



Lingbao Gold Group Company Ltd. 靈寶黃金集團股份有限公司

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

(Stock Code: 3330)



2024

ENVIRONMENTAL, SOCIAL
AND GOVERNANCE REPORT

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ABOUT THE REPORT

Report Profile

This report is the ninth “Environmental, Social, and Governance Report” issued by Lingbao Gold Group Company Ltd. (the “Company” or “Lingbao Gold”, and together with its subsidiaries, the “Group”, “We” or “Us”).

Reporting Period and Scope

This report discloses the Group’s approaches, practices, initiatives and performance in relation to environmental, social and governance (ESG) management from 1 January 2024 to 31 December 2024 (the “Year” or “Reporting Period”). Some contents in this report date back to before 2024 and extend to 2025, thereby increasing reference value of the report. The scope of the content disclosed in the report is the same as that of the 2024 Annual Report of the Group.

Main Reporting Guidelines

This report is prepared in accordance with the *Environmental, Social and Governance Reporting Code* (“ESG Code”) as set out in Appendix C2 to the *Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited* (“HKEX”). The content hereof has conformed to the disclosure principles required in the *ESG Code*.

This report is prepared in accordance with the following reporting principles

Materiality: Key ESG issues are identified through materiality assessment, the processes and results of which are disclosed in the ESG report;

Quantitative: Environmental and social KPIs for which historical data is available are presented in the ESG report;

Balance: The Report seeks to present the Group’s ESG performance in a balanced manner, avoiding choices, omissions, or presentation formats that may inappropriately influence the decisions or judgments of the report’s readers;

Consistency: With the continuous and in-depth promotion of ESG information disclosure, we have disclosed some new KPIs. For the KPIs disclosed for the first time, we will use consistent methodologies to disclose ESG information in the following years for meaningful comparison.

Publication

This report is available online in both Chinese and English versions. Shareholders and stakeholders can access the report on the Hong Kong Stock Exchange website at www.hkexnews.hk and the Company website at <http://www.lbgold.com/>. In case of any discrepancy between versions, the Chinese version shall be considered definitive.

Contact Information

We highly value the opinions of our stakeholders and the public about this report. Should you have any enquiries or suggestions, please contact the Company through the following means.

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LETTER FROM MANAGEMENT

Amid the accelerating global transition from fossil fuels and the deepening consensus on sustainable development, Lingbao Gold has consistently regarded the ESG concept as the core guideline for the Company's high-quality development. In 2024, with "innovation-driven, green co-existence, and value sharing" as our main action line, we have achieved breakthroughs in environmental protection, social responsibility, and governance systems, steadily advancing towards our goal of becoming a gold mining group that "enjoys its first-class standing at home with its reputation across the globe".

Environmental responsibility: Redefining the foundation of mining with eco-friendliness

We vigorously practice the development concept that "lucid waters and lush mountains are invaluable assets," integrating green and low-carbon principles into the full lifecycle management of our mines. By innovating green mining technologies and resource recycling systems, we significantly reduce the ecological footprint of our production activities. Biodiversity conservation measures are introduced into mine-area ecological restoration, creating a mining development paradigm where humans and nature coexist harmoniously. We will continue to strive to build a resource-saving and environment-friendly gold industry ecosystem.

Social responsibility: Activating the engine of development with innovative momentum

The vitality of an enterprise stems from the creation and transmission of multiple values. At the industrial level, we insist on driving process upgrades through technological innovation, striving to build a safe, efficient, and intelligent modern mining operation system. In terms of employee development, we have established a growth platform that covers the entire career cycle, empowering every employee to realize value of his/her own through skill training and multicultural cultivation. In community co-construction, we have pioneered a new "resource feedback" model, deeply integrating mine development with local education and economic development, making the gold industry chain a chain of happiness that benefits people's livelihoods.

Governance foundation: Driving sustainable operation with moral strength

We regard business ethics as the lifeline of enterprise development. Based on the three governance principles of "integrity in operation, transparent decision-making, and compliant development," we have established a comprehensive anti-corruption internal control system to ensure that business value and social value resonate together. We have built a comprehensive and multi-layered internal control system from the aspects of system construction, personnel training, and supervisory mechanisms. Through strict institutional constraints, we prevent the breeding of corrupt behaviour. Through systematic personnel training, we enhance employees' moral standards and compliance awareness, so that every employee can consciously abide by the Company's ethical standards and behavioral norms. Through a robust supervisory mechanism, we conduct comprehensive supervision of the Company's operation process, promptly identify and correct violations, and ensure the healthy development of the Company.

