations for personnel in positions exposed to occupational disease hazards before taking up their posts, during employment and upon leaving their posts. Examination records are centrally archived and retained, and job assignment and adjustment are carried out in a timely manner based on the examination results.
- **Occupational Hazard Assessment and Evaluation:** We engage qualified third-party professional institutions to conduct regular comprehensive assessments of occupational health hazards at subsidiaries engaged in mining and processing. These assessments focus on process equipment, plant layout, occupational disease hazard factors and exposure levels, protective facilities, emergency equipment, health surveillance, the provision of personal protective equipment, and occupational hygiene management, so as to continuously optimise and enhance the level of control.
- **Occupational Hazard Notification and Warning:** We post warning signs in prominent positions at workplaces where occupational disease hazards are present and at the entrances to relevant areas, so as to ensure that relevant personnel are informed of hazard information in advance. In addition, newly hired employees are required to sign occupational disease hazard notification forms upon entry, enabling them to fully understand job-related risks and protection requirements.
- **Provision of Labour Protection Supplies:** In strict accordance with relevant national laws and regulations and the Management Provisions on Labour Protection Supplies, we provide employees with labour protection supplies that meet applicable standards and are suited to job requirements, and post reminder signs in operating areas to guide employees in wearing and using such supplies properly.
- **Occupational Health Education:** We regularly organize occupational health and safety training sessions and special lectures to disseminate knowledge on occupational disease hazards and protective measures, guide employees in building awareness of health protection, and strengthen proactive prevention and self-management in occupational health.
- **Source Control of the Working Environment:** We continuously promote production equipment upgrades, process optimization and the application of advanced technologies, so as to continuously improve on-site working conditions, reduce the concentration of harmful factors at the source, and lower occupational health and safety risks.
- **Emergency and First-aid Support:** In accordance with the Management Provisions on Clinic Rooms and the Management Provisions on First Aid, we standardize the operation of clinic rooms, reasonably equip workplaces with emergency devices such as first-aid kits and Automated External Defibrillators (AEDs), and carry out regular inspection and maintenance to ensure that emergency support is in place.



Caring for Physical and Mental Well-being

We provide employees with cultural and sports facilities such as badminton courts, basketball courts, football pitches and gyms, and regularly organize a wide variety of cultural and sporting activities. These initiatives not only enrich employees' lives outside work, but also help relieve work-related stress, strengthen team cohesion, promote employees' physical and mental well-being, and foster a positive and vibrant corporate culture.

【Highlight】**Integrating Learning with Enjoyment and Promoting Application through Competition**

In 2025, the sub-union of the Technology Center organized an IPD Fun Sports Meeting, with the aim of promoting employees' deeper understanding of IPD concepts and project management processes through a combination of teamwork and scenario-based tasks.

The event was conducted in the form of a team competition, integrating key stages of IPD project management into scenario-based tasks. Each participating team completed such stages as planning, execution and review around a simulated project process, thereby strengthening coordination and communication through practice. After the event, each team carried out review and reflection discussions based on task performance, summarized effective experience, and explored directions for improvement.

By integrating business learning into relaxed and engaging team activities, the Company further promoted the understanding and internalization of IPD management concepts in an enjoyable and educational way, and enhanced team collaboration efficiency and the learning atmosphere.

04

Governance

- Risk Management
- Internal Control and Compliance
- Commercial Behaviors

Good corporate governance is the cornerstone for a company to achieve stable and long-term development, supporting the grasp of opportunities, response to challenges, and realization of sustainable growth. Based on an international perspective and long-term strategy, we adhere to the principles of "meticulous management, technological innovation, steady progress, market expansion, and long-term growth." Using risk prevention and control as a shield, internal control and compliance as a tool, and business ethics as the bottom line, we continuously build a governance system that aligns with modern sustainable development goals.

We adhere to a governance path that combines internal refinement with systematic advancement: Internally, we continuously improve the comprehensive risk management and internal control system, enhancing risk resilience and operational robustness in all aspects. Externally, we uphold integrity-driven operations, promote governance transparency, and actively work with value chain partners to build a fair, orderly, and responsible business ecosystem. Through continuous optimization of the governance system and sustained release of its effectiveness, we are committed to achieving deep integration and synergistic synergy between corporate value, environmental value, and social value.

Governance Matters	Strategic Goals	Management Indicators	Key Initiatives
Risk Management	Establish a comprehensive risk management system that covers the Group and all its subsidiaries, is systematic and efficient, and is dynamically optimized. This has enabled us to significantly enhance our risk management capabilities and operational resilience, thereby ensuring the sustainable development of the enterprise.	• Deepen the construction of the Group's comprehensive risk management system, and guide and promote each subsidiary to establish and improve their risk management mechanisms. • The closed-loop process of risk identification, analysis, response, and reporting achieves an effective operation rate of 100%, and the completion rate of annual risk event reviews is 100%.	• Clearly define each business unit as the primary entity responsible for risk management, establish a risk responsibility list for business units, and embed risk management duties into job responsibilities and performance assessments. • Incorporate risk review checkpoints into key operational decision-making processes such as strategic planning, annual business plans, major project investments, and contract signing, ensuring that risk control operates in tandem with decision-making procedures. • Promote the embedding of risk control measures into key nodes of business processes, forming a working mechanism in which business operations and risk management are "designed, operated, and optimized simultaneously." • Establish a full-cycle control mechanism encompassing "pre-event risk identification and early warning, in-event dynamic monitoring and response, and post-event review and improvement" to enhance risk management capabilities. • In 2025, comprehensively advance the development of risk management systems across subsidiaries, with all 31 subsidiaries establishing complete risk management organizations and operating mechanisms and issuing risk management policies. • Continuously improve the enterprise risk management mechanism through ongoing optimization of the closed-loop management process of "risk identification, risk analysis, risk response, and risk reporting." • Establish a unified risk identification methodology, conduct regular risk identification and dynamic updates, and develop a risk list and risk map. • Enhance the risk analysis mechanism by comprehensively applying qualitative and quantitative methods to assess the likelihood and impact of risks, clarifying risk prioritization and key areas of focus. • Strengthen the formulation and implementation of risk response measures by adopting a "one strategy per risk" or "one strategy per risk category" approach, specifying response responsibilities, measures, timelines, and expected outcomes. • Optimize the risk reporting mechanism by establishing reporting paths and frequencies categorized by level and type, enabling effective communication and sharing of risk information among management, business units, and functional departments. • Establish a full-process evaluation and improvement mechanism for risk management, regularly assessing the effectiveness of the closed-loop management process, identifying weaknesses, and continuously iterating and optimizing risk management efforts.
Internal Control and Compliance	Build a modern internal control system oriented towards enterprise value creation, based on risk prevention, and underpinned by compliance management. This system achieves full-process coverage of internal control policies at the headquarters and its subsidiaries, continuously enhancing the compliance and efficiency of operational management.	• Continuously optimize management policies, processes, and control measures to establish and improve the internal control system. • Annual internal control evaluation and special audit issue rectification completion rate was 100%. • Compliance control coverage rate for core business processes reaches 100%. • Number of internal compliance violations is 0.	• Centered on ensuring the achievement of operational objectives, and closely aligned with the Company's strategic direction, business characteristics, and management control model, building an internal control system characterized by "sound policies, clear processes, matched authority and responsibility, and effective operation." Adhering to the principle of "classification by level and dynamic optimization," promoting the deep integration of the internal control system with business development. • Systematically advancing the optimization of internal control policies. In 2025, the Company's headquarters and its subsidiaries collectively revising and issuing 1,759 internal control policies, covering key areas such as strategic management, investment decisions, financial management, procurement and sales, and compliance and risk control, achieving full coverage of key businesses and core processes. • Establish a closed-loop management process for policy creation, including project initiation, drafting, review, issuance, communication, and implementation, ensuring that policy content aligns with actual business operations and matches risk control requirements. • Establish a mechanism for dynamic evaluation and optimization of policies. Based on business changes, regulatory requirements, and risk landscape, regularly conducting policy applicability assessments, promptly abolishing inapplicable policies, revising inadequate provisions, and supplementing control requirements for new business areas, maintaining the continuous relevance and effectiveness of the internal control system. • Through means such as special internal management audits and internal control evaluations, deepening the implementation of XTC's internal control supervision and coordination mechanism of "linking construction and audit, promoting construction through audit." Promptly identifying internal control deficiencies and providing timely guidance to complete rectifications, continuously enhancing the level of internal operational management.
Commercial Behaviors	Establish a business ethics and compliance management system with zero tolerance, full coverage, and strong enforcement, ensuring that the behavior of all employees complies with laws, ethics, and corporate values, and shaping an honest, transparent, and responsible business ecosystem.	• Incidence rate of commercial bribery, corruption, conflicts of interest, insider trading, unfair competition, money laundering, and other such behaviors is zero. • Coverage rate of integrity education for employees reaches 100%. • Number of tax-related violations is zero. • Complaint and reporting mechanism operates effectively.	• Adhere to integrity-driven and compliant operations, taking the high-standard Code of Business Conduct as the fundamental principle and behavioral guideline jointly followed by all entities within the consolidation scope and all employees. • Build a full-coverage integrity supervision network, establish and improve disciplinary inspection and supervision mechanisms such as cross-inspection mechanisms, work exchange mechanisms, special supervision mechanisms, and integrity risk prevention and control walkthrough tests. In 2025, we revised the Xiamen Tungsten Integrity Risk Prevention and Control Manual, review and update integrity risk points, strengthen integrity risk prevention and control across various business processes; achieve a coverage rate of 100% for integrity education and outreach for employees. • Strictly comply with Chinese laws and regulations as well as relevant tax laws, regulations, and policies in all business locations, adhere to the principles of compliant operations, honest tax payment, and transparent management, actively prevent and manage tax risks, and ensure tax compliance. • Establish and improve the complaint and reporting mechanism, encourage all types of stakeholders to report any violations of business ethics to the Company, or to submit suggestions and concerns to the Company regarding matters such as business ethics and human rights protection. Implement a series of whistleblower protection measures to safeguard the legitimate rights and interests of whistleblowers.

Risk Management

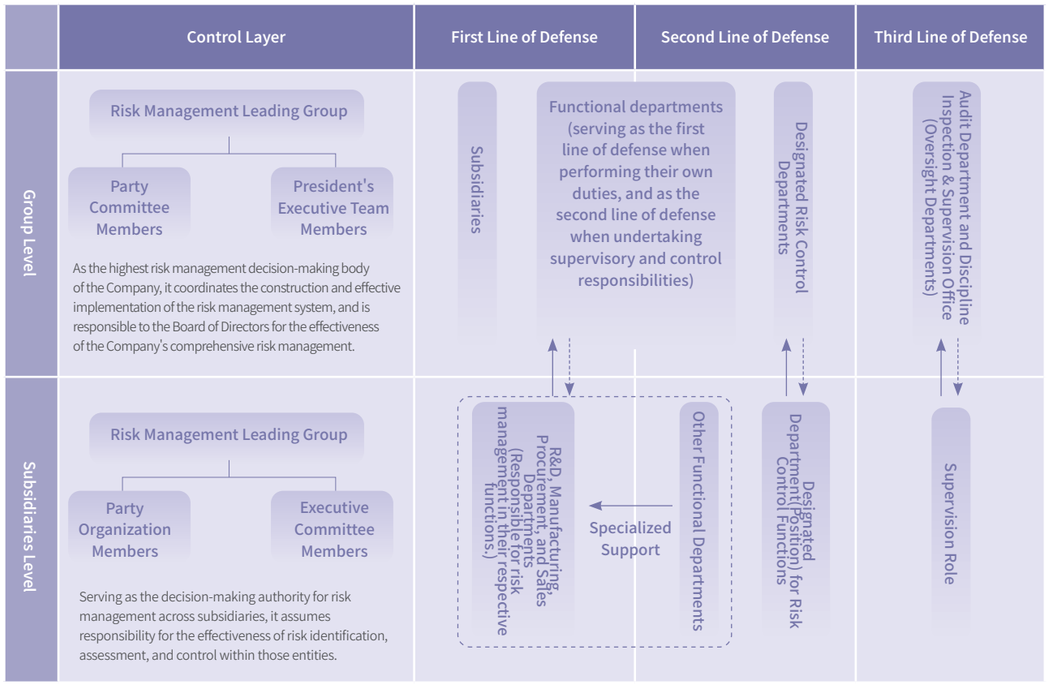
We regard risk management as a key pillar of efficient corporate governance and scientific decision-making. Based on our strategic planning and operational objectives, and grounded in our actual management practices, we have established a comprehensive risk management system that covers all business areas with "business units as the main entities and goal achievement as the orientation." Following the ISO31000 international risk management framework, we have formulated and implemented the Comprehensive Risk Management Policy and the Comprehensive Risk Management Operating Guidelines, systematically integrating risk management requirements into daily operational decisions and business processes. We actively foster a risk management culture with full employee participation, ensuring that all business activities proceed steadily with risks under control, thereby building a solid defense for the implementation of corporate strategy and sustainable growth.

During the reporting period, we comprehensively advanced the development of risk management systems across our subsidiaries. We prepared the Xiamen Tungsten Comprehensive Risk Management Manual and promoted standardized risk management procedures to all subsidiaries, unifying the Group's risk management operating mechanism. Meanwhile we established risk and internal control management tasks along with assessment standards, tracked the implementation status of subsidiaries on a monthly basis, and strengthened the performance evaluation of subsidiaries, forming a closed-loop work process characterized by full participation, clear responsibilities, and well-founded supervision. Currently, 31 of our subsidiaries have completed the establishment of their risk management mechanisms, including the development of risk management organizational structures, the formulation and issuance of risk management policies, and the comprehensive identification and assessment of risks, the preparation of corporate risk maps, and the formulation of risk response plans with long-term monitoring. These 31 subsidiaries identified a total of 290 risks requiring focused prevention and control. By formulating and implementing detailed risk response plans, each subsidiary effectively achieved its risk management objectives.

Risk Management Structure

We have established a risk management organizational structure with clearly defined responsibilities and implementation at all levels. Centered on the Risk Management Leading Group, we have built a "three lines of defense" collaborative mechanism with business units, risk management institutions, and internal supervision institutions as the primary responsible parties. This mechanism fully integrates risk prevention and control into our operations and internal control system, achieving full employee participation, whole-process control, and all-around supervision.

Risk Management Structure



The Risk Management Leading Group established at the Company's headquarters is responsible to the Board for the effectiveness of the Company's comprehensive risk management. Its main responsibilities include: determining the overall risk management objectives, risk appetite, and risk tolerance in alignment with the Company's strategic planning and operational goals; approving risk management strategies, the establishment of risk management organizational structures, risk management rules and regulations, annual work plans, and major risk response plans.

We have established a risk management assessment and accountability mechanism, incorporating the effectiveness of risk management into the annual performance evaluation system of relevant departments and entities to promote the effective implementation of responsibilities. In cases where major risks occur and result in losses due to reasons such as decision-making errors, managerial dereliction of duty, or improper conduct, we will strictly pursue accountability against the responsible individuals in accordance with internal regulations.

Risk Management Procedure

We have established and improved the closed-loop management process of "risk identification, risk analysis, risk response, and risk reporting." We adopt classified and graded management for risks that may arise in our operational management and business activities, implement differentiated control measures, and rely on a risk database and an early warning indicator system to achieve dynamic monitoring and tracking. This forms a full-process control mechanism covering pre-event, in-event, and post-event stages, strengthening the effectiveness of risk prevention and control and comprehensively enhancing the Company's ability to anticipate and withstand risks.

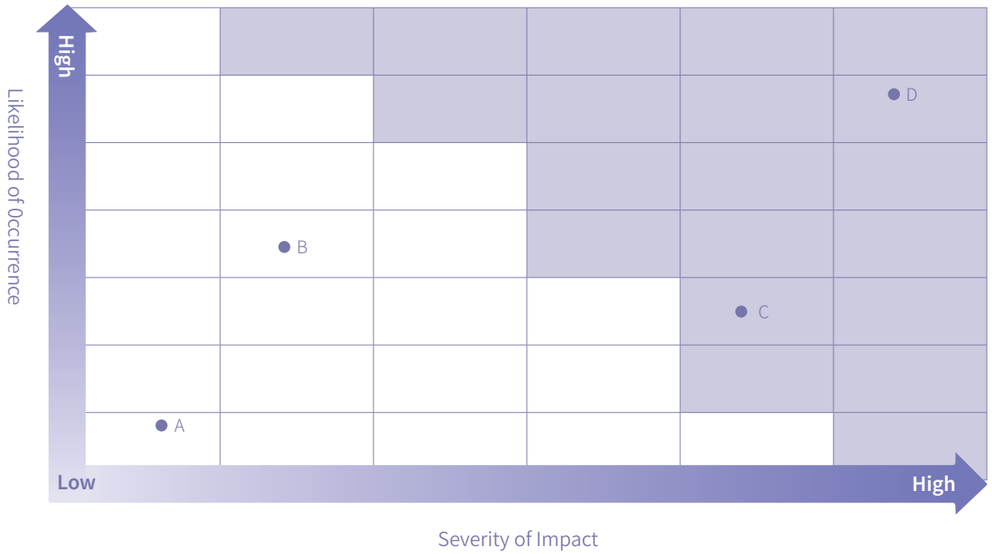
◎ Risk Identification

We systematically identify risk categories through internal and external information collection, risk interviews, scenario analysis, and case studies. On this basis, we further identify specific risks that may occur under each risk category in conjunction with key business activities on an annual basis, and develop a corporate risk map. In addition, we have established a dynamic risk list update mechanism, adjusting the risk list as appropriate based on changes in business activities, evolution of the external environment, and the effectiveness of risk responses. This ensures that risk identification remains aligned with our actual operations, continuously enhancing the adaptability and forward-looking nature of risk management.