The preciousness of gold lies in its enduring value, while the value of an enterprise stems from its sustainable operation. Lingbao Gold will unwaveringly promote ESG efforts, driving the Company towards high-quality, high-efficiency, and sustainable development, and steadily advancing towards the goal of becoming a gold mining group that "enjoys its first-class standing at home with its reputation across the globe". We look forward to working together with all stakeholders to jointly shape a more prosperous and sustainable future.



ABOUT LINGBAO GOLD

Company Profile

Lingbao Gold Group Company Ltd. (Stock Code: 03330) was established in September 2002 and listed on the Main Board of the Hong Kong Stock Exchange in January 2006. It is currently controlled by Shenzhen Jiesi Weiye Holding Co., Ltd. (深圳傑思偉業控股股份有限公司). The Company specializes in the full industry chain production and operation of gold and its associated elements, including exploration, mining, smelting, refining, and online trading. Its main products include “Lingjin” brand national standard gold ingots, silver ingots, electrolytic copper, sulfuric acid, etc.

With “creating wealth for society, generating benefits for the enterprise, and creating value for employees” as our mission, and “improving efficiency, efficacy, and profitability” as our theme and instrument, the Company relies on innovation and talent to actively and prudently promote mineral exploration and increase reserves and production, accelerates the integration of new-generation information technology with the mining industry, continuously cultivates the Group’s core competitiveness, and continuously enhances the Group’s technological strength and overall economic benefits.

As of 31 December 2024, the Group has five mining production bases and one smelting and processing enterprise, namely, Henan Lingbao Nanshan, Henan Nanyang Tongbai Xingyuan, Xinjiang Habahe Huatai, Inner Mongolia Chifeng Jinchan, Jiguo Full Gold, and Henan Lingbao Gold Smelting Branch. The Group has formed a production scale of 7,000 tonnes of ore mining and processing per day, 1,000 tonnes of gold concentrate processing per day, with an annual output of over 20 tonnes of gold, nearly 20 tonnes of silver, 4,000 tonnes of electrolytic copper, and 100,000 tonnes of industrial sulfuric acid, achieving annual sales revenue of over RMB10 billion.

Corporate Vision

Corporate Vision (Strategic Development Goal): To become an outstanding gold mining group with “first-class standing at home with its reputation across the globe”.

By adhering to the corporate values of “integrity, righteousness, inclusiveness and sharing” and the operational philosophy of “compliance, innovation, collaboration growth and efficiency”, Lingbao Gold is committed to becoming an outstanding gold mining group with “first-class standing at home with its reputation across the globe”. At present, we are making all-out efforts to promote the 2030 strategic development goal, aiming to achieve significant growth in production scale, net profit, and overall operating revenue by 2030, ranking among China’s top-tier gold industry enterprises.

Strategy and Management

In order to achieve the strategic development goals for 2030, we will follow the development path of the “Foundation Consolidation Period (2023–2025), Scale Expansion Period (2026–2028), and First-class Shaping Period (2029–2030)”, promoting the implementation of the strategy in stages.

In terms of management strategies, we adhere to the principle of taking capabilities as the foundation. By enhancing the vitality of enterprise operations, integrating the advantages of various ownership capabilities, and filling the gaps in capabilities, we implement a stable business strategy, promote the coordinated development of the “two wings” of the resource strategy and the capital strategy, and build an efficient resource investment and merger & acquisition system as well as an industrial-financial coordination system, forming a first-class management system advantage with distinct characteristics of Lingbao Gold within the domestic industry.



At the same time, we adhere to the internationalized path of resource expansion and operation. By 2030, we will achieve significant breakthroughs in comprehensive indicators such as resource reserves, gold production and profits. In addition, we will actively participate in the global resource and operation layout, and build the “Lingjin” mining brand with a global development mindset. We will establish a certain level of brand awareness and industry influence in the key overseas expansion regions and countries, laying a solid foundation for the sustainable development of the Group.

Business Layout

At the business layout level, as a resource-based and specialized gold mining company, while ensuring the stable development of our business, we continuously promote management upgrading and technological innovation, comprehensively enhance our independent operation capabilities, actively explore the joint operation mode of non-ferrous metals, and timely intervene in the field of new metals by leveraging the capital operation mode, so as to form a characteristic development path of “focusing on the operation of gold as a single product, tapping the value of non-ferrous metals and paying attention to the opportunities of new metals”.