◎ Risk Assessment

The functional departments at the Company's headquarters and each subsidiary analyze and prioritize identified risks by considering factors such as the likelihood and impact of risk occurrence, in light of the potential risk characteristics and current control status of various business activities. They clarify the nature, level, and priority order of these risks, forming an annual core risk list, and assign the responsible entities for risk management on an item-by-item basis. We organize an annual risk assessment review for all functional departments and subsidiaries. Through risk assessment analysis, we provide a basis for risk response and dynamic monitoring and tracking, continuously strengthening our ability to identify potential risks.

Risk Matrix



Comprehensively analyze the likelihood and severity of various risks, and determine risks with priority and develop a risk matrix.

◎ Risk Response

For different risks, we have formulated response strategies that align with our risk appetite and risk tolerance and are compatible with our risk management resources, covering risk avoidance, risk transfer, risk mitigation, and risk acceptance. Based on a clear definition of risk appetite and tolerance, each subsidiary selects appropriate response strategies by comprehensively considering the likelihood and impact of risk occurrence, and formulates special response plans for major risks. In light of our actual operations, we systematically promote the precise implementation and effective execution of risk management through three types of control measures: establishing "red line" controls, strengthening internal controls, and carrying out special rectification initiatives.

Risk Category	Risk Description	Response Measures
Human Capital Risk	Key Talent Turnover Risk: As a national high-tech enterprise, core professional talents are a key driver of the company's development. With the rapid growth of market demand and increasing industry competition, the demand for R&D and technical talents within the industry is growing rapidly, leading to intensified competition for talent. The company may face the risk of losing core technical and professional personnel, which could have an adverse impact on the company's technological R&D and innovation.	• In response to the growth needs of key talents, provide rich and diverse internal training; • Continuously improve the performance management and personnel promotion mechanisms, creating clear career development paths for key talents; • Provide key talents with compensation that matches their value contribution and is externally competitive; • Provide key talents with compensation that matches their value contribution and is externally competitive; • Provide key talents with compensation that matches their value contribution and is externally competitive;
Legal & Compliance Risk	Trade Secret Risk: As a high-tech enterprise with numerous core technologies, the company faces the risk of trade secret leakage during the R&D phase, patent application process, commercial cooperation, and daily operations. This could lead to economic losses, damage to the company's business reputation, a decline in market share, and hinder the achievement of business objectives.	• Establish and improve the relevant policies and regulations for trade secret protection, clarifying the scope of trade secrets and the trade secret protection mechanism; • Establish a reward and punishment mechanism for trade secret protection, take corresponding measures to effectively protect trade secrets, and impose corresponding penalties on personnel who violate confidentiality obligations; • Through various channels and forms of education and publicity, communicate to employees the policies and requirements related to trade secret protection, enhancing employees' awareness of trade secret protection.

◎ Risk Reporting

We have established and strictly implement a risk reporting and tracking mechanism, dynamically monitor risk conditions across various areas, evaluate the effectiveness of response plans, and regularly summarize risk management status. Through regular risk emergency drills, we test the feasibility and effectiveness of emergency plans, analyze and review the drill results, and continuously enhance our risk response and recovery capabilities.

⊕ Risk Reporting Mechanism

- Each subsidiary is required to report its risk management status in a timely manner through forms such as regular reports, annual reports, special reports on major risks, and risk event reports.
- When a major risk event occurs, the department where the event arises must immediately report to the Risk Management Leading Group, promptly assess the impact of the event, formulate a response plan, and the risk management department shall coordinate the relevant departments to carry out the response.
- After a major special risk event occurs, it must also be reported within the prescribed timeframe to the relevant functional management departments of the Company and the Legal and Risk Management Department at the headquarters.

⊕ Supervision and Evaluation Mechanism

- Each subsidiary regularly conducts self-inspections of its risk management work and receives supervision and guidance from the risk management functional department, promptly identifying deficiencies and implementing improvements to continuously enhance the level of risk management.
- The Company's Audit Department and Discipline Inspection and Supervision Office, in conjunction with internal control audits, special audits, and routine supervision and inspection, conduct supervision and evaluation of the compliance and implementation effectiveness of risk management work for each subsidiary, provide audit and supervisory opinions, and report to the Risk Management Leading Group.

Risk Management Training

We place great emphasis on cultivating risk awareness among all employees. Through diverse forms and channels of risk management publicity and education activities, we continuously promote the development of a corporate risk management culture, fostering a risk management atmosphere characterized by full participation to achieve strategic goals and realize sustainable development. We have established a Group information system portal platform, where newly issued or revised policies and documents related to risk management and internal control are published in real time. We regularly organize thematic training sessions, case studies, and experience exchanges on risk management and internal control compliance across the Group, helping employees deeply understand the importance and basic principles of risk management, develop risk prevention awareness, and enhance the professional risk management capabilities and performance skills of management and business personnel. At the same time, we encourage employees to proactively identify and promptly report potential risks in their daily work, collectively safeguarding the safe and stable operation of the enterprise.

During the reporting period, the Company's headquarters organized four comprehensive risk management theory and practice training sessions, with a total of 308 participants. The training covered the special promotion team members of each subsidiary, heads of risk management departments, talent pipeline personnel of each subsidiary, and reserve talents under the Eagle Program, effectively promoting the integration of risk management work into daily operations. Each subsidiary also strengthened the daily promotion of risk culture through channels such as bulletin boards, culture walls, internal journals, and enterprise WeChat, and carried out multiple risk management training activities through a combination of online and offline methods, further enhancing employees' risk prevention awareness, sense of responsibility, and practical capabilities.

Internal Control and Compliance

We focus on ensuring the achievement of operational objectives, closely align with the strategic direction, business characteristics, and management control model, and continuously promote the construction of an internal control system characterized by "sound policies, clear processes, matched authority and responsibility, and effective operation," oriented towards enterprise value creation, based on risk prevention, and underpinned by compliance management. We have established a dynamic policy evaluation and optimization mechanism, continuously improve internal control policies and processes, strengthen verification and supervision mechanisms, and enhance internal control implementation to effectively prevent various major operational risks. The Audit Committee under the Board is responsible for supervising and reviewing the internal control policies and their implementation. The Company's Audit Department is responsible for supervising, reviewing, and tracking the rectification of the establishment and implementation of internal control policies for the Company and its subsidiaries, and regularly reports on related work to the Audit Committee.

During the reporting period, we revised the Internal Control Evaluation Manual and updated key business audit procedures to further standardize internal control audit and internal control evaluation work. The headquarters and its subsidiaries revised and issued 1,759 internal control policies based on internal inspection and supervision findings, which cover key areas such as strategic management, investment decisions, financial management, procurement and sales, and compliance and risk control, continuously improving the policy system. Meanwhile, we continued to optimize the Group's information system portal platform. Subsidiaries have substantially completed the upload of internal control policies to the system, initially achieving unified information management of internal control policies and further enhancing the effectiveness of internal control management.

We continuously deepen our internal inspection and supervision mechanism by conducting special internal management audits and internal control evaluations, carrying out inspections of major matters, and performing daily supervision. This mechanism helps us promptly identify operational risks and internal control deficiencies, and drives the relevant units to implement rectifications, thereby continuously optimizing the internal control system and enhancing the standardization of operations and the ability to operate in compliance.

Special Audit

We carry out special audit work for each subsidiary, focusing on key operational and business areas, promptly identifying weaknesses in operational management and urging rectifications. We continuously strengthen supervision efforts to enhance the operational management and risk control capabilities of our subsidiaries.

During the reporting period, we adopted a risk-oriented and compliance-focused approach to organize and carry out audit work, concentrating on the establishment and implementation of risk management and internal control policies. We placed special emphasis on auditing the comprehensiveness of internal and external risk identification across various business modules and the effectiveness of targeted risk control measures. Meanwhile, we embedded business ethics compliance requirements into various audit project processes. In special audits such as procurement and project management, we conducted audit reviews on the ethical compliance and policy implementation of relevant units through methods such as sample inspections, walkthrough tests, voucher inspections, and interviews and research, focusing on key areas including conflict of interest management, anti-commercial bribery and anti-corruption, employee professional ethics, and information security.

The main special audit projects carried out during the reporting period include:

- Special Audit on Procurement and Project Management:
  We conducted special audits on procurement and small-scale project management for 12 subsidiaries, focusing on the implementation of activities such as supplier introduction, procurement inquiry and comparison, material procurement, and project bidding, in order to enhance the procurement and project management capabilities of the subsidiaries.
- Special Audit on Investment Management:
  We conducted a special audit on investment management for the engineering construction projects of 2 subsidiaries, focusing on the implementation of project investment, project management, process control during implementation, construction management, project payment, and final accounts settlement, continuously strengthening the management of engineering construction projects for the subsidiaries.
- Special Audit on Internal Management:
  We conducted special audits on internal management for 4 overseas subsidiaries and 1 domestic subsidiary, evaluating the formulation and implementation of their internal control policies and providing guidance on improving internal control processes, further standardizing the operational management of subsidiaries and preventing overseas operational risks.
- Special Audit on Accounts Receivable Management:
  We conducted a special audit on the management of accounts receivable for the headquarters and its subsidiaries, with a focus on reviewing 12 subsidiaries and promoting improvements to the accounts receivable control processes for certain subsidiaries.

Internal Control Evaluation

We determine the scope of internal control evaluation and inspection priorities each year based on business development dynamics and management realities, focusing on high-risk areas. We simultaneously conduct internal evaluations and external audits on the effectiveness of internal control design and implementation, promptly identify deficiencies in internal control design and execution, implement rectifications, and enhance the level of internal control and risk management.

During the reporting period, we conducted internal control inspections and evaluations for the headquarters and 12 subsidiaries, covering important business activities such as procurement, sales, engineering projects, and asset management. We placed special emphasis on high-risk areas for subsidiaries, including investment management, procurement management, and engineering project management. Meanwhile, we engaged an external audit firm to conduct an independent audit on the effectiveness of the Company's internal control.

Commercial Behaviors

We regard integrity and compliance as the foundation for the Company's stable and long-term development. Guided by the high-standard Code of Business Conduct, we have established clear bottom-line requirements including anti-bribery and anti-corruption, fair competition, conflict of interest prevention, and anti-money laundering, directing all employees to conduct business activities within the framework of the rule of law and integrity. Through a robust supervision mechanism, we integrate risk prevention and control into every aspect of daily operations. Through sustained cultural promotion, we internalize the principle of integrity as the core value of every employee. While creating value, we strive to safeguard the trust of all stakeholders and are committed to working with them to build a transparent, fair, and trustworthy business ecosystem.

Anti-Commercial Bribery and Anti-Corruption

We adopt a zero-tolerance approach to any form of corruption or bribery, requiring all employees to strictly adhere to the requirements of integrity and self-discipline. We have formulated the Anti-Corruption and Anti-Bribery Management Policy, which explicitly prohibits all types of corruption and bribery, and sets forth our position and management requirements regarding matters such as gifts, cash gifts, entertainment, sponsorship, and donations.

We have established a four-tier disciplinary supervision structure composed of the Communist Party of China (CPC) Disciplinary Committee of Xiamen Tungsten Co., Ltd. (hereinafter referred to as the "XTC Disciplinary Committee" or "Disciplinary Committee"), regional disciplinary inspection groups, company-level disciplinary inspection institutions, and disciplinary inspection members at the grassroots party branch level. We have innovatively built a vertically integrated supervision mechanism known as the "Headquarters-Regional Groups-Subsidiaries" model (namely, the Discipline Inspection and Supervision Office at XTC headquarters, regional disciplinary inspection groups, and disciplinary inspection personnel at subsidiaries). Meanwhile, we continue to promote a horizontally coordinated supervision mechanism. Led by the XTC Discipline Inspection Committee, we have established a full-coverage integrity supervision network that integrates the joint efforts of the Discipline Inspection and Supervision Office, the Audit Department, various functional departments, and relevant positions within subsidiaries. We have also improved disciplinary inspection and supervision mechanisms such as classified supervision mechanism, on-site supervision mechanismcross-inspection mechanisms, work exchange mechanisms, special supervision mechanisms, and integrity risk prevention and control walkthrough tests, deepening the organic integration of disciplinary inspection work with corporate development.

To strengthen the implementation of the supervisory responsibilities of the disciplinary inspection and supervision institutions and improve the effectiveness of disciplinary inspection and supervision work, we have established an evaluation mechanism for regional disciplinary inspection groups. We adopt three modules—business evaluation (political supervision, routine supervision, special supervision, discipline enforcement and law compliance, and integrity culture development), self-construction (political development, capacity building, policy implementation, work style development, and routine education and supervision of cadres), and work report, accountability report, and integrity report—comprising 11 key tasks as assessment indicators. We scientifically define evaluation criteria and organize annual assessment and evaluation.

During the reporting period, we continued to optimize and improve the disciplinary inspection and supervision policies and mechanisms:

- We established working mechanisms for on-site supervision and classified supervision, and formulated the Implementation Measures for On-Site Supervision and the Implementation Measures for Classified Supervision to diversify supervision methods.
- We formulated the Management Policy for Integrity Accounts, revised the Management Policy for Registration and Surrender of Gifts and Cash Gifts, and established an integrity account to receive cash voluntarily surrendered by employees, monetary equivalents of gifts, and funds temporarily withheld for investigation of other disciplinary violations.
- We formulated the Standard Operating Procedures for the "1+X" Special Inspection on Implementing the Eight-Point Central Regulation, clarifying the division of responsibilities and operating standards for special inspections.

Meanwhile, we continued to improve the Group-wide inquiry system for integrity and discipline opinions, and issued supporting work guidelines. During the reporting period, we processed a total of 386 inquiries related to integrity and discipline opinions.

◎ Integrity Risk Management

We adhere to source prevention and systematic governance, establishing and improving a mechanism for integrity risk identification and assessment to comprehensively review all aspects of our operations. Covering 19 modules including financial budgeting, corporate governance, procurement management, sales management, manufacturing, and operational management, we identify potential integrity risk points in key areas and critical links under each module, and formulate corresponding integrity risk prevention and control measures, resulting in the Xiamen Tungsten Integrity Risk Prevention and Control Manual. We conduct integrity risk identification and assessment on an irregular basis based on operational realities. During the reporting period, we reviewed and updated the integrity risk points, categorizing them into warning items and prohibited items, and revised the Xiamen Tungsten Integrity Risk Prevention and Control Manual accordingly to further strengthen integrity risk control across various business processes.

Disciplinary Committee continues to improve the integrity risk prevention and control audit management mechanism, continuously deepening the audit management of integrity risk prevention and control. Through pre-event supervision, we strengthen the oversight of "major matters, major projects, and major fund allocations" decision-making and major bidding decisions for the Company and its subsidiaries. The relevant functional departments of the Company and the disciplinary inspection and supervision personnel of each subsidiary incorporate the implementation of the integrity risk prevention and control audit management mechanism into daily inspections to ensure the effective execution of the mechanism and to prevent and avoid integrity risks. During the reporting period, we revised the Implementation Measures for Establishing the Integrity Risk Prevention and Control Audit Management Mechanism to promote the standardization and refinement of decision-making authority and process supervision for "major matters, major projects,

and major fund allocations." While promoting subsidiaries to carry out self-inspection and self-correction before making decisions on "major matters, major projects, and major fund allocations" and major bidding decisions, we organized disciplinary inspection personnel to attend and supervise a total of 547 meetings, including meetings on "major matters, major projects, and major fund allocations" at various levels of subsidiaries. We generated 662 self-inspection and audit forms, and for identified issues, we urged and completed rectifications, continuously enhancing supervision effectiveness.

Disciplinary Committee has formulated and continuously improved the Implementation Measures for the "1+X" Special Inspection on Implementing the Eight-Point Central Regulation and the Implementation Measures for the "One Theme per Quarter" Integrity Risk Prevention and Control Walkthrough Test. We resolutely implement the special inspection mechanism and the integrity risk prevention and control walkthrough test mechanism, continuously optimizing supervision methods. We organize regional disciplinary inspection group leaders to carry out various supervision and inspection activities for companies within their respective jurisdictions, promptly identifying issues in operational management and potential corruption acts. We urge relevant units to improve policies, optimize work processes, and strengthen supervision and execution, effectively preventing integrity risks and avoiding violations and corruption.

⊕ Special Supervision

During the reporting period, we carried out the following major special inspection activities based on operational realities:

- "1+X" Special Inspection: We conducted "1+X" special inspections on 37 subsidiaries, among which 14 subsidiaries were inspected through cross-inspection methods. We issued a total of 35 rectification recommendation letters, identified 349 issues, and urged the completion of rectifications.
- Major Holiday Inspections: Focusing on major holidays such as New Year's Day, Spring Festival, Labor Day, Dragon Boat Festival, Mid-Autumn Festival, and National Day, we organized overt and covert inspections on 6 subsidiaries, identified 48 issues, and urged the completion of rectifications.
- Overseas Subsidiary Inspections: Through the "Audit-Discipline Collaboration" mechanism, we conducted on-site supervision on the establishment of overseas integrity risk prevention and control mechanisms for 2 overseas subsidiaries, identified 25 issues, and urged rectifications, strengthening overseas integrity risk prevention and control.
- Case Quality Special Review: Based on the key issue list of the special governance initiative, we conducted a case-by-case review of all cases filed since 2024, and no disciplinary or regulatory violations were found.
- Key Task Special Inspection: In accordance with the annual political supervision responsibility list, we organized and conducted 40 supervision activities focusing on 8 key tasks, including "Advancing the Great Project of Party Building in the New Era," "Deepening State-Owned Enterprise Reform," and "New Infrastructure and New Urbanization Projects, Major National Strategies and Security Capability Building Projects." We identified 14 issues and urged the completion of rectifications.

⊕ Walkthrough Testing on Integrity Risk Control

During the reporting period, we focused on 17 integrity risk points including inventory management, and organized the "One Theme per Quarter" integrity risk prevention and control walkthrough tests for 57 subsidiary instances. We identified 259 issues and urged the relevant subsidiaries to implement rectifications, effectively promoting standardized management among the subsidiaries.

◎ Supplier Integrity Management

We have formulated and publicly issued the Supplier Code of Conduct, which explicitly requires suppliers to strictly adhere to integrity standards and prohibits any form of corruption, extortion, bribery, blackmail, embezzlement, or other acts involving improper interests.

To effectively prevent integrity risks in the supply chain, we continuously strengthen integrity management and outreach to suppliers. Based on their respective business realities, each subsidiary adopts management measures such as conducting credit risk investigations on prospective suppliers and requiring new suppliers to sign integrity commitments or integrity agreements, clearly setting forth integrity and compliance requirements for suppliers. Meanwhile, by distributing documents such as the Supplier Management Manual and the Supplier Code of Conduct to suppliers, we actively communicate business ethics standards and guide suppliers to jointly maintain an honest and trustworthy partnership ecosystem.

◎ Integrity Culture Development

We continue to deepen the development of an integrity culture. During the reporting period, we revised the Implementation Measures for Integrity Education, adding two modules—"Xiaoji Platform" and "Xiaoji Academy"—and expanded the number of columns from five to seven. We systematically integrated integrity education into the employee training framework across different levels and positions, achieving full coverage of integrity education for all employees. Leveraging the distinctive "Integrity XTC" integrity culture brand, we have established educational and outreach platforms such as the "Xiaoji Platform," "Xiaoji Academy," and "Xiaoji Commentary." Through channels such as the official WeChat account, internal bulletin boards, and warning education bases, we regularly carry out activities including discipline and legal education, case studies, integrity lectures, and family values promotion, driving the integrity culture to be internalized in the mind and externalized in action.

During the reporting period, we carried out the following integrity education and training activities, achieving a coverage rate of 100% for integrity education and outreach among employees:

⊕ Regular Education and Outreach:

- We innovated a dual-track education model combining "online columns with offline case studies," publishing 80 articles in a dedicated column on the "Integrity XTC" official WeChat account to guide all employees in strengthening their sense of integrity.
- Through "Xiaoji Academy," we organized four thematic training sessions, including "Learning from Cases to Fortify Discipline and Legal Awareness" and "Setting Sail in the Workplace: Fastening the First Button of Integrity," covering members of subsidiary leadership teams, newly promoted cadres, young cadres, and personnel in key positions.
- Through "Xiaoji Commentary," we produced four internal cautionary tales, including "The 'Human Traps' of Cigarettes and Tea," to enhance the deterrent effect of education by highlighting cases involving familiar individuals and incidents.

⊕ Thematic Education and Learning:

- We focused on building an "online and offline" education and publicity matrix. In conjunction with the in-depth implementation of the education campaign on upholding the Eight-Point Central Regulation, we, on one hand, launched a thematic learning column on the "Integrity XTC" official WeChat account to facilitate learning for personnel at all levels anytime and anywhere, strengthening work style development through subtle influence. On the other hand, we compiled cases of violations of the Eight-Point Central Regulation identified during supervision and discipline enforcement into cautionary tales and distributed them across the Group for study.

⊕ Integrity Education and Outreach Month Activities:

- "Sunshine Operations" Case Collection: We collected 60 outstanding practice cases and promoted the good practices and experiences of various subsidiaries through a dedicated column on the "Integrity XTC" official WeChat account.
- "Three Major Areas, Three Approaches" On-Site Education Activities: We organized 35 on-site education activities, with a total of 1,238 participants, guiding attendees to strengthen their awareness of integrity in their work.
- Thematic Warning Education Activities: We organized 137 study sessions on warning cases involving violations of the Eight-Point Central Regulation, with a total of 2,521 participants, further enhancing the deterrent effect of education through cases involving familiar individuals and incidents.
- Warning Education Poster Display: We carefully selected and produced six thematic posters on typical "prohibited" cases, including "Using Company Cars for Personal Errands: Not Allowed!" and "Using Official Trips for Personal Travel: Not Allowed!" These warning education posters were prominently displayed at all levels of subsidiaries, integrating integrity education into the daily work and life scenarios of employees.

achieving a coverage rate of
100%
for integrity education and outreach among employees

◎ Investigation and Accountability for Violations

We have formulated the Accountability Management Policy, establishing unified procedures for the investigation, handling, and accountability of conduct violating integrity requirements at the headquarters and all subsidiaries. This policy clearly defines the circumstances of violations and accountability provisions in areas such as internal management and risk control, labor discipline and code of conduct, procurement and sales management, safety and environmental protection, and integrity and self-discipline.

For suspected disciplinary or regulatory violations, the headquarters and each subsidiary will form a working group based on the nature of the suspected violation, conduct verification and investigation, and propose handling opinions. After review and approval by the corresponding decision-making body, the matter will be handled strictly in accordance with regulations and discipline. For the responsible parties, we will implement accountability in accordance with the provisions, including but not limited to: circulating a notice of criticism, disciplinary warning, suspension, job transfer, demotion, request for resignation, deduction or recovery of performance-based pay or term incentive income, and recovery of long-term incentive gains.

Anti-unfair Competition

In building an open, fair, and just market competition ecosystem, we have always prioritized compliant operations and business ethics, taking concrete actions to demonstrate our firm commitment to a healthy market order. We strictly comply with the Anti-Unfair Competition Law of the People's Republic of China, the Anti-Monopoly Law of the People's Republic of China, and other relevant laws and regulations in China and the regions where we operate. We have formulated and implemented the Code of Business Conduct, which explicitly prohibits any form of unfair competition. We advocate for free and fair market competition, resolutely refrain from using improper means to obtain competitors' trade secrets, fabricating or spreading false information, or engaging in fraud or other acts that disrupt market order, and are committed to working with all parties to maintain a healthy market competition environment.

During the reporting period, we did not engage in any unfair competition activities, nor were there any related lawsuits or major administrative penalties.

Tax Compliance

We have always adhered to the tax policies, laws and regulations in the locations where we operate, as well as our internal management policies such as the Tax Management Policy, in our global operations. We abide by the principles of compliant operations, honest tax payment, and transparent management, and are committed to building a transparent and efficient tax governance system. We take the fulfillment of taxpayer obligations in accordance with the law as our basic principle and regard fostering a fair and orderly tax environment as our responsibility. While continuously strengthening tax management and protecting the rights and interests of shareholders, we actively fulfill our corporate social responsibilities and support the sustained and healthy economic and social development of the regions where we operate.

To systematically carry out tax management, the Company's headquarters Financial Management Center is responsible for coordinating, guiding, and supervising the daily tax matters of each subsidiary, ensuring that they comply with local tax regulations. Through a robust internal control system, we continuously conduct systematic identification, assessment, and control of tax risks, and carry out internal tax audits on an irregular basis to proactively prevent tax risks. We closely monitor tax policy developments in each of our operating locations, promptly assess their impact on our operations, and incorporate tax risks and tax burdens into daily operations and major decisions, ensuring alignment between business activities and tax compliance. To enhance tax compliance capabilities, we continuously strengthen the professional development of our tax team, organizing internal and external tax training sessions on an irregular basis to enhance compliance awareness, professional skills, and practical capabilities.

We adhere to the principle of transparent communication, maintain regular exchanges with tax authorities in the locations of our headquarters and subsidiaries, promptly consult and understand the tax laws, regulations, policies, and operational norms applicable to our business activities, ensuring accurate and compliant tax handling. Meanwhile, we actively participate in policy seminars and research activities organized by tax authorities at the national, provincial, and municipal levels, offering suggestions and recommendations on tax policy optimization, implementation of tax incentives, and tax cost management, contributing to the continuous improvement of the tax business environment.

During the reporting period, we paid a total of 1,552.56 million CNY in taxes, and no tax-related violations occurred.

Complaint Mechanism and Whistleblower Protection

We value feedback from both internal and external stakeholders and encourage employees, customers, suppliers, local communities, and other stakeholder groups to continuously monitor our conduct and report any violations of laws, regulations, company rules, or business ethics. We also welcome suggestions and concerns from stakeholders regarding business ethics, human rights protection, environmental responsibility, and occupational health and safety. Together, we strive to promote the Company's development toward greater responsibility and sustainability.

◎ Complaint Mechanism

We have established and improved a complaint and reporting mechanism as well as an investigation and handling mechanism, providing stakeholders with diverse and accessible channels for complaints and reports. Adhering to the principles of fairness and impartiality, we strictly follow relevant regulations in carrying out complaint acceptance, investigation, and handling procedures, and provide timely feedback to complainants on investigation results and corresponding corrective measures.

We have made available complaint and reporting channels to stakeholders and the public through channels such as the Company's official website and the "Integrity XTC" official WeChat account. The Discipline Inspection and Supervision Office is responsible for accepting complaints and reports. Complainants may use the following channels to file a real-name or anonymous complaint or report against any entity or individual suspected of duty-related violations, duty-related crimes, or irregular operations and investments:

- Complaint and Reporting Hotline: 0592-3357718
- Complaint and Reporting Email: XWJJ@CXTC.COM
- Correspondence Address: 21st Floor, Xiangye International Tower, No. 81 Zhanhong Road, Siming District, Xiamen City, Fujian Province

In addition to the above public channels, we also provide employees with direct and clear reporting channels through the OA intranet and the enterprise WeChat internal platform, and actively communicate the complaint and reporting mechanism and channels to employees during integrity education and training. For business partners, we also inform them of the corresponding reporting methods in the integrity commitment letter or integrity agreement. Each subsidiary also makes reporting channels publicly available through channels such as its corporate website and intranet, and designates dedicated personnel to receive and handle relevant reports and appeals.

In the locations where we operate, we also proactively establish transparent communication mechanisms. For example, we set up complaint signs with clear contact information at mining sites, and conduct regular visits to residents around the mining areas to actively seek feedback and promptly respond to and address their concerns.

To encourage active supervision from all parties, we have established a complaint and reporting reward policy: whistleblowers who provide valid leads that are verified through investigation will receive corresponding rewards based on the direct economic losses recovered; business partners who proactively report issues or provide key leads will also receive rewards as appropriate, working together to maintain an honest and trustworthy business environment.

◎ Whistleblower Protection

We comply with relevant laws and regulations as well as internal normative documents such as the Guidelines for the Disposal of Disciplinary Inspection and Supervision Leads and the Code of Conduct for Disciplinary Inspection and Supervision Cadres. We have also specially formulated the Measures for the Protection and Reward of Whistleblowers, which we have made public to society through channels including the "Integrity XTC" official WeChat account, thereby effectively safeguarding the legitimate rights and interests of whistleblowers.

The whistleblower protection measures implemented by us mainly include:

- We allow anonymous complaints, strictly prohibit any organization or individual from obstructing or suppressing lawful complaints and reports in any form, and strictly prohibit the unauthorized tracing of the complainant's identity.
- We strictly implement a confidentiality mechanism, exercising rigorous management over complaint materials and complainant information obtained during all stages including acceptance, registration, storage, and investigation.
- Any act of disclosing complaint information or engaging in retaliation against complainants will be dealt with severely in accordance with laws and regulations, and the relevant legal responsibilities will be pursued.

05

Appendix

- Data Overview
- Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies-Sustainability Report (Trial) Index
- SASB Index
- Indicators Reference for ESG Reports of Listed Chinese Central State-Owned Enterprises Index
- China Mining Association Standards: Social and Governance (ESG) Information Disclosure General Rules
- ESRS Index
- ISSB Standards Index
- GRI Index
- Independent Assurance Statement

◎ Data Overview/Environmental

Indicators	Unit	2021	2022	2023	2024	2025
Emissions and Discharge						
GHG Emissions						
Scope 1 – Direct GHG emissions[1]	tCO_2e	63,697.92	92,374.09	119,050.49	127,813.04	158,291.20
Scope 2 – Indirect GHG emissions from purchased energy (market-based)[2]	tCO_2e	506,048.41	466,589.87	555,939.33	662,836.03	564,655.75
Scope 2 – Indirect GHG emissions from purchased energy (location-based)	tCO_2e	/	/	/	/	1,177,126.99
Total GHG emissions (Scope 1+ Scope 2) (market-based)	tCO_2e	569,746.33	558,963.96	674,989.82	790,649.07	722,946.95
Total GHG emissions (Scope 1+ Scope 2) (location-based)	tCO_2e	/	/	/	/	1,335,418.19
Scope 3 – Other indirect GHG emissions[3]	tCO_2e	/	/	1,426,485.46	5,761,436.35	20,570,473.94
Emission intensity (Scope 1+ Scope 2) (market-based)	tCO_2e / hundred-million CNY of operating revenue	1,788.72	1,159.13	1,713.26	2,246.39	1,562.64
Air Pollutants[4]						
NOx emissions	Ton	15.19	15.56	18.22	14.79	20.19
SOx emissions	Ton	3.43	3.93	3.10	3.19	1.59
PM emissions	Ton	81.76	34.82	29.06	25.70	28.79
Non-methane total hydrocarbon emissions	Ton	/	/	2.57	4.74	2.30
Ammonia emissions	Ton	/	/	6.15	5.45	7.56
Cobalt and its compounds emissions	Ton	/	/	0.02	0.03	0.02
Nickel and its compounds emissions	Ton	/	/	0.02	0.06	0.07
Manganese and its compounds emissions	Ton	/	/	0.01	0.01	0.01
Sulfuric acid mist emissions	Ton	/	/	0.94	1.82	1.05
Volatile organic compounds emissions	Ton	/	/	0.45	0.76	1.86
Hydrogen chloride emissions	Ton	/	/	2.51	1.39	0.39

1 The increase in the Company's total Scope 1 GHG emissions in 2025 was mainly due to business expansion, while the emission intensity (Scope 1+Scope 2) decreased compared with the previous year. Despite production capacity growth, the Company advanced low-carbon development by continuously improving operational energy efficiency and optimizing the energy structure.
2 The reduction in the Company's Scope 2 GHG emissions in 2025, achieved despite increased production capacity, was mainly due to continuous optimization of the energy structure, the proactive increase in the proportion of clean electricity, and systematic efforts to drive low-carbon transformation at the operational level.
3 The increase in the Company's Scope 3 GHG emissions compared with the previous year in 2025 was mainly due to the inclusion of emission data from six subsidiaries, including Xiamen CTID Technology Co., Ltd., for the first time during the reporting period, as well as the corresponding increase in value chain-related emissions driven by the Company's overall production capacity expansion.
4 The increase in the Company's air pollutant emissions in 2025 compared with the previous year was mainly due to the expansion of the Company's business scale during the reporting period.

Indicators	Unit	2021	2022	2023	2024	2025
Wastewater and Wastewater Pollutants[5]						
Wastewater discharge volume	m^3	3,145,453.34	3,760,687.31	4,658,115.27	4,493,472.26	3,224,131.40
Ammonia nitrogen discharge	Ton	19.64	18.76	19.22	19.33	15.18
Chemical oxygen demand discharge	Ton	237.15	181.17	229.10	245.83	158.86
Biochemical oxygen demand discharge	Ton	/	/	51.55	80.12	46.26
Total nitrogen discharge	Ton	/	/	25.06	20.55	21.23
Total lead discharge	Ton	/	/	0.06	0.14	0.13
Total arsenic discharge	Ton	/	/	0.41	0.30	0.24
Total nickel discharge	Ton	/	/	0.17	0.08	0.13
Total chromium discharge	Ton	/	/	0.03	0.02	0.07
Total cadmium discharge	Ton	/	/	0.01	0.04	0.03
Total cobalt discharge	Ton	/	/	0.45	0.24	0.18
Total molybdenum discharge	Ton	/	/	0.03	0.03	0.04
Total zinc discharge	Ton	/	/	0.05	0.04	0.02
Total copper discharge	Ton	/	/	0.01	0.04	0.03
Total manganese discharge	Ton	/	/	0.29	0.18	0.15
Total phosphorus discharge	Ton	/	/	2.26	2.05	1.38
Total iron discharge	Ton	/	/	0.01	0.03	0.004
Hazardous Waste[6]						
Transfer and disposal volume of hazardous waste	Ton	/	1,444.53	1,419.52	1,319.14	1,814.72
General Waste[7]						
Industrial waste generated	Ton	/	/	84,091.64	85,269.69	86,409.75
Industrial waste recycled	Ton	/	/	38,441.26	41,948.27	81,713.10
Industrial waste recycling rate	%	/	/	45.71	49.19	94.56
Tailings Slag						
Annual waste rock volume	Ton	/	/	8,645,260.20	9,775,323.13	9,507,274.76
Annual tailings volume	Ton	/	/	3,350,299.09	6,421,962.45	6,540,741.19
Total slag volume	Ton	/	/	11,995,559.29	16,197,285.58	16,048,015.95
Total recycled slag volume	Ton	/	/	1,701,500.93	2,297,597.35	1,520,966.43
Used tailings pond capacity	Ton	/	/	45,034,672.11	47,523,639.40	50,075,933.78

5 In 2025, by enhancing wastewater treatment capabilities, the Company achieved a reduction in total wastewater pollutant emissions while increasing production capacity.
6 The increase in the Company's total transfer and disposal volume of hazardous waste in 2025 compared with the previous year was mainly due to the increase in production capacity during the reporting period.
7 In 2025, despite production capacity growth, the Company significantly enhanced the resource utilization of industrial waste, effectively limiting the final disposal volume of industrial waste.