At the resource layout level, we follow the development path of “based in Lingbao, radiating across China, and breaking through in Asia, Africa and Latin America”, striving to form a “1+3+3” resource pattern at home and abroad:

- “1” — Based in Lingbao: Relying on the advantageous location of the headquarters, we will deeply participate in the resource integration in the regions where Lingbao involved and the Xiaoqinling area, and drive the resource layout within Henan Province.
- “3” — Radiating across China: Based on the location layout of the existing exploration and mining projects, we will deeply cultivate the three core regions of “Xinjiang-Kyrgyzstan region, Inner Mongolia region, and Shaanxi-Gansu region” to form regional operation advantages.
- “3” — Breaking through in Asia, Africa and Latin America: From a global perspective, we will go abroad and achieve a breakthrough in resource layout in three ore-rich continental regions of South America, West Africa and the Indochinese Peninsula, so as to form international mine operation capabilities.

Enterprise Tenet — Creating Wealth for Society, Generating Profits for the Enterprise, and Creating Value for Employees

Creating Wealth for Society

An enterprise is the main body for creating wealth. Through the physical platform of Lingbao Gold, we enable all the vitality of labor, knowledge, technology, management, and capital to burst forth in competition, creating more material and spiritual wealth. Only when the people are “rich”, can the country be prosperous and strong. We make every effort to provide strong economic support for national construction and social progress.

Generating Profits for the Enterprise

Generating profits is the mission and responsibility of an enterprise. By achieving the goal of maximizing profits through limited input and high-efficiency output, we enable the enterprise’s shareholders, employees, partners, and all sectors of society to share the development achievements.

Creating Value for Employees

Employees are the wealth of an enterprise, and also the cornerstone and source of motivation for Lingbao Gold’s great cause. We always adhere to relying on employees to develop the enterprise and sharing the development achievements with them, so that employees’ career development plans can be expanded within the development of the enterprise, and they can realize their self-worth.



Company Honors



Top 10 Chinese Gold Enterprises
in Terms of Economic Benefits in 2023



Top 10 Chinese Enterprises
in Gold Production from Gold Mines
in 2023



Top 10 Chinese Gold Enterprises
in Terms of Gold Sales Revenue in 2023



Top 10 Chinese Gold Smelting
Enterprises in 2023



Top 100 Enterprises in Henan Province
in 2024



Top 100 Private Enterprises
in Henan Province in 2024

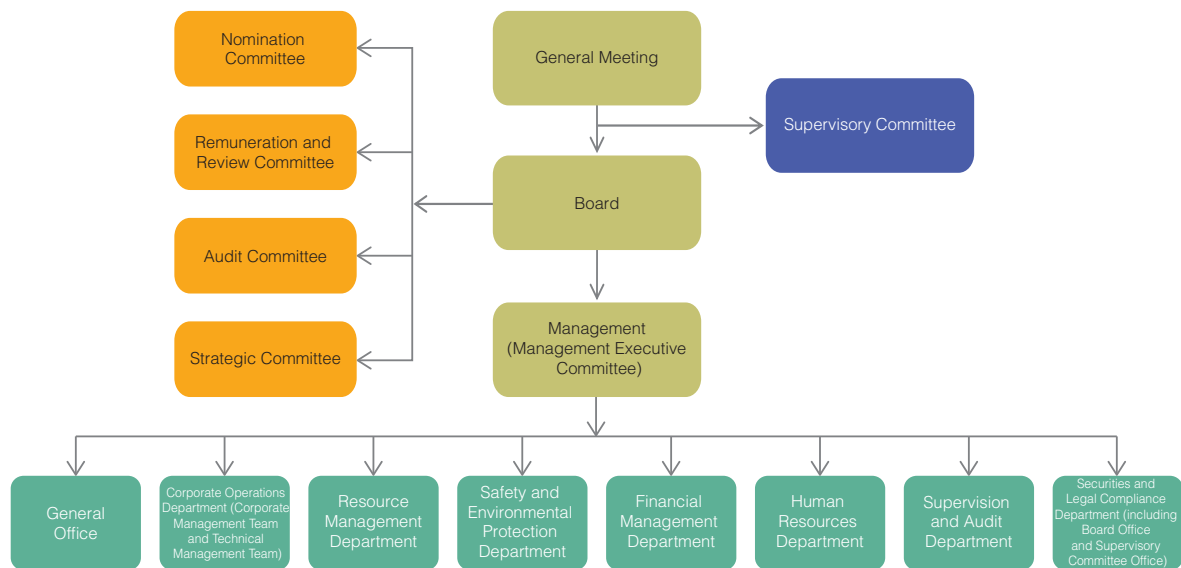


I. RESPONSIBILITY MANAGEMENT AND INTEGRITY IN OPERATIONS

1.1 Corporate Governance

Corporate Governance

A sound corporate governance system is an important support for an enterprise to create value and safeguard the interests of shareholders, and it is also a solid foundation for promoting the sustainable development of the enterprise. In the long-term governance practice, Lingbao Gold has established a sustainable governance framework with the general meeting, the Board and its special committees, the Supervisory Committee, the management execution level and various functional departments as a whole. All the main bodies cooperate with each other and operate in a coordinated manner, forming a governance ecosystem with a clear direction, scientific decision-making, effective supervision and efficient execution.



Organisational Structure of Lingbao Gold Group Company Ltd. (as at December 2024)

The Group complies with *the Company Law of the People's Republic of China*, the *Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited*, the *Articles of Association* and relevant laws, regulations and regulatory documents and strictly fulfils its obligations on information disclosures of listed companies. The Board has established policies on the procedures and internal control measures for information disclosure. In 2024, adhering to the philosophy of truthfulness, accuracy, completeness, timeliness and compliance, the Group carried out the disclosure of regular reports and extraordinary announcements in accordance with the requirements of H-share information disclosure regulations for material or unexpected events to the concern of the shareholders and investors, so as to ensure the investors can understand the true status of the Group in a timely, fair, accurate and integral manner. In 2024, a total of 3 regular reports and 47 announcements, notices and circulars were disclosed. We highly value the relationship with investors and shareholders, and maintain amicable relationship with investors, fund managers and shareholders through one-on-one meetings, road shows, seminars and on-site inspection by investors, thereby allowing investors to have a better understanding of the Group's financial position, production operations, management decisions, overall strategic directions and latest development.



We have formulated a Board Diversity Policy in accordance with the requirements of the *Corporate Governance Code of the Stock Exchange*, and the Nomination Committee is responsible for reviewing this policy. In May 2024, the Company successfully completed the renewal of the term of office of the Board and the Supervisory Committee. On the basis of overall stability, new members and female directors were added, which not only meets the requirements of the listing rules for the diversity of the Board composition, but also further optimizes the corporate governance structure, helping the Company better align with international ESG governance standards. During the Reporting Period, the Nomination Committee has conducted a comprehensive review of the structure, composition and diversity policy of the Board.

We encourage all directors to participate in professional training to keep updating their knowledge and skills. During the Reporting Period, the directors of the Company as a whole participated in professional training related to their respective fields. The Company regularly compiles the latest updates on the Listing Rules, news releases by the Stock Exchange, and other information for the directors to learn and reference.

Training Time	Training Content
Irregularly in 2024	Directors participate in knowledge training in their respective professional fields
After the renewal of the Board in May 2024	Invite Hong Kong legal advisors to conduct training related to directors' responsibilities for the newly appointed directors
October 2024	Share training materials related to the listing rules with the Directors, such as the publications of the Hong Kong Corporate Governance Institute, relevant cases of the Securities and Futures Commission of Hong Kong, relevant investigation reports of the Hong Kong Accounting and Financial Reporting Council, etc.
January 2025	Invite Hong Kong legal advisors to conduct training related to the listing rules and continuous responsibilities for the Directors

The relevant training is conducive to enhancing the compliance awareness and risk prevention and control awareness of the Directors, and is beneficial to improving the corporate governance level. It has played a positive role in the lawful and compliant operation of the Company as well as its healthy and sustainable development.



Internal Audit and Control

The Group continues to strengthen the risk management and internal control system of the Group, as well as standardize corporate governance in strict compliance with the requirements of the *Corporate Governance Code* and *Corporate Governance Report* under the *Listing Rules of the Stock Exchange*. The Group formulated the *Internal Audit Work Regulations*, the *Implementation Measures for Special Audits*, and the *Implementation Measures for Economic Responsibility Audits* and other internal systems around risk management, internal control, and supervisory audit work. In 2024, we newly formulated the *Administrative Measures for Engineering Cost Control and Assessment* to strengthen our cost management and control our engineering investment.

The Internal Audit Department of the Group strictly controlled business risks through pre-audit, in-process control, and post-audit methods. In 2024, 268 types of economic business audit work were addressed, including 172 for budgeting, 53 for intermediary, 1 for budget preparation, 6 for contracts, and 36 for settlement.