Indicators	Unit	2021	2022	2023	2024	2025
Resource Consumption						
Energy Consumption[8]						
Electricity consumption	kWh	1,320,019,912.25	1,306,800,564.19	1,631,612,744.27	1,828,341,666.09	2,064,830,104.23
Including: Clean electricity consumption	kWh	/	637,424,211.20	810,047,274.25	857,796,797.86	1,263,600,228.40
Including: Nuclear power consumption	kWh	/	/	698,490,555.07	571,791,536.12	1,028,987,267.36
Photovoltaic power consumption	kWh	/	/	8,165,697.49	16,885,954.26	23,403,536.33
Wind power consumption	kWh	/	/	80,996,041.69	198,845,956.49	109,832,562.57
Hydropower consumption	kWh	/	/	22,394,980.00	70,273,351.00	99,500,000.00
Other clean electricity consumption	kWh	/	/	/	/	1,876,862.14
Clean electricity proportion	%	/	48.78	49.65	46.92	61.20
Steam consumption	Ton	278,905.08	327,082.90	282,283.46	341,749.66	313,807.85
Natural gas consumption	m^3	9,850,320.79	13,788,147.96	21,329,644.73	22,700,128.41	32,435,058.33
Coal consumption	Ton	5,692.00	5,752.66	6,453.55	6,835.92	6,480.54
Liquefied gas consumption	Ton	/	16.78	18.00	3.79	2.95
Gasoline consumption	Litre	324,453.44	256,157.90	254,199.65	201,790.25	167,915.08
Diesel consumption	Litre	1,534,911.05	3,611,015.08	3,764,841.67	4,454,731.18	3,990,892.66
Comprehensive energy consumption	tce	/	/	267,787.69	297,946.44	336,439.34
Energy intensity	tce/ hundred-million CNY of operating revenue	661.12	459.93	679.70	846.52	727.21
Water Resources[9]						
Water withdrawal	m^3	8,349,707.70	7,909,348.87	8,230,436.96	7,449,958.23	6,787,415.93
Water consumption	m^3	5,204,254.36	4,148,661.56	3,572,321.69	2,956,485.97	3,563,284.53
Water use intensity	m^3/ hundred-million CNY of operating revenue	16,338.77	8,603.25	9,067.29	8,399.95	7,701.98
Green Mines/factories						
Proportion of green mines	%	/	/	/	/	50.00
Proportion of green factories	%	/	/	/	/	23.81

8 The Company's total electricity consumption increased in 2025 due to business expansion, while energy consumption intensity declined compared with the previous year. By proactively increasing the proportion of clean electricity and continuously optimizing its energy mix, the Company effectively drove low-carbon transformation without compromising operations.

9 The company has revised its water-related data to accurately reflect the actual performance.

◎ Data Overview/Employee

Indicators	Unit	2021	2022	2023	2024	2025
Total Employees						
Total number of employees	Person	14,508	15,912	17,549	17,899	19,486
Including: Employees with signed labor contracts	Person	/	/	16,971	17,344	18,592
Other workers[10]	Person	/	/	578	555	894
Employee Composition						
Employee Composition by Gender						
Male	Person	10,679	11,702	12,842	13,085	14,372
Female	Person	3,829	4,210	4,707	4,814	5,114
Employee Composition by Age						
Under 30	Person	3,472	3,966	4,853	4,978	5,381
Between 30-50	Person	9,794	10,763	11,392	11,434	12,448
Over 50	Person	1,242	1,183	1,304	1,487	1,657
Employee Composition by Nationality						
China	Person	/	/	17,406	17,785	19,365
Brazil	Person	/	/	12	14	8
Germany	Person	/	/	9	6	6
South Korea	Person	/	/	1	1	1
Japan	Person	/	/	5	3	4
Thailand	Person	/	/	116	87	97
Georgia	Person	/	/	/	1	1
Malta	Person	/	/	/	1	0
Vietnam	Person	/	/	/	1	1
Hungary	Person	/	/	/	/	1
Switzerland	Person	/	/	/	/	1
Jordan	Person	/	/	/	/	1
Employee Composition by Ethnic						
Han	Person	/	/	/	/	18,593
Ethnic minorities	Person	/	/	/	/	776
Others (non-Chinese ethnic groups)	Person	/	/	/	/	117

10 Other workers include labor dispatch personnel, rehired retirees, interns.

Indicators	Unit	2021	2022	2023	2024	2025
Employee Composition by Education						
Doctorate	Person	48	45	53	61	70
Master's degree		557	607	761	935	1,170
Bachelor's degree		2,922	3,339	3,652	3,885	4,442
College degree		1,829	2,006	2,091	2,246	2,847
Below college degrees		9,152	9,915	10,992	10,772	10,957
Employee Composition by Function						
Production personnel	Person	10,351	11,350	12,691	12,479	13,338
Sales personnel		542	643	680	677	827
Technical personnel		1,499	1,724	1,935	2,258	2,489
Financial personnel		246	263	266	274	315
Administrative personnel		1,870	1,932	1,977	2,211	2,517
Female production personnel		/	/	3,230	3,257	3,348
Female sales personnel		/	/	231	197	272
Female technical personnel		/	/	287	390	422
Female financial personnel		/	/	166	152	173
Female administrative personnel		/	/	793	818	899
Number of employees in Science, Technology, Engineering, and Mathematics (STEM) positions		/	/	/	/	2,546
Number of female employees in Science, Technology, Engineering, and Mathematics (STEM) positions		/	/	/	/	436
Proportion of female employees in Science, Technology, Engineering, and Mathematics (STEM) positions	%	/	/	/	/	17.12
Management Composition						
Management team (mid-level management and above, including senior management)	Person	/	690	662	654	777
Including: Senior management		/	/	5	5	5
Including: Management personnel of Chinese nationality (mid-level management and above, including senior executives)		/	/	/	/	777
Female management (mid-level management and above, including senior management)		78	122	112	96	107
Including: Female senior management		/	/	1	1	1
Proportion of female management (mid-level management and above, including senior management)	%	11.84	17.68	16.92	14.68	13.77
Proportion of female senior management		/	/	20.00	20.00	20.00
Proportion of female management in revenue-generating departments[11]		/	/	/	/	10.43
Local Employment						
Number of employees hired from the local province	Person	/	/	12,506	12,551	13,026
Proportion of employees hired from the local province	%	/	/	71.26	70.12	66.85
Number of female employees hired from the local province	Person	/	/	3,342	3,332	3,491
Proportion of female employees hired from the local province	%	/	/	71.00	69.21	68.26
Number of senior management hired from the local province	Person	/	/	4	5	5
Proportion of senior management hired from the local province	%	/	/	80.00	100.00	100.00
Number of female senior management hired from the local province	Person	/	/	1	1	1
Proportion of female senior management hired from the local province	%	/	/	100.00	100.00	100.00
Signing of Labor Contracts						
Labor contract signing rate	%	/	/	100.00	100.00	100.00
Employment of Disabled Individuals						
Number of employees with disabilities	Person	/	20	37	24	22
Proportion of employees with disabilities	%	/	0.13	0.21	0.13	0.11
Employee Turnover[12]						
Number of employees at the beginning of the year[13]	Person	/	/	15,494	16,971	17,867
Number of new hires for the year		/	/	6,324	5,400	3,899
Number of employee departures		/	/	4,772	4,847	3,174

11 The statistical scope of the proportion of female management in revenue-generating departments covers mid-level managers and above, including senior management.
12 The statistical scope of the Company's employee turnover covers employees who have signed labor contracts.
13 The total number of employees at the beginning of 2025 includes XTC Motor Industry and its subsidiaries, which were included in the Company's consolidation scope during the reporting period.

Indicators	Unit	2021	2022	2023	2024	2025
Including: Number of male employee departures	Person	/	/	3,767	3,459	2,459
Number of female employee departures		/	/	1,005	1,388	715
Including: Number of employee departures under 30 years old		/	/	/	/	1,501
Number of employee departures aged 30 to 50		/	/	/	/	1,521
Number of employee departures aged over 50		/	/	/	/	152
Including: Number of Chinese employee departures		/	/	4,698	4,808	3,105
Number of Thai employee departures		/	/	71	32	57
Number of German employee departures		/	/	2	3	1
Number of Japanese employee departures		/	/	1	0	2
Number of Brazilian employee departures		/	/	/	3	7
Number of Uruguayan employee departures		/	/	/	1	0
Number of South Korean employee departures		/	/	/	/	1
Number of Maltese employee departures		/	/	/	/	1
Annual turnover rate	%	/	/	21.87	21.67	14.58
Employee Training						
Average annual compensation of male senior management	Ten-thousand CNY	/	/	1,161.49	1,077.66	925.35
Average annual compensation of female senior management	Participant	/	/	/	104,804	119,846
Total training hours	Hour	/	/	/	446,475	456,033
Employee Compensation and Performance						
Average annual compensation of male senior management	Ten-thousand CNY	/	/	/	/	385.28
Average annual compensation of female senior management		/	/	/	/	298.55
Proportion of employees receiving regular performance and career development reviews[14]	%	/	/	/	/	100.00
Freedom of Association and Collective Bargaining[15]						
Percentage of employees who are trade union members	%	/	/	/	/	100.00
Percentage of employees covered by collective bargaining agreements	%	/	/	/	/	100.00

◎ Data Overview/Occupational Health and Safety

Indicators	Unit	2021	2022	2023	2024	2025
Work Safety Investment						
Total annual work safety investment	Ten-thousand CNY	/	11,932.72	14,555.58	14,885.82	15,328.64
Work Safety Training and Emergency Drills						
Total number of work safety training participants	Participant	62,289	49,751	64,957	81,793	137,022
Total work safety training hours	Hour	117,019	112,195	112,341	114,915	203,154
Number of safety training sessions	Times	/	/	2,406	3,336	4,796
Number of safety emergency drills	Times	/	621	648	1,152	1,308
Number of participants in safety emergency drills	Participant	/	/	27,232	32,495	31,524
Work Safety Accident						
Extra-major accident	Case	0	0	0	0	0
Major accident		0	0	0	0	0
Serious accident		0	0	0	0	0
Number of work-related injury accidents		/	19	26	21	22

14 The statistical scope of employees receiving regular performance and career development reviews covers employees who have signed labor contracts.
15 The statistical scope of the Company's indicators for freedom of association and collective bargaining covers employees who have signed labor contracts.

Indicators	Unit	2021	2022	2023	2024	2025
Occupational Health and Safety Performance						
Number of work-related injuries[16]	Person	/	19	26	21	32
Number of work-related fatalities		0	0	0	0	1
Work-related fatality rate	%	0.00	0.00	0.00	0.00	0.005
Total hours lost due to work-related injuries	Day	/	/	/	540	1,239.75
Total Lost Worktime Rate	/	/	/	/	96.25	215.95
Lost Time Incident Rate (LTIR)	/	/	/	/	0.47	0.48

◎ Data Overview/Market

Indicators	Unit	2021	2022	2023	2024	2025
R&D Investment and Personnel						
Annual R&D investment	Ten-thousand CNY	127,575.35	172,893.94	160,857.08	145,615.49	173,966.63
R&D investment as a percentage of revenue from core business	%	/	/	/	4.21	3.82
Number of R&D personnel	Person	/	/	/	2,624	2,826
Proportion of R&D personnel	%	/	/	/	14.66	14.50
Intellectual Property						
Number of new patent applications	Item	137	453	427	410	477
Number of new patents granted		110	384	337	325	577
Number of new copyright registrations		/	/	9	11	73
Number of new trademark applications		/	/	65	46	29
Number of new trademark registrations		/	/	28	66	107
Number of patents held as of the end of the reporting period		/	/	/	1,973	2,502
Number of copyrights held as of the end of the reporting period		/	/	/	117	195
Number of trademarks held as of the end of the reporting period		/	/	/	765	888
Number of dispute cases arising from infringement of third-party intellectual property rights	Case	/	/	/	0	0

16 All work-related injuries that occurred at the Company in 2025 were categorized as minor injuries. The Company will continue to strengthen its safety management system, deepen risk identification and preventive measures, and continuously reduce the total number of recordable work-related injuries.

Indicators	Unit	2021	2022	2023	2024	2025
Information Security and Customer Privacy Breaches						
Information security incidents	Case	/	/	/	0	0
Customer privacy breaches		/	/	/	0	0
Non-affiliated Suppliers (By Region)[17]						
Number of non-affiliated suppliers in Mainland China	Count	4,355	4,576	4,678	4,635	5,747
Number of non-affiliated suppliers in other regions		172	179	162	144	175
Total number of non-affiliated suppliers		4,527	4,755	4,840	4,779	5,922

◎ Data Overview/Social Contributions

Indicators	Unit	2021	2022	2023	2024	2025
Volunteer Service						
Total number of volunteer participants	Participant	576	696	1,019	802	1,430
Total volunteer hours	Hour	2,777	2,469	1,618	2,644.50	2,890
National Strategy Response						
Green and low-carbon industry transition	Ten-thousand CNY	/	/	/	269.87	284.37
Rural revitalization		/	/	221.44	247.56	339.54
The Belt and Road Initiative and overseas responsibility		/	/	8,529.74	8,267.89	5,105.00
Industry-specific and other social responsibilities		/	/	505.72	273.71	341.38
Social Donations						
Total amount of social donations	Ten-thousand CNY	723.77	823.36	674.22	548.78	496.32

◎ Data Overview/Governance

Indicators	Unit	2021	2022	2023	2024	2025
Violations of Business Ethics						
Number of conflict of interest incidents	Case	/	/	/	0	0
Number of money laundering or insider trading incidents		/	/	/	0	0
Number of incidents involving litigation or significant administrative penalties due to unfair competition practices		/	/	/	0	0

17 In 2025, the number of non-affiliated suppliers of the Company increased compared with the same period of the previous year. This was mainly due to the inclusion of XTC Motor Industry and its subsidiaries into the Company's consolidation scope during the reporting period, which correspondingly brought in their existing suppliers.