In 2024, the Group conducted internal control audits of the Smelting Branch, Huatai, Full Gold and Xingyuan. We issued internal audit management suggestions to the relevant companies regarding the issues identified, so as to provide clear guidance to these companies from the perspective of standardized management. During the Reporting Period, we have carried out follow-up visits on the problems found in the internal control audit of the Smelting Branch. In addition, we carried out a special audit of the infrastructure projects of the Nanshan Branch and put forward rectification suggestions for the issues identified.

In the future, we will continue to conduct follow-up visits to the branch companies and subsidiaries for which internal control audits have been previously carried out, with a focus on checking the rectification of the issues identified in the audits. At the same time, we plan to carry out more special audits, so as to promote the normalization of internal control inspections and effectively prevent risks.

Compliance Construction

Compliance management constitutes part of the inherent requirements for the Company's market competitiveness. We place great importance to compliance construction and management work by establishing a compliance management system and setting up a specific compliance management organization. We continue to improve our compliance management system to extend the compliance construction to the front-line production units, thereby fully integrating compliance management into all aspects of the Group's production and operation.

In 2024, we strengthened compliance reviews in the main business areas and consolidated the basic management of internal controls. In 2025, we will continue to improve the compliance management system, covering compliance requirements in all business areas and throughout the entire decision-making, execution, and supervision processes, thereby enhancing the Company's risk prevention and control capabilities.



Tax Management

In terms of tax management, we have formulated taxation administrative rules and invoice management policy of the Company based on relevant laws and regulations and their implementation rules, such as the *Enterprise Income Tax Law of the People's Republic of China*, *Provisional Regulations on Value-added Tax*, and *Tax Collection and Management Law of the People's Republic of China*, as well as relevant policies and regulations of the places where we operate. The Group conducts tax management work internally, including:

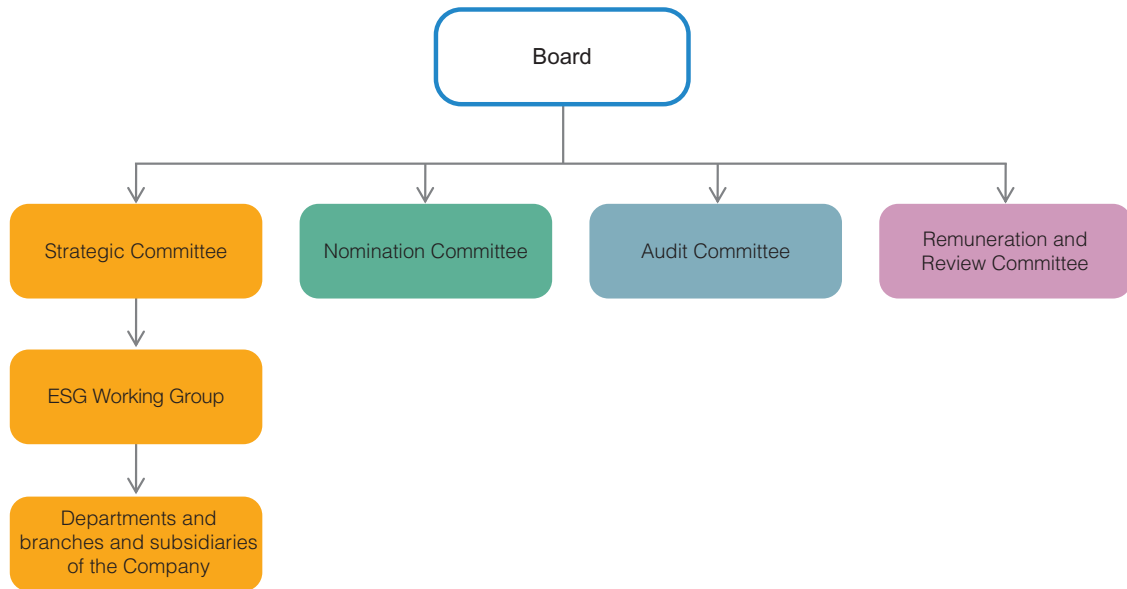
- Establish a tax management system, and establish department positions and responsibilities, as well as processing models for related business;
- Ensure effective work in respect of tax management, correct accounting processing, business standards, policy application, and routine tax filing;
- Ensure effective tax risk control, analyze enterprise tax risks before taking responsive measures, and conduct regular self-inspection.

We conduct monthly review and compilation of various tax returns of each branch and subsidiary to ensure the reasonable and accurate provision of taxes and surcharges. During the Reporting Period, the Group did not identify any major illegal or irregular events related to taxation.

1.2 ESG Governance

To enhance ESG governance, the Group has established a clear ESG governance structure. The Board, as the highest responsible and decision-making body for ESG matters, is responsible for overall Group's ESG strategy and reporting, and monitors ESG related matters that may affect the interests of the Group's business or operation, shareholders and other stakeholders. The Board approves ESG-related matters and reports once a year. The strategy committee of the Board is responsible for the Group's ESG strategy and supervision. The ESG Working Group has been established to be responsible for the preliminary preparation for the decision-making of the Strategy Committee, and provides the Group's information as to its environmental, social and governance matters.

In order to regulate the conduct of the Group's ESG Working Group and strengthen the management of the ESG Working Group, the *Management System of Environmental, Social and Governance Working Group* is formulated in accordance with the relevant laws, regulations and regulatory documents on ESG management of listed companies, including the *Company Law of the People's Republic of China* and the *Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited*, and taking into account the *Articles of Association* and the current status of the Group's ESG governance structure, to clarify the principles of the ESG Working Group, information collection requirements, content of information collection and management of the affairs of the ESG Working Group.



ESG Governance Structure Chart of Lingbao Gold Group Company Ltd.

1.3 ESG Statement from the Board

The Board assumes full responsibility for ESG governance and reporting, assessing, and determining the Group's ESG risks, and ensuring that the Group has established appropriate and effective ESG risk management and internal control system. This report fully discloses the progress and effectiveness of Lingbao Gold's ESG work in 2024, and was reviewed and approved by the meeting of the Board on 28 March 2025. There is no false or misleading information or material omission in the content of this report.

In order to standardize the ESG management mechanism of the Company and improve the quality of ESG management, the Group has established an ESG governance system with the Board — the Strategic Committee — the ESG Working Group as the core. The Board is the highest responsible and decision-making body for ESG matters. In particular, the Board leads and participates in the review and decision-making on ESG material issues, including identifying ESG risks, developing management plans and management policies, formulating ESG strategies and policies, and reviewing annual ESG reports. In addition, the Board has gradually incorporated climate-related risks into the overall risk management scope, and has preliminarily formulated the Company's strategic direction in addressing climate change, aiming to ensure that the Company can identify potential impacts and adopt appropriate countermeasures.

Based on the external environment and the Company's development strategy, the Group conducted communications and surveys with stakeholders during the Reporting Period and received a number of feedback and suggestions. Under the leadership of the Board, the Company assessed the materiality of these issues and thus identified key ESG issues, thereby clarifying the focus of its future work. We expect to work together with all our stakeholders to contribute to the sustainable development of the society and environment.



1.4 Stakeholder Communications

The Group's ESG stakeholders mainly include government, shareholders, customers, employees, environment, partners, industries and the communities where it operates. The Group believes that listening to and understanding the opinions of stakeholders will provide a solid foundation for the long-term development of the Group. The Group actively explores various channels to maintain good communication with stakeholders, to enhance the stakeholders' understanding of the development and operational policies, and to provide more opportunities for them to put forward suggestions so that the Company can provide them with timely and effective feedback regarding their concerns. In this way, the Group ensures that it is cooperating and working alongside stakeholders to achieve mutual benefits.

Stakeholder	Expectations and Concerns	Communication and Response
Government	Compliance with disciplines and laws Offer employment opportunities Payment of taxes pursuant to laws Driving the development of local economy	Strengthening compliance management Employment localization, promotion of local employment Accepting supervision and assessment Carrying out strategic cooperation
Shareholders	Robust operation Sustainable development Good return on investment Transparency on information disclosure	Improving competitiveness and profitability Fulfilling social responsibility for ecological and environmental protection Disclosing information in a timely manner, and carrying out investor exchanges Treating small and medium shareholders equally
Customers	Performance of contracts in good faith Quality assurance Innovative products High-quality services	Guaranteeing the stability of product supply and its quality Strengthening the management of product quality and optimizing product structure Providing customized services by fully considering the needs of customers Conducting customer satisfaction survey
Employees	Remuneration and benefits Protection of employee rights and interests Career development Health and safety Humanitarian care	Medical insurance and fair compensation system Establishing labor union organization Education and training, career development platform Eliminating occupational diseases Caring for staff, and setting up complaint feedback mailbox
Environment	Coping with climate change Water resources Pollution prevention and treatment Energy saving and emissions reduction	Analysis of the relevance of climate change to business operations Water resource protection Carrying out pollution control Technological innovation, energy saving and consumption reduction