◎ Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies-Sustainability Report (Trial) Index

Topics	Articles	Location
Chapter III Environmental Disclosure		
Climate change tackling	Article 21-28	Climate Change Tackling
Pollutant discharge	Article 30	Pollutant Discharge
Waste disposal	Article 31	Waste Disposal
Ecosystem and biodiversity protection	Article 32	Ecosystem and Biodiversity Protection
Environmental compliance management	Article 33	Environmental Compliance Management
Energy usage	Article 35	Energy Usage
Usage of water resources	Article 36	Usage of Water Resources
Circular economy	Article 37	Circular Economy
Chapter IV Social Disclosure		
Rural revitalization	Article 39	Rural revitalization
Contributions to the society	Article 40	Community Co-development Community Engagement Community Care
Innovation-driven	Article 42	Innovation-Driven
Ethics of science and technology	Article 43	Innovation-Driven
Supply chain security	Article 45	Supply Chain Security Responsible Mineral Management
Equal treatment to small and medium-sized enterprises	Article 46	Equal Treatment to Small and Medium-sized Enterprises
Safety and quality of products and services	Article 47	Safety and Quality of Products and Services
Data security and customer privacy protection	Article 48	Data Security and Customer Privacy Protection
Employees	Article 50	Employees
Chapter V Corporate Governance Information Related to Sustainable Development Disclosure		
Due diligence	Article 52	Assessment and Management of Material Matters Climate-Related Risks, Opportunities, and Financial Impacts Responsible Mineral Management
Communications with stakeholders	Article 53	Communications with Stakeholders
Anti-commercial bribery and anti-corruption	Article 55	Anti-Commercial Bribery and Anti-Corruption
Anti-unfair competition	Article 56	Anti-unfair Competition

◎ SASB Index

SASB Topics	Accounting Metrics	Location
Greenhouse Gas Emissions	EM-MM-110a.1: Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations	Climate change tackling Data Overview
	EM-MM-110a.2: Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions,emissions reduction targets, and an analysis of performance against those targets	Climate Change Tackling
Air Quality	EM-MM-120a.1: Air emissions of the following pollutants: (1) CO, (2) NO_X (excluding N,O), (3) SO_X, (4) particulate matter (PM_{10}), (5) mercury (Hg), (6) lead (Pb), and (7) volatile organic compounds (VOCs)	Pollutant Discharge Data Overview
Energy Management	EM-MM-130a.1: (1) Total energy consumed, (2) percentage grid electricity and (3) percentage renewable	Climate Change Tackling Energy Usage Data Overview
Water Management	EM-MM-140a.1: (1) Total water withdrawn, (2) total water consumed; percentage of each in regions with High or Extremely High Baseline Water Stress	Usage of Water Resources Data Overview
	EM-MM-140a.2: Number of incidents of non-compliance associated with water quality permits,standards and regulations	Usage of Water Resources
Waste & Hazardous Materials Management	EM-MM-150a.4 Total weight of non-mineral waste generated	Waste Disposal Data Overview
	EM-MM-150a.5: Total weight of tailings produced	Waste Disposal Data Overview
	EM-MM-150a.6: Total weight of waste rock generated	Waste Disposal Data Overview
	EM-MM-150a.7: Total weight of hazardous waste generated	Waste Disposal Data Overview
	EM-MM-150a.8: Total weight of hazardous waste recycled	Waste Disposal Circular Economy Data Overview
	EM-MM-150a.9: Number of significant incidents associated with hazardous materials and waste management	Waste Disposal
	EM-MM-150a.10: Description of waste and hazardous materials management policies and procedures for active and inactive operations	Waste Disposal

SASB Topics	Accounting Metrics	Location
Biodiversity Impacts	EM-MM-160a.1: Description of environmental management policies and practices for active sites	Ecosystem and Biodiversity Protection
	EM-MM-160a.2: Percentage of mine sites where acid rock drainage is: (1) predicted to occur, (2) actively mitigated, and (3) under treatment or remediation	Not covered in this report
	EM-MM-160a.3: Percentage of (1) proved and (2) probable reserves in or near sites with protected conservation status or endangered species habitat	Not covered in this report
Security, Human Rights & Rights of indigenous Peoples	EM-MM-210a.1: Percentage of (1) proved and (2) probable reserves in or near areas of conflict	Not applicable
	EM-MM-210a.2: Percentage of (1) proved and (2) probable reserves in or near indigenous land	Not applicable
	EM-MM-210a.3: Discussion of engagement processes and due diligence practices with respect to human rights, indigenous rights, and operation in areas of conflict	Community Co-development Community Engagement Responsible Mineral Management
Community Relations	EM-MM-210b.1: Discussion of process to manage risks and opportunities associated with community rights and interests	Community Co-development Community Engagement
	EM-MM-210b.2: Number and duration of non-technical delays	Not applicable
Labour Relations	EM-MM-310a.1: Percentage of active workforce covered under collective bargaining agreements, broken down by U.S.and foreign employees	Employee Communication Data Overview
	EM-MM-310a.2: Number and duration of strikes and lockouts.	Not covered in this report
Workforce Health & Safety	EM-MM-320：：(1)MSHA all-incidence rate, (2) fatality rate (3) near miss frequency rate (NMFR) and (4) average hours of health, safety, and emergency response training for (a) full-time employees and (b) contract employees	Data Overview
Business Ethics & Transparency	EM-MM-510a.1: Description of the management system for prevention of corruption and bribery throughout the value chain	Anti-Commercial Bribery and Anti-Corruption
	EM-MM-510a.2: Production in countries that have the 20lowest rankings in Transparency International's Corruption Perception index	Not covered in this report
Tailings Storage Facilities Management	EM-MM-540a.1: Tailings storage facility inventory table: (1)facility name, (2) location, (3) owner ship status, (4) operational status, (5) construction method, (6) maximum permitted storage capacity, (7) current amount of tailings stored, (8) consequence classification, (9) date of most recent independent technical review, (10) material findings, (11) mitigation measures (12) site-specific EPRP	Environmental Compliance Management
	EM-MM-540a.2: Summary of tailings management systems and governance structure used to monitor and maintain the stability of tailings storage facilities	Employees

◎ Indicators Reference for ESG Reports of Listed Chinese Central State-Owned Enterprises Index

Environmental

Primary Indicators	Secondary Indicators	Tertiary Indicators	Location
E.1 Resource Consumption	E.1.1 Water Resource	E.1.1.1 Fresh-water consumption	Data Overview
		E.1.1.2 Circulating water usage	Usage of Water Resources Data Overview
		E.1.1.3 The proportion of circulating water usage	Usage of Water Resources Data Overview
		E.1.1.4 Water resource consumption intensity	2025 Economic, Environmental and Social Impact Usage of Water Resources
	E.1.2 Materials	E.1.2.1 Consumption of non-renewable materials	Data Overview
		E.1.2.2 Consumption of toxic and hazardous materials	Not covered in this report
		E.1.2.3 Material consumption intensity	Not covered in this report
	E.1.3 Energy	E.1.3.1 Fossil energy consumption	Energy Usage Data Overview
		E.1.3.2 Non-fossil energy consumption	Climate Change Tackling Energy Usage Data Overview
		E.1.3.3 The proportion of non-fossil energy consumption	Climate Change Tackling Energy Usage
		E.1.3.4 The total energy consumption	Energy Usage Data Overview
		E.1.3.5 The energy consumption intensity	2025 Economic, Environmental and Social Impact
	E.1.4 Packaging materials	E.1.4.1 The amount of packaging materials used	Data Overview
		E.1.4.2 Light-weighting and reduction of packaging materials	Circular Economy
E.2 Pollution prevention and control	E.2.1 Wastewater	E.2.1.1 The compliance status of wastewater discharge	Pollutant Discharge
		E.2.1.2Wastewater management and emission reduction measures	Pollutant Discharge
		E.2.1.3 Volume of wastewater discharge	Data Overview
		E.2.1.4 Volume of pollutants discharged in wastewater	Pollutant Discharge Data Overview
		E.2.1.5 Concentration of pollutants discharged in wastewater	Pollutant Discharge
	E.2.2 Exhaust Air	E.2.2.1 Compliance status of exhaust gas emissions	Pollutant Discharge
		E.2.2.2 Volume of air pollutants emitted	Pollutant Discharge Data Overview
		E.2.2.3 Concentration of air pollutants emitted	Pollutant Discharge
	E.2.3 Solid waste	E.2.3.1 Compliance with legal regulations on solid waste disposal	Waste Disposal
		E.2.3.2 Management of general industrial solid waste	Waste Disposal
		E.2.3.3 Disposal volume of general industrial solid waste	Waste Disposal Data Overview
		E.2.3.4 Management of hazardous waste	Waste Disposal
		E.2.3.5 Volume of hazardous waste disposed	Waste Disposal Data Overview

Primary Indicators	Secondary Indicators	Tertiary Indicators	Location
E.3 Climate change	E.3.1 GHG emissions	E.3.1.1 Sources and types of GHG emissions	Climate Change Tackling
		E.3.1.2 GHG Emissions Management	Climate Change Tackling
		E.3.1.3 Scope 1 emission	Climate Change Tackling Data Overview
		E.3.1.4 Scope 2 emission	Climate Change Tackling Data Overview
		E.3.1.5 Scope 3 emission	Climate Change Tackling Data Overview
		E.3.1.6 GHG emission intensity	2025 Economic, Environmental and Social Impact Data Overview
	E.3.2 Emission reduction management	E.3.2.1 Management of GHG emission reduction	Climate Change Tackling
		E.3.2.2 GHG emission reduction	Climate Change Tackling
	E.3.3 Environmental rights trading	E.3.3.1 Participation in the carbon emissions trading market	Not covered in this report
		E.3.3.2 Participation in the energy rights, water rights, and pollution rights trading markets	Usage of Water Resources Pollutant Discharge
		E.3.3.3 Participation in green electricity trading	Climate Change Tackling
	E.3.4 Climate risk management	E.3.4.1 Climate risk management	Climate Change Tackling
E.4 Biodiversity	E.4.1 Impact of production, services, and products on biodiversity	E.4.1.1 Impacts of production, services, and products on biodiversity	Ecosystem and Biodiversity Protection
E.5 Measures for resource and environmental management systems	E.5.1 Setting Low-Carbon Development Goals and Strategic Measures	E.5.1.1 Setting low-carbon development goals and strategic measures	Climate Change Tackling
	E.5.2 Resource management measures	E.5.2.1 Water resource management	Usage of Water Resources
		E.5.2.2 Material use management	Climate Change Tackling Circular Economy
		E.5.2.3 Energy use and energy efficiency management	Energy Usage
	E.5.3 Energy-saving and carbon reduction monitoring, statistical reporting, and assessment system	E.5.3.1 Energy-saving and carbon reduction monitoring, statistical reporting, and assessment system	Energy Usage
	E.5.4 Green environmental actions and measures	E.5.4.1 Clean production	Pollutant Discharge
		E.5.4.2 Green technology upgrading and recycling	Climate Strategy Circular Economy
		E.5.4.3 Green building renovation	Energy Usage
		E.5.4.4 Green office and operations	Energy Usage Usage of Water Resources
		E.5.4.5 Green procurement and green supply chain management	Climate Change Tackling Suppliers and Clients
		E.5.4.6 Environmental conservation public activities	Environmental Compliance Management
	E.5.5 Green Low-Carbon Certification	E.5.5.1 Environmental Management System Certification	Environmental Compliance Management
		E.5.5.2 Green and Low-Carbon Enterprise Certification	Climate Change Tackling
		E.5.5.3 Green and Low-Carbon Product and Service Certification	Climate Change Tackling
	E.5.6 Legal compliance in environmental matters	E.5.6.1 Emergency Response Plan for Environmental Incidents	Environmental Compliance Management
		E.5.6.2 Environmental violations	Environmental Compliance Management

Primary indicators	Secondary indicators	Tertiary indicators	Location
S1 Employee rights	S1.1 Employee recruitment and employment	S1.1.1 Corporate recruitment policy and implementation	Equal Employment Human Rights Protection Employee Development
		S1.1.2 Employee structure	Data Overview
		S1.1.3 Avoiding child labor and forced labor	Human Rights Protection
	S1.2 Employee compensation and benefits	S1.2.1 Compensation philosophy and policy	Employee Compensation and Benefits
		S1.2.2 Working hours and rest and leave	Employee Compensation and Benefits Occupational Health and Safety
		S1.2.3 Compensation and benefits security	Employee Compensation and Benefits
		S1.2.4 Employee democratic management	Employee Communication
	S1.3 Employee health and safety	S1.3.1 Employee occupational health and safety management	Occupational Health and Safety
		S1.3.2 Employee safety risk prevention	Occupational Health and Safety
		S1.3.3 Response to safety incidents and work-related injuries	Occupational Health and Safety
		S1.3.4 Employee care and assistance	Employee Compensation and Benefits Occupational Health
	S1.4 Employee development and training	S1.4.1 Employee motivation and promotion policy	Employee Development Employee Compensation and Benefits
		S1.4.2 Employee education and training	Employee Development
		S1.4.3 Employee career planning and job change support	Employee Development
	S1.5 Employee satisfaction	S1.5.1 Employee satisfaction survey	Employee Communication
		S1.5.2 Labor disputes	Employee Communication
		S1.5.3 Employee turnover situation	Data Overview
S2 Product and service management	S2.1 Product safety and quality	S2.1.1 Production standard management policies and measures	Safety and Quality of Products and Services
		S2.1.2 Quality management	Safety and Quality of Products and Services
		S2.1.3 Product recall and withdrawal	We did not collect relent data during this reporting period
		S2.1.4 Negative incidents related to products or services	Safety and Quality of Products and Services
	S2.2 Customer service and rights	S2.2.1 Customer satisfaction	Safety and Quality of Products and Services
		S2.2.2 Customer complaints and handling	Safety and Quality of Products and Services
		S2.2.3 Customer information and privacy protection	Data Security and Customer Privacy Protection
	S2.3 Innovation development	S2.3.1 R&D and innovation management system	R&D and Innovation System
		S2.3.2 R&D investment	R&D and Innovation Achievements Data Overview
		S2.3.3 Innovation achievements	R&D and Innovation Achievements Data Overview
		S2.3.4 Intellectual property protection	Intellectual Property Protection

Primary indicators	Secondary indicators	Tertiary indicators	Location
S3 Supply Chain Safety and Management	S3.1 Supplier Management	S3.1.1 Supplier selection and management	Supply Chain Security
		S3.1.2 Number and distribution of suppliers	Data Overview
	S3.2 Supply Chain Management	S3.2.1 Supply chain management policies and measures	Supply Chain Security Responsible Mineral Management
		S3.2.2 Supply chain security assurance and emergency plan	Supply Chain Security Responsible Mineral Management
		S3.2.3 Major risks and impacts (supply chain)	Supply Chain Security Responsible Mineral Management
S4 Social contribution	S4.1 Tax payment situation	S4.1.1 Tax payment situation	2025 Economic, Environmental and Social Impact Tax Compliance
	S4.2 Community Co-development	S4.2.1 Policies and measures for participating in local community construction	Rural Revitalization and Social Contributions
		S4.2.2 Contribution and impact on the local community	Rural Revitalization and Social Contributions Data Overview
	S4.3 Social welfare activities	S4.3.1 Policies and measures for participating in social welfare activities	Rural Revitalization and Social Contributions
		S4.3.2 Investment and effectiveness in participating in social welfare activities	Rural Revitalization and Social Contributions Data Overview
		S4.3.3 Construction of an accessible environment	Rural Revitalization and Social Contributions
	S4.4 National strategy response	S4.4.1 Industrial transformation	Rural Revitalization and Social Contributions
		S4.4.2 Rural revitalization and regional collaborative development	Promoting Industry Development
		S4.4.3 Belt and Road initiative and overseas responsibility fulfillment	Rural Revitalization and Social Contributions
		S4.4.4 Industry characteristics and other social responsibility fulfillment situations	Rural Revitalization and Social Contributions

Governance

Primary indicators	Secondary indicators	Tertiary indicators	Location
G1 Governance strategy and organizational structure	G1.1 Governance strategy and processes	G1.1.1 Governance strategy formulation	Governance Structure and Mechanisms Shareholder Rights Protection
		G1.1.2 Governance strategy supervision process	Governance Structure and Mechanisms
		G1.1.3 Governance strategy approval and review process	Governance Structure and Mechanisms
		G1.1.4 Party-building leadership	Party Building
	G1.2 Organizational composition and functions	G1.2.1 Ownership responsibilities	Governance Structure and Mechanisms Risk Management
		G1.2.2 Board of directors, supervisory board, and management organizational structure and functions	Governance Structure and Mechanisms
		G1.2.3 Appointment procedures and composition of the board of directors, supervisory board, and management	Governance Structure and Mechanisms
	G1.3 Compensation management	G1.3.1 Compensation plan for directors and supervisors	Governance Structure and Mechanisms
		G1.3.2 Transparency of the board's compensation	Governance Structure and Mechanisms
		G1.3.3 Reasonableness of management compensation	Governance Structure and Mechanisms Energy Usage Occupational Health and Safety

Primary indicators	Secondary indicators	Tertiary indicators	Location
G2 Standardized governance	G2.1 Internal control	G2.1.1 Internal audit	Internal Control and Compliance
		G2.1.2 Internal control structure, mechanisms, and processes	Internal Control and Compliance
	G2.2 Integrity construction	G2.2.1 Integrity construction system standards	Anti-Commercial Bribery and Anti-Corruption Complaint Mechanism and Whistleblower Protection
		G2.2.2 Effectiveness of integrity construction measures	Anti-Commercial Bribery and Anti-Corruption
	G2.3 Fair competition	G2.3.1 Fair competition system standards	Anti-unfair Competition Complaint Mechanism and Whistleblower
		G2.3.2 Effectiveness of fair competition measures	Anti-unfair Competition
G3 Investor relations management and shareholder rights	G3.1 Investor relations management	G3.1.1 Investor relations management strategy	Investor Relations Management
		G3.1.2 Investor communication	Investor Relations Management
		G3.1.3 Construction of investor relations management department	Investor Relations Management
	G3.2 Shareholder rights	G3.2.1 Shareholder (general) meeting situation	Shareholder Rights Protection
		G3.2.2 Shareholder communication situation	Shareholder Rights Protection Communications with Stakeholders
		G3.2.3 Shareholder's right to know and participate in decision-making	Shareholder Rights Protection
	G3.3 Creditor rights	G3.3.1 Credit situation	Not covered in this report
		G3.3.2 Bond market performance situation	Not covered in this report
G4 Information disclosure transparency	G4.1 Information disclosure system	G4.1.1 Financial information disclosure	Shareholder Rights Protection
		G4.1.2 Non-financial information disclosure	Shareholder Rights Protection
	G4.2 Quality of information disclosure	G4.2.1 Regular supervision, audit, and evaluation of all disclosed information	We have already disclose in our 2025annual report
G5 Compliant operation and risk management	G5.1 Compliant operation	G5.1.1 Compliant operation system	Risk Management Internal Control and Compliance Anti-Commercial Bribery and Anti-Corruption
		G5.1.2 Construction status of the compliance system	Risk Management Internal Control and Compliance Anti-Commercial Bribery and Anti-Corruption
		G5.1.3 Specific process of compliance review	Risk Management Internal Control and Compliance Anti-Commercial Bribery and Anti-Corruption
	G5.2 Risk management	G5.2.1 Risk identification and early warning	Risk Management
		G5.2.2 Risk control and tracking	Risk Management
		G5.2.3 Risk reporting and management	Risk Management Anti-Commercial Bribery and Anti-Corruption Anti-unfair Competition Data Overview