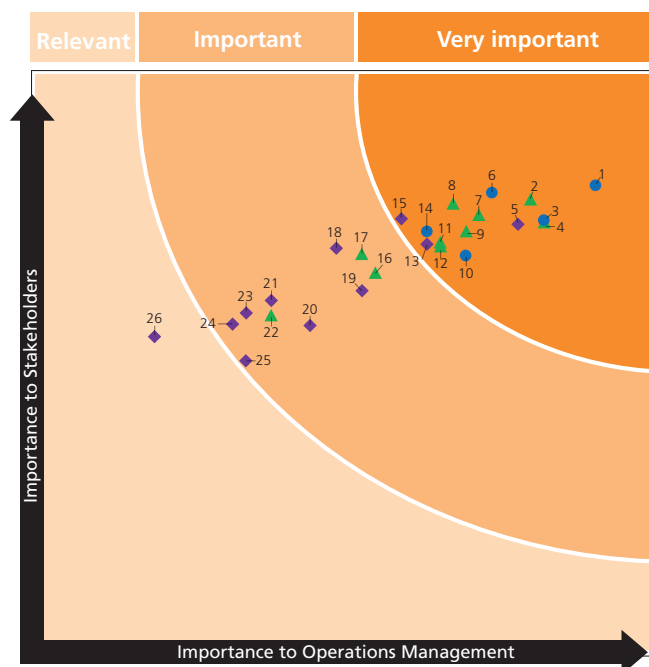
Stakeholder	Expectations and Concerns	Communication and Response
Partners	Business ethic Transparent procurement Mutual benefit and win-win cooperation	Execution of agreements/contracts in good faith Open procurement, e-procurement Business exchange and cooperation, topic-specific seminars
Community	Community development Public welfare activities Jobs creation	Community activities, visits and exchanges, respect for cultural traditions Donation and voluntary service Skills training, local employment and procurement
Industry	Fair competition Facilitating industry progress Promoting the development of industrial chain	Refraining from vicious competition Exchange of experience Technological innovation

1.5 Materiality Assessment

In order to deliver a more comprehensive, objective and realistic corporate image to stakeholders, we identified and screened out material issues of importance that are of the common concerns of the Company's business and stakeholders by inviting external professional third-party organizations to prepare a questionnaire for assessing material issues related to sustainable development to conduct research on our internal stakeholders, and taking into account feedback from stakeholders and external experts' opinions based on our business operations and development plans with extensive reference to leading practices of our peer companies and industry hotspots, domestic and international sustainability-related standards and ESG rating indicators in the capital market.

List of Material Issues in the ESG Report of Lingbao Gold			
No.	Issues	Level of Materiality	Response from the chapter/ section of the Report
1	Corporate governance	Very important	Corporate Governance
2	Hazardous goods management	Very important	Environmental and Natural Resources
3	Payment of taxes pursuant to laws	Very important	Corporate Governance
4	Tailings management	Very important	Environmental and Natural Resources
5	Employee health and safety	Very important	Occupation Health and Safety
6	Anti-corruption	Very important	Business Ethic
7	Emission and waste management	Very important	Emission and Waste Management
8	Environmental policy and management system	Very important	Emission and Waste Management
9	Use of mineral resources	Very important	Environmental and Natural Resources
10	ESG governance	Very important	ESG Governance
11	Energy management	Very important	Use of Resources

List of Material Issues in the ESG Report of Lingbao Gold			
No.	Issues	Level of Materiality	Response from the chapter/section of the Report
12	Water resource management	Very important	Use of Resources
13	Anti-money laundering	Very important	Business Ethic
14	Information security and privacy protection	Very important	Research and Innovation
15	Employment management and employee rights and interests protection	Very important	Employee Rights and Care
16	Coping with climate change	Important	Combating Climate Change
17	Biodiversity and land use	Important	Environmental and Natural Resources
18	Employee training and development	Important	Employee Training and Development
19	Product responsibility	Important	Quality Products and Services
20	Smart mining	Important	Environmental and Natural Resources
21	Intellectual property protection and technological innovation	Important	Research and Innovation
22	Packaging material management	Important	Use of Resources
23	Supply chain management	Important	Responsible Supply Chain
24	Customer service	Important	Quality Products and Services
25	Community relations and contributions to community	Important	Rural Revitalization, Caring for Society
26	Promoting industry development	Relevant	Research and Innovation



ESG Materiality Assessment Matrix



In the future, we will maintain a continuous focus on stakeholders and constantly review and update material issues, so as to achieve a more comprehensive and thorough understanding of the demands of various parties, and to provide guidance and direction to the Company's business operations and controls over environmental and social governance.