◎ China Mining Association Standards: Social and Governance (ESG) Information Disclosure General Rules

Primary Indicators：Environmental

Secondary Indicators	Tertiary Indicators	Quaternary Indicators	Location
E1 Climate Change Tackling	E1.1 Climate-Related Risks and Opportunities	E1.1.1 Climate risk	Climate Change Tackling
		E1.1.2 Climate Risk Response Plan	Climate Change Tackling
		E1.1.3 Climate Opportunities	Climate Change Tackling
	E1.2 GHG emissions	E1.2.1 GHG Management System	Climate Change Tackling
		E1.2.2 GHG Scope 1 emission	Climate Change Tackling Data Overview
		E1.2.3 GHG Scope 2 emission	Climate Change Tackling Data Overview
		E1.2.4 GHG Scope 3 emission	Climate Change Tackling Data Overview
		E1.2.5 Total GHG emissions	2025 Economic, Environmental and Social Impact Climate Change Tackling Data Overview
		E1.2.6 GHG Emission Intensity	2025 Economic, Environmental and Social Impact Climate Change Tackling Data Overview
		E1.2.7 Product Carbon Footprint	Climate Change Tackling
		E1.2.8 Carbon Emission Quota	Not covered in this report
	E1.3 Carbon Reduction Plans and Practices	E1.3.1 Carbon Reduction Target	Climate Change Tackling
		E1.3.2 Carbon Reduction Measures	Climate Change Tackling
E2 Usage of Resources	E2.1 Energy Consumption	E2.1.1 Energy Management System	Energy Usage
		E2.1.2 Energy Consumption	Energy Usage Data Overview
		E2.1.3 Energy Consumption Intensity	2025 Economic, Environmental and Social Impact Energy Usage Data Overview
		E2.1.4 Total Renewable Energy Consumption	Energy Usage Data Overview
		E2.1.5 Renewable Energy Usage Ratio / Intensity	Energy Usage Data Overview
		E2.1.6 Energy Saving Targets and Specific Measures	Environmental Energy Usage
	E2.2 Usage of Water Resources	E2.2.1 Water Resource Management System	Usage of Water Resources
		E2.2.2 Water Intake	Usage of Water Resources Data Overview
		E2.2.3 Water Consumption	Usage of Water Resources Data Overview
		E2.2.4 Water Intensity	2025 Economic, Environmental and Social Impact Usage of Water Resources Data Overview
		E2.2.5 Reclaimed Water Utilization Rate	Usage of Water Resources
		E2.2.6 Water Conservation Targets and Specific Measures	Targets Usage of Water Resources
	E2.3 Land Use and Biodiversity	E2.3.1 Land Restoration (Reclamation)	Environmental Ecosystem and Biodiversity Protection
		E2.3.2 Biodiversity Management	Ecosystem and Biodiversity Protection
E3 Pollution prevention and control	E3.1 Tailings Discharge and Management	E3.1.1 Tailings Pond and Waste Rock Dump Management System	Waste Disposal
		E3.1.2 Total Tailings	Data Overview
		E3.1.3 Tailings Recycling and Utilization Rate	Data Overview
		E3.1.4 Tailings Emission Intensity	Data Overview
	E3.2 Waste Gas and Wastewate	E3.2.1 Total Waste Gas Emissions	Pollutant Discharge Data Overview
		E3.2.2 Major Waste Gas Pollutants	Pollutant Discharge Data Overview
		E3.2.3 Waste Gas Emission Intensity	Data Overview
		E3.2.4 Total Wastewater Discharge	Pollutant Discharge Data Overview
		E3.2.5 Major Wastewater Pollutants	Pollutant Discharge Data Overview
		E3.2.6 Wastewater Discharge Intensity	Data Overview
		E3.2.7 Acid Mine Drainage Prevention	Not covered in this report
	E3.3 Hazardous Waste	E3.3.1 Hazardous Waste Management System	Waste Disposal
		E3.3.2 Total Hazardous Waste Discharge	Waste Disposal Data Overview
		E3.3.3 Hazardous Waste Discharge Intensity	Data Overview
	E3.4 General Solid Waste	E3.4.1 Total General Solid Waste	Waste Disposal Data Overview
		E3.4.2 Comprehensive Utilization Rate of General Solid Waste	Data Overview
	E3.5 Other Pollutants	E3.5.1 Noise Control and Management	Pollutant Discharge
		E3.5.2 Radiation Pollution Management	Not covered in this report

Secondary Indicators	Tertiary Indicators	Quaternary Indicators	Location
E4 Environmental Friendliness	E4.1 Green Mines	E4.1.1 Proportion of Domestic Green Mines	Environmental Compliance Management Data Overview
	E4.2 Green Factories	E4.2.1 Proportion of Domestic Green Factories	Environmental Compliance Management Data Overview
	E4.3 Cleaner Production	E4.3.1 Cleaner Production Mechanism	Climate Change Tackling Pollutant Discharge Waste Disposal
E5 Environmental Management	E5.1 Environmental Protection Investment	E5.1.1 Environmental Protection Investment Amount	2025 Economic, Environmental and Social Impact
	E5.2 Environmental Management	E5.2.1 Environmental Management System Establishment	Environmental Compliance Management
		E5.2.2 Environmental Management System Certification	Environmental Environmental Compliance Management
		E5.2.3 Dynamic Environmental Monitoring of Mines	Ecosystem and Biodiversity Protection
	E5.3 Environmental Penalty	E5.3.1 Environmental Penalty	Environmental Environmental Compliance Management

Primary Indicators：Social

Secondary Indicators	Tertiary Indicators	Quaternary Indicators	Location
S1 Employee rights	S1.1 Employment Policy	S1.1.1 Recruitment Policy	Equal Employment Human Rights Protection Employee Development
		S1.1.2 Employee Structure	Data Overview
		S1.1.3 Compensation and Benefits System	Employee Compensation and Benefits
		S1.1.4 Compensation and Benefits Performance	Employee Compensation and Benefits
	S1.2 Employee Relations	S1.2.1 Employee Democratic Management	Employee Communication
		S1.2.2 Employee Turnover	Data Overview
		S1.2.3 Employee Satisfaction	Employee Communication
		S1.2.4 Labor Disputes	Equal Employment Human Rights Protection Employee Communication
	S1.3 Occupational Health and Safety	S1.3.1 Occupational Health and Safety Management System	Occupational Health and Safety
		S1.3.2 Occupational Disease Prevention and Monitoring	Occupational Health and Safety
		S1.3.3 New Cases of Occupational Diseases	Not covered in this report
		S1.3.4 Employee Care	Employee Compensation and Benefits Occupational Health
		S1.3.5 Safety Investment	Employees Data Overview
		S1.3.6 Safety Training	Employees Data Overview
		S1.3.7 Safety Accidents	Data Overview
S1 Employee rights	S1.4 Employee Training and Development	S1.4.1 Employee Career Development	Employee Development
		S1.4.2 Employee Incentives	Employee Development Employee Compensation and Benefits
		S1.4.3 Employee Training	Employee Development Data Overview
S2 Supply Chain	S2.1 Supply Chain Security	S2.1.1 Supply Chain Risk Management	Supply Chain Risk Management
		S2.1.2 Sustainable Supply Chain	Responsible Sourcing
		S2.1.3 Supply Chain Safty Management	Supply Chain Security
		S2.1.4 Supply Chain Assessment Performance	Data Overview
	S2.2 Supply Chain Relationships	S2.2.1 Equal treatment to small and medium-sized enterprises	Equal Treatment to Small and Medium-sized Enterprises
		S2.2.2 Overdue Payments	Equal Treatment to Small and Medium-sized Enterprises
	S2.3 Supply Chain Management	S2.3.1 Supplier Evaluation	Responsible Sourcing
		S2.3.2 Supplier Selection	Responsible Sourcing
S3 Social Contribution	S3.1 Mine-Community Relationship	S3.1.1 Local Procurement	Community Co-development
		S3.1.2 Local Employment	Community Co-development Data Overview
		S3.1.3 Protection of Historical and Cultural Relics	The Company's operating locations and surrounding areas do not involve any historical or cultural heritage sites.
		S3.1.4 Mine-Community Relationship Maintenance	Rural Revitalisation and Social Contributions
		S3.1.5 Non-Technical Stoppages and Incidents	No such incidents occurred during the reporting period
	S3.2 Charitable	S3.2.1 Charitable Activities	Community Care
		S3.2.2 Charitable Investment	Community Care
	S3.3 Community Development/Rural Revitalization	S3.3.1 Community Development/ Rural Revitalization Support Activities	Rural Revitalisation and Social Contributions
		S3.3.2 Community Development/ Rural Revitalization Investment	Rural Revitalisation and Social Contributions
	S3.4 Innovation-Driven	S3.4.1 Technological Innovation Development Plan and Achievements	Innovation-Driven
		S3.4.2 Technological Innovation Investment	Innovation-Driven Data Overview
		S3.4.3 Technological Innovation Achievements	Innovation-Driven Data Overview
S4.1 Data Security and Privacy Protection	S4.1 Data Security	S4.1.1 Data Security Protection Policy	Information Security Management
		S4.1.2 Data Security Training	Information Security Management
	S4.2 Privacy Protection	S4.2.1 Privacy Protection Policy	Customer Privacy Protection
		S4.2.2 Privacy Breach Cases	Customer Privacy Protection Data Overview

Primary Indicators: Governance

Secondary Indicators	Tertiary Indicators	Quaternary Indicators	Location
G1 ESG Governance	G1.1 ESG Governance Mechanism	G1.1.1 ESG System Development	Governance Structure and Mechanisms
		G1.1.2 ESG Strategic Planning	Governance Structure and Mechanisms Assessment and Management of Material Climate Change Tackling
		G1.1.3 ESG Due Diligence	Assessment and Management of Material Climate-Related Risks, Opportunities, and Financial Impacts Responsible Mineral Management
G2 Governance Structure	G2.1 Board of Directors	G2.1.1 Board of Directors' Oversight of ESG	Governance Structure and Mechanisms
		G2.1.2 Board of Directors' Operating Mechanism	Governance Structure and Mechanisms
		G2.1.3 Board Diversity Policy	Governance Structure and Mechanisms
		G2.1.4 Board Diversity Situation	Governance Structure and Mechanisms
		G2.1.5 Board Meeting Convening Situation	Governance Structure and Mechanisms
	G2.2 Management	G2.2.1 Management Operating Mechanism	Governance Structure and Mechanisms
		G2.2.2 Management Composition	Governance Structure and Mechanisms
		G2.2.3 Management Compensation and Incentives	Governance Structure and Mechanisms
G3 Stakeholder	G3.1 Communications with stakeholders	G3.1.1 Stakeholder Communication Mechanism	Communications with stakeholders
		G3.1.2 Stakeholder Communication Implementation	Communications with stakeholders Supply Chain Security Safety and Quality of Products and Services Employee Communication
G4 Business Conduct	G4.1.2 Anti-Bribery and Anti-Corruption	G4.1.1 Anti-Bribery and Anti-Corruption System	Anti-Commercial Bribery And Anti-Corruption
		G4.1.2 Anti-Bribery and Anti-Corruption Training	Anti-Commercial Bribery And Anti-Corruption
		G4.1.3 Anti-Bribery and Anti-Corruption Cases	Anti-Commercial Bribery And Anti-Corruption Data Overview
	G4.2 Anti-unfair Competition	G4.2.1 Anti-Unfair Competition Operating System	Anti-unfair Competition
		G4.2.2 Anti-Unfair Competition Cases	Anti-unfair Competition Data Overview
G5 ESG Disclosure Quality	G5.1 ESG Information Disclosure and Assurance	G5.1.1 ESG Information Disclosure	About This Report Assessment and Management of Material
		G5.1.2 ESG Assurance	About This Report Independent Assurance Statement

◎ ESRS Index

European sustainability reporting standards (ESRS)		Location/omission
	ESRS 2 General Disclosures	
BP-1	General basis for the preparation of sustainability statements	About This Report
BP-2	Disclosures in relation to specific circumstances	Not covered in this report
GOV-1	The role of the administrative, management and supervisory bodies	Governance Structure and Mechanisms
GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	Governance Structure and Mechanisms Risk Management
GOV-3	Integration of sustainability-related performance in incentive schemes	Governance Structure and Mechanisms Energy Usage Occupational Health and Safety
GOV-4	Statement on due diligence	Assessment and Management of Material Matters Climate-Related Risks, Opportunities, and Financial Impacts Responsible Mineral Management
GOV-5	Risk management and internal controls over sustainability reporting	Risk Management Internal Control and Compliance Climate-Related Risks, Opportunities, and Financial Impacts
SBM-1	Strategy, business model and value chain	About XTC Climate Strategy Supply Chain Security Responsible Mineral Management Safety and Quality of Products and Services
SBM-2	Interests and views of stakeholders	Communications with Stakeholders
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	Assessment and Management of Material Matters Risk Management Climate-Related Risks, Opportunities, and Financial Impacts
IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	Assessment and Management of Material Matters Risk Management Climate-Related Risks, Opportunities, and Financial Impacts
IRO-2	Disclosure requirements in ESRS covered by the undertaking's sustainability statement	About This Report Assessment and Management of Material Matters Appendix
	ESRS E1 Climate change	
E1-1	Transition plan for climate change mitigation	Climate Change Tackling
E1-2	Policies related to climate change mitigation and adaptation	Climate Change Tackling
E1-3	Actions and resources in relation to climate change policies	Climate Change Tackling
E1-4	Targets related to climate change mitigation and adaptation	Climate Change Tackling
E1-5	Energy consumption and mix	Energy Usage Data Overview
E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions	Climate Change Tackling Data Overview
E1-7	GHG removals and GHG mitigation projects financed through carbon credits	Not covered in this report
E1-8	Internal carbon pricing	Not covered in this report
E1-9	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	Climate Change Tackling

European sustainability reporting standards (ESRS)		Location/omission
ESRS E2 Pollution		
E2-1	Policies related to pollution	Pollutant Discharge Waste Disposal
E2-2	Actions and resources related to pollution	Pollutant Discharge Waste Disposal
E2-3	Targets related to pollution	Environmental
E2-4	Pollution of air, water and soil	Pollutant Discharge Waste Disposal Ecosystem and Biodiversity Protection
E2-5	Substances of concern and substances of very high concern	Pollutant Discharge Waste Disposal
E2-6	Anticipated financial effects from pollution-related impacts, risks and opportunities	Climate Change Tackling
ESRS E3 Water and marine resources		
E3-1	Policies related to water and marine resources	Usage of Water Resources
E3-2	Actions and resources related to water and marine resources	Usage of Water Resources
E3-3	Targets related to water and marine resources	Environmental
E3-4	Water consumption	Data Overview
E3-5	Anticipated financial effects from water and marine resources-related impacts, risks and opportunities	Climate Change Tackling
ESRS E4 Biodiversity and ecosystems		
E4-1	Transition plan and consideration of biodiversity and ecosystems in strategy and business model	Ecosystem and Biodiversity Protection
E4-2	Policies related to biodiversity and ecosystems	Ecosystem and Biodiversity Protection
E4-3	Actions and resources related to biodiversity and ecosystems	Ecosystem and Biodiversity Protection
E4-4	Targets related to biodiversity and ecosystems	Environmental
E4-5	Impact metrics related to biodiversity and ecosystems change	Ecosystem and Biodiversity Protection
E4-6	Anticipated financial effects from biodiversity and ecosystem-related risks and opportunities	Climate-Related Risks, Opportunities, and Financial Impacts Assessment and Management of Material Matters
ESRS E5 Resource use and circular economy		
E5-1	Policies related to resource use and circular economy	Circular Economy
E5-2	Actions and resources related to resource use and circular economy	Circular Economy
E5-3	Targets related to resource use and circular economy	Environmental
E5-4	Resource inflows	Energy Usage Usage of Water Resources Circular Economy
E5-5	Resource outflows	Pollutant Discharge Waste Disposal Circular Economy
E5-6	Anticipated financial effects from resource use and circular economy-related impacts, risks and opportunities	Climate Change Tackling

European sustainability reporting standards (ESRS)		Location/omission
ESRS S1 Own workforce		
S1-1	Policies related to own workforce	Employees
S1-2	Processes for engaging with own workforce and workers' representatives about impacts	Employee Communication
S1-3	Processes to remediate negative impacts and channels for own workforce to raise concerns	Employee Communication Human Rights Protection
S1-4	Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	Employees
S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Social
S1-6	Characteristics of the undertaking's employees	Equal Employment Data Overview
S1-7	Characteristics of non-employees in the undertaking's own workforce	Data Overview
S1-8	Collective bargaining coverage and social dialogue	Employee Communication
S1-9	Diversity metrics	Equal Employment Data Overview
S1-10	Adequate Wages	Employee Compensation and Benefits
S1-11	Social protection	Employee Compensation and Benefits
S1-12	Persons with disabilities	Data Overview
S1-13	Training and skills development metrics	Employee Development Data Overview
S1-14	Health and safety metrics	Occupational Health and Safety Data Overview
S1-15	Work-life balance metrics	Employee Compensation and Benefits
S1-16	Remuneration metrics (pay gap and total remuneration)	Not covered in this report
S1-17	Incidents, complaints and severe human rights impacts	Data Overview
ESRS S2 Workers in the value chain		
S2-1	Policies related to value chain workers	Responsible Sourcing Responsible Mineral Management
S2-2	Processes for engaging with value chain workers about impacts	Responsible Sourcing Responsible Mineral Management
S2-3	Processes to remediate negative impacts and channels for value chain workers to raise concerns	Responsible Sourcing Responsible Mineral Management
S2-4	Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those action	Responsible Sourcing Responsible Mineral Management
S2-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Social

European sustainability reporting standards (ESRS)		Location/omission
	ESRS S3 受影响的社区	
S3-1	Policies related to affected communities	Community Co-development Community Engagement
S3-2	Processes for engaging with affected communities about impacts	Community Co-development Community Engagement
S3-3	Processes to remediate negative impacts and channels for affected communities to raise concerns	Community Co-development Community Engagement
S3-4	Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions	Community Co-development Community Engagement
S3-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Social
	ESRS S4 Consumers and end-users	
S4-1	Policies related to consumers and end-users	Safety and Quality of Products and Services Data Security and Customer Privacy Protection
S4-2	Processes for engaging with consumers and end-users about impacts	Safety and Quality of Products and Services
S4-3	Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	Safety and Quality of Products and Services
S4-4	Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	Safety and Quality of Products and Services Data Security and Customer Privacy Protection
S4-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Social
	ESRS G1 Business Conduct	
G1-1	Business conduct policies and corporate culture	Commercial Behaviors
G1-2	Management of relationships with suppliers	Supply Chain Security Equal Treatment to Small and Medium-sized Enterprises
G1-3	Prevention and detection of corruption and bribery	Anti-Commercial Bribery and Anti-Corruption Complaint Mechanism and Whistleblower
G1-4	Incidents of corruption or bribery	Anti-Commercial Bribery and Anti-Corruption Data Overview
G1-5	Political influence and lobbying activities	Not covered in this report
G1-6	Payment practices	Equal Treatment to Small and Medium-sized Enterprises

◎ ISSB Standards Index

IFRS S1

Core Elements		Disclosure Recommendations	Disclosure Placement
Governance	a)	The governance body(s) (which can include aboard, committee or equivalent body charged with governance) or individual(s) responsible for oversight of sustainability-related risks and opportunities.	Governance Structure and Mechanisms Risk Management
	b)	Management's role in the governance processes, controls and procedures used to monitor, manage and oversee sustainability-related risks and opportunities.	Governance Structure and Mechanisms Risk Management
Strategy	a)	The sustainability-related risks and opportunities that could reasonably be expected to affect the entity's prospects within the time horizons—short, medium or long term.	Assessment and Management of Material Matters Climate-Related Risks, Opportunities, and Financial Impacts
	b)	The current and anticipated effects of sustainability-related risks and opportunities on the entity's business model and value chain, and where in the entity's business model and value chain sustainability-related risks and opportunities are concentrated	Assessment and Management of Material Matters Climate-Related Risks, Opportunities, and Financial Impacts
	c)	How the entity has responded to, and plans to respond to, sustainability-related risks and opportunities in its strategy and decision-making, and the progress against plans the entity has disclosed in previous reporting periods, including quantitative and qualitative information, and trade-offs between sustainability-related risks and opportunities that the entity considered.	Assessment and Management of Material Matters Climate-Related Risks, Opportunities, and Financial Impacts
	d)	The quantitative and qualitative effects of sustainability-related risks and opportunities on the entity's financial position, financial performance and cash flows for the reporting period, and the sustainability-related risks and opportunities identified for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements, and how the entity expects its financial position, financial performance and cash flows to change over the short, medium and long term, given its strategy to manage sustainability-related risks and opportunities.	Assessment and Management of Material Matters Climate-Related Risks, Opportunities, and Financial Impacts
	e)	The resilience of the entity's strategy and its business model to those sustainability-related risks	Assessment and Management of Material Matters Climate-Related Risks, Opportunities, and Financial Impacts
Risk Management	a)	The processes and related policies the entity uses to identify, assess, prioritize and monitor sustainability-related risks, including information about: the inputs and parameters the entity uses，whether and how the entity uses scenario analysis to inform its identification of sustainability-related risks, whether and how the entity prioritizes sustainability-related risks, how the entity assesses the nature, likelihood and magnitude of the effects of those risks.	Assessment and Management of Material Matters Climate-Related Risks, Opportunities, and Financial Impacts Risk Management
	b)	The processes the entity uses to identify, assess, prioritize and monitor sustainability-related opportunities, including: whether and how the entity uses scenario analysis to inform its identification of sustainability-related opportunities.	Assessment and Management of Material Matters Climate-Related Risks, Opportunities, and Financial Impacts
	c)	The extent to which, and how, the processes the entity uses to identify, assess, prioritize and monitor sustainability-related risks and opportunities are integrated into and inform the entity's overall risk management process.	Climate-Related Risks, Opportunities, and Financial Impacts Risk Management
Metrics and targets	a)	Metrics required by an applicable IFRS Sustainability Disclosure Standard.	Environmental Social Governance
	b)	Metrics the entity uses to measure and monitor sustainability-related risks or opportunities and its performance in relation to that sustainability-related risk or opportunity.	Environmental Social Governance
	c)	Any targets the entity has set it is required to meet by law or regulation.	Environmental Social Governance

IFRS S2

Core Elements		Disclosure Recommendations	Disclosure Placement
Governance	a)	The governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities.	Governance Structure and Mechanisms Risk Management
	b)	Management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities	Governance Structure and Mechanisms Risk Management
Strategy	a)	The climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects within time horizons—short, medium or long term, whether the entity considers the risk to be a climate-related physical risk or climate-related transition risk	Assessment and Management of Material Matters Climate-Related Risks, Opportunities, and Financial Impacts
	b)	The current and anticipated effects of climate-related risks and opportunities on the entity's business model and value chain, and where in the entity's business model and value chain climate-related risks and opportunities are concentrated	Assessment and Management of Material Matters Climate-Related Risks, Opportunities, and Financial Impacts
	c)	Information about how the entity has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the entity sets targets, how the entity is resourcing and quantitative and qualitative information about the disclosed progress of plans.	Assessment and Management of Material Matters Climate-Related Risks, Opportunities, and Financial Impacts
	d)	The quantitative and qualitative effects of those climate-related risks and opportunities on the entity's financial position, financial performance and cash flows for the reporting period, the climate-related risks and opportunities identified in paragraph 16(a) for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements, and how the entity expects its financial position, financial performance and cash flows to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities.	Assessment and Management of Material Matters Climate-Related Risks, Opportunities, and Financial Impacts
	e)	The entity's assessment of its climate resilience, including the entity's assessment for its strategy and business model, the significant areas of uncertainty considered in the entity's assessment of its climate resilience and the entity's capacity to adjust or adapt its strategy and business model to climate change over the short, medium and long term. The entity shall use climate-related scenario analysis to assess its climate resilience and disclose how and when the climate-related scenario analysis was carried out, including information about the inputs the entity used, the key assumptions the entity made in the analysis and the reporting period in which the climate-related scenario analysis was carried out.	Assessment and Management of Material Matters Climate-Related Risks, Opportunities, and Financial Impacts
Risk Management	a)	The processes and related policies the entity uses to identify, assess, prioritize and monitor climate-related risks, including information about: the inputs and parameters the entity uses, whether and how the entity uses climate-related scenario analysis to inform its identification of climate-related risks, whether and how the entity prioritizes climate-related risks, how the entity assesses the nature, likelihood and magnitude of the effects of those risks	Assessment and Management of Material Matters Climate-Related Risks, Opportunities, and Financial Impacts Risk Management
	b)	The processes the entity uses to identify, assess, prioritize and monitor climate-related opportunities, including information about whether and how the entity uses climate-related scenario analysis to inform its identification of climate-related opportunities.	Assessment and Management of Material Matters Climate-Related Risks, Opportunities, and Financial Impacts
	c)	The extent to which, and how, the processes for identifying, assessing, prioritizing and monitoring climate-related risks and opportunities are integrated into and inform the entity's overall risk management process.	Climate-Related Risks, Opportunities, and Financial Impacts Risk Management
Metrics and targets	a)	The cross-industry metric categories of greenhouse gas emissions, internal carbon prices, the percentage of executive management remuneration recognized in the current period that is linked to climate-related considerations, capital deployment towards climate-related risks and opportunities, the amount and percentage of assets or business activities vulnerable to climate-related risks and opportunities.	Climate Change Tackling Data Overview
	b)	Industry-based metrics that are associated with one or more particular business models, activities or other common features that characterize participation in an industry.	Climate Change Tackling Data Overview
	c)	The quantitative and qualitative climate-related targets the entity has set or it is required to meet by law or regulation, progress towards reaching the target, information about its performance, and each greenhouse gas emissions target.	Climate Change Tackling Data Overview

◎ GRI Index

GRI Standards	Disclosures	Location	Omission
	General Disclosures		
GRI 2: General Disclosures 2021	2-1 Organizational details	About XTC	
	2-2 Entities included in the organization's sustainability reporting	About This Report	
	2-3 Reporting period, frequency and contact point	About This Report	
	2-4 Restatements of information	Data Overview	
	2-5 External assurance	About This Report Independent Assurance Statement	
	2-6 Activities, value chain and other business relationships	About XTC Chairman's Statement Suppliers and Clients	
	2-7 Employees	Human Rights Protection Data Overview	
	2-8 Workers who are not employees	Data Overview	
	2-9 Governance structure and composition	Governance Structure and Mechanisms	
	2-10 Nomination and selection of the highest governance body	Governance Structure and Mechanisms	
	2-11 Chair of the highest governance body	Governance Structure and Mechanisms	
	2-12 Role of the highest governance body in overseeing the management of impacts	Governance Structure and Mechanisms	
	2-13 Delegation of responsibility for managing impacts	Governance Structure and Mechanisms Energy Usage Usage of Water Resources Pollutant Discharge Waste Disposal Ecosystem and Biodiversity Protection Environmental Compliance Management Innovation-Driven Suppliers and Clients Employees Risk Management Internal Control and Compliance Commercial Behaviors	
	2-14 Role of the highest governance body in sustainability reporting	Governance Structure and Mechanisms	
	2-15 Conflicts of interest	Governance Structure and Mechanisms	
	2-16 Communication of critical concerns	Communications with Stakeholders	
	2-17 Collective knowledge of the highest governance body	Governance Structure and Mechanisms	

GRI Standards	Disclosures	Location	Omission
GRI 2: General Disclosures 2021	2-18 Evaluation of the performance of the highest governance body	Not covered in this report	We did not collect relevant data during the reporting period
	2-19 Remuneration policies	Communications with Stakeholders	
	2-20 Process to determine remuneration	Communications with Stakeholders	
	2-21 Annual total compensation ratio	Not covered in this report	We did not collect relevant data during the reporting period
	2-22 Statement on sustainable development strategy	Climate Strategy	
	2-23 Policy commitments	Environmental Rural Revitalisation and Social Contributions Supply Chain Security Responsible Mineral Management Safety and Quality of Products and Services Data Security and Customer Privacy Protection Equal Employment Human Rights Protection Occupational Health and Safety Commercial Behaviors	
	2-24 Embedding policy commitments	Environmental Rural Revitalisation and Social Contributions Suppliers and Clients Employees Risk Management Internal Control and Compliance Commercial Behaviors	
	2-25 Processes to remediate negative impacts	Shareholders' Rights and Interests Climate Change Tackling Energy Usage Usage of Water Resources Pollutant Discharge Waste Disposal Ecosystem and Biodiversity Protection Environmental Compliance Management Circular Economy Community Engagement Supply Chain Security Responsible Mineral Management Equal Treatment to Small and Medium-sized Enterprises Safety and Quality of Products and Services Data Security and Customer Privacy Protection Human Rights Protection Employee Communication Occupational Health and Safety Risk Management Internal Control and Compliance Commercial Behaviors	
	2-26 Mechanisms for seeking advice and raising concerns	Communications with Stakeholders Shareholder Rights Protection Community Engagement Supply Chain Security Responsible Mineral Management Safety and Quality of Products and Services Human Rights Protection Employee Communication Complaint Mechanism and Whistleblower Protection	
	2-27 Compliance with laws and regulations	Governance Structure and Mechanisms Shareholder Rights Protection Climate Change Tackling Pollutant Discharge Waste Disposal Environmental Compliance Management Responsible Mineral Management Safety and Quality of Products and Services Data Security and Customer Privacy Protection Equal Employment Human Rights Protection Employee Compensation and Benefits Occupational Health and Safety Anti-Commercial Bribery and Anti-Corruption Anti-unfair Competition Tax Compliance	
	2-28 Membership associations	Promoting Industry Development	
	2-29 Approach to stakeholder engagement	Communications with Stakeholders	
	2-30 Collective bargaining agreements	Employee Communication	
Material topics			
GRI 3: Material Topics 2021	3-1 Management of material topics	Assessment and Management of Material Matters Communications with Stakeholders	
	3-2 List of material topics	Assessment and Management of Material Matters	
Economic performance			
GRI 3: Material Topics 2021	3-3 Management of material topics	Governance Structure and Mechanisms Climate-Related Risks, Opportunities, and Financial Impacts Risk Management Internal Control and Compliance Employee Development Employee Compensation and Benefits Communications with Stakeholders	
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	2025 Economic, Environmental and Social Impact	
	201-2 Financial implications and other risks and opportunities due to climate change	Climate-Related Risks, Opportunities, and Financial Impacts Risk Management	
	201-3 Defined benefit plan obligations and other retirement plans	Employee Compensation and Benefits	
	201-4 Financial assistance received from government	Not covered in this report	We have already disclose in our 2025 annual report

GRI Standards	Disclosures	Location	Omission
Market presence			
GRI 3: Material Topics 2021	3-3 Management of material topics	Equal Employment Community Co-development	
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	Not covered in this report	We did not collect relevant data during the reporting period
	202-2 Proportion of senior management hired from the local community	Data Overview	
Indirect economic impact			
GRI 3: Material Topics 2021	3-3 Management of material topics	Rural Revitalisation and Social Contributions	
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Rural Revitalisation and Social Contributions	
	203-2 Significant indirect economic impacts	Rural Revitalisation and Social Contributions	
Procurement practices			
GRI 3: Material Topics 2021	3-3 Management of material topics	Supply Chain Security Responsible Mineral Management	
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Not covered in this report	We did not collect relevant data during the reporting period
Anti-corruption			
GRI 3: Material Topics 2021	3-3 Management of material topics	Anti-Commercial Bribery and Anti-Corruption	
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Anti-Commercial Bribery and Anti-Corruption	
	205-2 Communication and training about anti-corruption policies and procedures	Anti-Commercial Bribery and Anti-Corruption	
	205-3 Confirmed incidents of corruption and actions taken	Anti-Commercial Bribery and Anti-Corruption Data Overview	
Anti-competitive behavior			
GRI 3: Material Topics 2021	3-3 Management of material topics	Anti-unfair Competition	
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Anti-unfair Competition Data Overview	
Tax			
GRI 3: Material Topics 2021	3-3 Management of material topics	Tax Compliance	
GRI 207: Tax 2019	207-1 Approach to tax	Tax Compliance	
	207-2 Tax governance, control, and risk management	Tax Compliance	
	207-3 Stakeholder engagement and management of concerns related to tax	Tax Compliance Communications with Stakeholders	
	207-4 Country-by-country reporting	Not covered in this report	We did not collect relevant data during the reporting period

GRI Standards	Disclosures	Location	Omission
Materials			
GRI 3: Material Topics 2021	3-3 Management of material topics	Circular Economy	
GRI 301: Materials 2016	301-1 Materials used by weight or volume	Circular Economy Data Overview	
	301-2 Recycled input materials used	Circular Economy Data Overview	
	301-3 Reclaimed products and their packaging materials	Circular Economy Data Overview	
Energy			
GRI 3: Material Topics 2021	3-3 Management of material topics	Energy Usage	
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Energy Usage Data Overview	
	302-2 Energy consumption outside of the organization	Not covered in this report	We did not collect relevant data during the reporting period
	302-3 Energy intensity	2025 Economic, Environmental and Social Impact	
	302-4 Reduction of energy consumption	Climate Change Tackling Energy Usage	
	302-5 Reductions in energy requirements of products and services	Climate Change Tackling	
Water and effluents			
GRI 3: Material Topics 2021	3-3 Management of material topics	Usage of Water Resources	
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Usage of Water Resources	
	303-2 Management of water discharge-related impacts	Pollutant Discharge Data Overview	
	303-3 Water withdrawal	Usage of Water Resources Data Overview	
	303-4 Water discharge	Pollutant Discharge Data Overview	
	303-5 Water consumption	Usage of Water Resources Data Overview	
Biodiversity			
GRI 3: Material Topics 2021	3-3 Management of material topics	Ecosystem and Biodiversity Protection	
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Ecosystem and Biodiversity Protection	
	304-2 Significant impacts of activities, products and services on biodiversity	Ecosystem and Biodiversity Protection	
	304-3 Habitats protected or restored	Ecosystem and Biodiversity Protection	
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	Not covered in this report	Not covered in this report

GRI Standards	Disclosures	Location	Omission
Emissions			
GRI 3: Material Topics 2021	3-3 Management of material topics	Climate Change Tackling Waste Gas Emissions Management	
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Climate Change Tackling Data Overview	
	305-2 Energy indirect (Scope 2) GHG emissions	Climate Change Tackling Data Overview	
	305-3 Other indirect (Scope 3) GHG emissions	Climate Change Tackling Data Overview	
	305-4 GHG emissions intensity	2025 Economic, Environmental and Social Impact Data Overview	
	305-5 Reduction of GHG emissions	Climate Change Tackling	
	305-6 Emissions of ozone-depleting substances (ODS)	Not covered in this report	Our operations do not involve such emissions
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Waste Gas Emissions Management Data Overview	
Waste			
GRI 3: Material Topics 2021	3-3 Management of material topics	Waste Disposal	
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Waste Disposal	
	306-2 Management of significant waste-related impacts	Waste Disposal	
	306-3 Waste generated	Waste Disposal Data Overview	
	306-4 Waste diverted from disposal	Waste Disposal Data Overview	
	306-5 Waste directed to disposal	Waste Disposal Data Overview	
Supplier environmental assessment			
GRI 3: Material Topics 2021	3-3 Management of material topics	Supply Chain Security Responsible Mineral Management	
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Supply Chain Security Responsible Mineral Management	
	308-2 Negative environmental impacts in the supply chain and actions taken	Supply Chain Security Responsible Mineral Management	
Employee			
GRI 3: Material Topics 2021	3-3 Management of material topics	Equal Employment Human Rights Protection	
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Data Overview	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employee Compensation and Benefits	
	401-3 Parental leave	Data Overview	

GRI Standards	Disclosures	Location	Omission
Labor management relations			
GRI 3: Material Topics 2021	3-3 Management of material topics	Equal Employment Human Rights Protection	
GRI 402: Labor/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	Not covered in this report	We did not collect relevant data during the reporting period
Occupational Health and Safety			
GRI 3: Material Topics 2021	3-3 Management of material topics	Occupational Health and Safety	
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Occupational Health and Safety	
	403-2 Hazard identification, risk assessment, and incident investigation	Occupational Health and Safety	
	403-3 Occupational health services	Occupational Health and Safety	
	403-4 Worker participation, consultation, and communication on occupational health and safety	Occupational Health and Safety	
	403-5 Worker training on occupational health and safety	Occupational Health and Safety	
	403-6 Promotion of worker health	Occupational Health and Safety	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health and Safety	
	403-8 Workers covered by an occupational health and safety management system	Occupational Health and Safety Data Overview	
	403-9 Work-related injuries	Data Overview	
	403-10 Work-related ill health	Occupational Health and Safety	
Training and education			
GRI 3: Material Topics 2021	3-3 Management of material topics	Supply Chain Security Responsible Mineral Management Human Rights Protection Employee Development Occupational Health and Safety	
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Data Overview	
	404-2 Programs for upgrading employee skills and transition assistance programs	Employee Development	
	404-3 Percentage of employees receiving regular performance and career development reviews	Employee Compensation and Benefits Data Overview	
Diversity and equal opportunity			
GRI 3: Material Topics 2021	3-3 Management of material topics	Equal Employment Human Rights Protection	
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Human Rights Protection Data Overview	
	405-2 Ratio of basic salary and remuneration of women to men	Not covered in this report	We did not collect relevant data during the reporting period

GRI Standards	Disclosures	Location	Omission
Non-discrimination			
GRI 3: Material Topics 2021	3-3 Management of material topics	Equal Employment Human Rights Protection	
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Human Rights Protection	
Freedom of association and collective bargaining			
GRI 3: Material Topics 2021	3-3 Management of material topics	Human Rights Protection Employee Communication	
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Employee Communication	
Child labor			
GRI 3: Material Topics 2021	3-3 Management of material topics	Responsible Mineral Management Human Rights Protection	
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Responsible Mineral Management Human Rights Protection	
Forced or compulsory labor			
GRI 3: Material Topics 2021	3-3 Management of material topics	Human Rights Protection	
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Human Rights Protection	
Security practices			
GRI 3: Material Topics 2021	3-3 Management of material topics	Human Rights Protection	
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	Human Rights Protection	
Right of indigenous peoples			
GRI 3: Material Topics 2021	3-3 Management of material topics	Community Co-development Community Engagement	
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	Community Co-development Community Engagement	
Local communities			
GRI 3: Material Topics 2021	3-3 Management of material topics	Community Co-development Community Engagement	
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Community Co-development Community Engagement	
	413-2 Operations with significant actual and potential negative impacts on local communities	Community Co-development Community Engagement	

GRI Standards	Disclosures	Location	Omission
Supplier social assessment			
GRI 3: Material Topics 2021	3-3 Management of material topics	Supply Chain Security Responsible Mineral Management	
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Supply Chain Security Responsible Mineral Management	
	414-2 Negative social impacts in the supply chain and actions taken	Supply Chain Security Responsible Mineral Management	
Public policy			
GRI 3: Material Topics 2021	3-3 Management of material topics	Not covered in this report	We do not involved in the relevant matter
GRI 415: Public Policy 2016	415-1 Political contributions	Not covered in this report	We do not involved in the relevant matter
Customer health and safety			
GRI 3: Material Topics 2021	3-3 Management of material topics	Safety and Quality of Products and Services	
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Safety and Quality of Products and Services	
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Safety and Quality of Products and Services Data Overview	
Marketing and labeling			
GRI 3: Material Topics 2021	3-3 Management of material topics	Safety and Quality of Products and Services	
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	Safety and Quality of Products and Services	
	417-2 Incidents of non-compliance concerning product and service information and labeling	Safety and Quality of Products and Services Data Overview	
	417-3 Incidents of non-compliance concerning marketing communications	Safety and Quality of Products and Services Data Overview	
Customer privacy			
GRI 3: Material Topics 2021	3-3 Management of material topics	Data Security and Customer Privacy Protection	
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Data Security and Customer Privacy Protection Data Overview	

◎ Independent Assurance Statement

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Limited Assurance Report

RSMZZ[2026]NO.361Z0437

To the Shareholders of Xiamen Tungsten Co., Ltd.

I. Conclusion

We have undertaken a limited assurance engagement on the selected key sustainability information for the year ended 31 December 2025 (hereinafter referred to as the "Sustainability Information") as presented in the *2025 Sustainability Report* (the "Report") of Xiamen Tungsten Co., Ltd. (the "Company").

The scope of our engagement comprised the following:

● **GHG Emissions** — Scope 1: Direct GHG emissions (tCO_2e) — Scope 2: Indirect GHG emissions from purchased energy (market-based) (tCO_2e) — Scope 2: Indirect GHG emissions from purchased energy (location-based) (tCO_2e) — Total GHG emissions (Scope 1+ Scope 2) (market-based) (tCO_2e) — Total GHG emissions (Scope 1+ Scope 2) (location-based) (tCO_2e)	● **Energy Consumption** — Electricity consumption (kWh) — Clean electricity consumption (kWh) — Steam consumption (Ton) — Natural gas consumption (m^3) — Coal consumption (Ton) — Liquefied gas consumption (Ton) — Gasoline consumption (Litre) — Diesel consumption (Litre)

● **Air Pollutants** — NOx emissions (Ton) — SOx emissions (Ton) — PM emissions (Ton) — Non-methane total hydrocarbon emissions (Ton) — Ammonia emissions (Ton) — Cobalt and its compounds emissions (Ton) — Nickel and its compounds emissions (Ton) — Manganese and its compounds emissions (Ton) — Sulfuric acid mist emissions (Ton) — Volatile organic compounds emissions (Ton) — Hydrogen chloride emissions (Ton)	● **Wastewater and Wastewater Pollutants** — Wastewater discharge volume (m^3) — Ammonia nitrogen discharge (Ton) — Chemical oxygen demand discharge (Ton) — Total nitrogen discharge (Ton) — Total lead discharge (Ton) — Total arsenic discharge (Ton) — Total nickel discharge (Ton) — Total chromium discharge (Ton) — Total cadmium discharge (Ton) — Total cobalt discharge (Ton) — Total molybdenum discharge (Ton) — Total zinc discharge (Ton) — Total copper discharge (Ton) — Total manganese discharge (Ton) — Total phosphorus discharge (Ton) — Total iron discharge (Ton)
● **Hazardous Waste** — Transfer and disposal volume of hazardous waste (Ton)	● **Water Resources** — Water withdrawal (m^3) — Water consumption (m^3)
● **Total Employees (Person)** — Total number of employees (Person)	● **Employee Composition by Gender** — Male (Person) — Female (Person)
● **Employee Composition by Age** — Under 30 (Person) — Between 30-50 (Person) — Over 50 (Person)	● **Employee Composition by Education** — Doctorate (Person) — Master's degree (Person) — Bachelor's degree (Person) — College degree (Person) — Below college degrees (Person)

• **Employee Composition by Function** — Production personnel (Person) — Sales personnel (Person) — Technical personnel (Person) — Financial personnel (Person) — Administrative personnel (Person) — Female production personnel (Person) — Female sales personnel (Person) — Female technical personnel (Person) — Female financial personnel (Person) — Female administrative personnel (Person)	• **Management Composition** — Management team (mid-level management and above, including senior management) (Person) — Senior management (Person) — Female management (mid-level management and above, including senior management) (Person) — Female senior management (Person)
• **Employee Turnover** — Number of employees at the beginning of the year (Person) — Number of employee departures (Person) — Number of new hires for the year (Person)	• **Employment of Disabled Individuals** — Number of employees with disabilities (Person) — Proportion of employees with disabilities (%)
• **Work Safety Training** — Total number of work safety training participants (Participant) — Total work safety training hours (Hour) — Number of safety emergency drills (Times)	• **Work Safety Accident** — Extra-major accident (Case) — Major accident (Case) — Serious accident (Case) — Number of work-related injury accidents (Case)

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• **Occupational Health and Safety Performance** — Number of work-related injuries — Number of work-related fatalities	• **Intellectual Property** — Number of new patent applications (Item) — Number of new patents granted (Item) — Number of new copyright registrations (Item) — Number of new trademark applications (Item) — Number of new trademark registrations (Item)
• **Non-affiliated Suppliers (By Region)** — Number of non-affiliated suppliers in Mainland China (Count) — Number of non-affiliated suppliers in other regions (Count) — Total number of non-affiliated suppliers (Count)	• **Volunteer Service** — Total number of volunteer participants (Participant) — Total volunteer hours (Hour)

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Sustainability Information is not prepared, in all material respects, in accordance with the reporting criteria disclosed in the Company's 2025 Sustainability Report.

II. Basis for Conclusion

We conducted our engagement in accordance with:

- *International Standard on Sustainability Assurance 5000, "General Requirements for Sustainability Assurance Engagements" (ISSA 5000)* issued by the International Auditing and Assurance Standards Board (IAASB); and

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- *Sustainable Information Assurance Engagement Standard 6101 – Basic Standard (for Trial Implementation) (the "National Standard")* issued by the Ministry of Finance of the People's Republic of China.

Our responsibilities under these standards are further described in the "Practitioner's Responsibilities" section of this report. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement.

We have complied with the independence and other ethical requirements of:

- *International Code of Ethics for Professional Accountants (including International Independence Standards)* issued by the International Ethics Standards Board for Accountants (IESBA); and
- *Code of Ethics for Chinese Certified Public Accountants* and the *Independence Standards for Chinese Certified Public Accountants* issued by the Chinese Institute of Certified Public Accountants (CICPA).

We have thereby fulfilled our ethical responsibilities. Throughout the engagement, we have applied the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior.

The firm applies the following standards:

- *International Standard on Quality Control (ISQC) 1, "Quality Controls for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements"*, issued by the IAASB; and

- *Quality Management Standards for Accounting Firms (Nos. 5101 and 5102)* issued by the Ministry of Finance of the People's Republic of China.

Accordingly, the firm maintains a comprehensive system of quality control that includes documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable laws and regulations.

III. Other Information

Management is responsible for the other information contained in the Company's 2025 Sustainability Report. The other information comprises all information included in the Report other than the Sustainability Information and our independent practitioner's assurance report thereon.

Our conclusion on the Sustainability Information does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our engagement on the Sustainability Information, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Sustainability Information or our knowledge obtained in the engagement, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

IV. Considerations Related to the Comparability of Sustainability Information

Sustainability information, in particular non-financial information, is not currently subject to globally or industry-wide uniform assessment and measurement standards. Different entities may use different policies, methods, and assumptions to measure and report similar information. Consequently, the direct comparability of

sustainability information disclosed by different entities may be limited due to such differences, and users of the Report should be mindful of this when making comparisons.

V. Management's Responsibilities for the Sustainability Information

Management is responsible for the preparation of the Sustainability Information f in the Report in accordance with the reporting criteria set out in the 2025 Sustainability Report. This responsibility includes:

- Designing, implementing, and maintaining internal control relevant to the preparation of the Sustainability Information so that it is free from material misstatement, whether due to fraud or error;
- Selecting and applying appropriate reporting criteria, and assessing the continuing appropriateness of such criteria; and
- Making judgments and estimates that are reasonable in the circumstances, and providing related disclosures as necessary.

VI. Practitioner's Responsibilities

Our objective is to obtain limited assurance about whether the Sustainability Information is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion. We conducted our engagement in accordance with the National Standard and ISSA 5000.

In performing our procedures, we exercised professional judgment and maintained professional skepticism throughout the engagement. Our procedures included:

- Obtaining an understanding of internal control relevant to the preparation of the Sustainability Information (but not for the purpose of expressing an opinion on the effectiveness of such internal control), identifying and assessing the risks of material misstatement, and designing and performing procedures responsive to those risks;
- Obtaining sufficient appropriate evidence to provide a basis for our conclusion; and
- Evaluating the appropriateness of the reporting criteria selected by management and the overall presentation of the Sustainability Information.

The procedures performed in a limited assurance engagement vary in nature and scope from, and therefore provide a lower level of assurance than, a reasonable assurance engagement. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

A misstatement is considered material if, individually or in the aggregate, it could reasonably be expected to influence the economic decisions of users taken on the basis of the Sustainability Information.

VII. Summary of the Work Performed

1. Independent Limited Assurance Procedure

In accordance with the requirements of the National Standard and ISSA 5000, and exercising professional judgment, we designed and performed the following procedures, among others:

(1) Risk assessment Procedures

- Interviewed management, the sustainability reporting team, and relevant functional departments to understand the reporting process;
- Evaluated the applicability of the reporting criteria to the Company's business;

- Identified and assessed the risks of material misstatement of the Sustainability Information; and
- Obtained an understanding of the Company's internal control system for the collection, reporting, and monitoring of sustainability information.

(2) Data verification Procedures

- Evaluated the design of key structures, systems, processes, and controls used by the Company to prepare the Sustainability Information;
- Performed testing, on a sample basis, of the processes for collecting and reporting the Sustainability Information;
- Recalculated key metrics and compared them to the data disclosed in the Report;
- Tested, on a sample basis, the consistency between source data and system records; and
- Performed analytical procedures on significant fluctuations to assess their reasonableness.

(3) Disclosure compliance assessment Procedures

- Evaluated whether the Sustainability Information was prepared in accordance with the applicable reporting criteria;
- Assessed the consistency of qualitative statements with quantitative data within the Report; and
- Considered whether the presentation of the Sustainability Information was misleading.

(4) Other procedures

Other procedures we deemed necessary.

2. Comparative Information

(1) Assurance Status of Comparative Information

The comparative information for 2024 included in the Report has been subject to limited assurance by our firm, and a limited assurance report with an unmodified conclusion was issued on 22 April 2025. This assurance engagement was conducted in accordance with the International Standard on Sustainability Assurance 5000, General Requirements for Sustainability Assurance Engagements (ISSA 5000).

(2) Explanation of Changes in Scope of Assurance for Historical Periods

Sustainability Information	2024 Assurance Scope	2025 Assurance Scope	Reason for Change
Scope 2: Indirect GHG emissions from purchased energy (location-based) (tCO_2e)	Not included	Added	Newly disclosed by the Company
Total GHG emissions (Scope 1+Scope 2) (location-based) (tCO_2e)	Not included	Added	Newly disclosed by the Company

(3) Impact of Reporting Boundary Changes on Comparative Information

During the reporting period of 2025, the reporting boundary of the company changed due to the following events:

- the Company subscribed to equity interests in Xiamen Tungsten Motor Industry Co., Ltd. by way of capital increase and share expansion;
- Xiamen Golden Egret Special Alloy Co., Ltd. established Chengdu Golden Egret Digital Intelligence Cutting Technology Co., Ltd.;
- Chengdu Hongbo Industrial Co., Ltd. established Hongbo Industrial (Thailand) Co., Ltd.; and

- XTC New Energy Materials (Xiamen) Co., Ltd. established Xiamen Canghai New Energy Materials Co., Ltd., Xiamen XTC Recycling Technology Co., Ltd. and Chengdu XTC New Energy Technology Co., Ltd.

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RSM CHINA CPA LLP [ ], Chinese Certified Public Accountant

Beijing, China [ ], Chinese Certified Public Accountant

April 22, 2026