1.6 Business Ethic

The Group highly emphasizes on anti-corruption, strictly prohibits any improper conducts in business activities such as corruption, accepting bribes, offering bribes and money laundering, and is committed to creating a culture of honesty and integrity within the Company.

In 2024, the Group established a discipline inspection and supervision committee, and set up dedicated discipline inspection departments in all of its branches and subsidiaries. The Group has established an operating mechanism of centralized leadership and vertical management at the headquarters for the commission for inspecting discipline to ensure the independence and effectiveness of discipline inspection and supervision.

The Group strictly complies with the *Certain Guidelines on Honest Governance of Leaders of the Communist Party of China*, the *Anti-Money Laundering Law of the People's Republic of China* and other relevant laws and policies. Meanwhile, the Group has formulated internal policies, including the *Administrative Measures for Internal Supervision*, the *Administrative Measures for Petition and Report*, *Administrative Measures for Integrity Due Diligence Interview*, etc., which allows the discipline inspection and supervision work based on precedents.

The responsible persons of the branches and subsidiaries of the Group have entered into a liability statement regarding the goal of construction of the Party's honesty and integrity. Every unit under the Group shall bear the responsibility of the implementation of the construction of honesty and integrity within the Party and closely apply it to production and management, forming the layout of "one post, two duties" (一崗雙責). We plan to sign a letter of clean practice commitment between all levels of management and personnel in key positions in 2025.

The Group has established a comprehensive reporting mechanism, providing a variety of reporting channels online and offline, including physical reporting boxes, public mail addresses, supervisory mailboxes, and reporting telephone numbers. Where the Group receives whistle-blowing reports, we will immediately liaise with the interested personnel to investigate into the details of the reported incidents and prepare a detailed report, which will be resolved by the disciplinary committee of the Company. Any such misconduct that constitutes a criminal offence will be handed over to the judicial authorities. The Company strictly implements the whistleblower protection mechanism by incorporating confidentiality work into the whole process of complaints and reports, and strictly keeping confidential the whistleblowers' personal information and materials so provided. In addition, we have established a defined protection mechanism to ensure that the rights and interests of whistleblowers are not infringed. In 2024, the Company did not receive any reports related to corruption incidents.



We also actively build corporate integrity culture to create a good ecosystem of “Clean Lingjin”. As for anti-corruption education, we organized training activities covering directors, senior management and employees through the combination of centralized learning and decentralized learning, to promote benchmarking and rectification.

In 2024, the Group also actively practiced integrity and anti-corruption:

- continued to improve the disciplinary inspection and supervision system, so that anti-corruption work was conducted in a standardized and rule-based manner;
- regularly held educational seminars focused on “Promoting Reforms Based on Cases” to educate all party members and cadres and employees in a timely manner;
- carried out party conduct and clean governance construction through video-based learning materials to form a pattern placing equal attention to anti-corruption and clean governance;
- opened and checked the whistle-blowing box periodically, reviewed the whistle-blowing mailbox on a regular basis and broadened the information collection channels to build the “sunshine supervision”.



II. ENVIRONMENT PROTECTION AND GREEN PRODUCTION

2.1 Environmental Management System

Lingbao Gold upholds the principle of “green mining” in line with high-quality development requirements, adhering strictly to the fundamental principles of the *Law of the People’s Republic of China on Environmental Protection*. The Group has established a comprehensive environmental management system to effectively control environmental and natural resource related risks, minimizing its adverse environmental impact while ensuring normal business operations.

The Group has implemented a well-defined ESG governance framework (see Section 1.2) to oversee environmental matters. This governance structure comprises the Strategic Committee, the ESG Working Group, and various departments, branches and subsidiaries, ensuring that environmental management principles are integrated into business operations and frontline production.

At the departmental level, the Group’s headquarters has established the Safety and Environmental Protection Department to coordinate environmental management efforts. At the subsidiary and branch levels, Full Gold has set up a dedicated Safety and Environmental Protection Department, responsible for routine environmental inspections, formulation of governance plans and measures. The company is staffed with Chinese management personnel alongside safety and environmental engineers from Kyrgyzstan, and each mining and processing site has its own dedicated safety and environmental management personnel. Huatai and Nanshan Branch, as the main mining production units of the Group, have established an Environmental Pollution Prevention and Control Committee to develop and implement the environmental protection accountability system. Huatai has also formed an Environmental Leadership Management Team led by the General Manager to clarify responsibilities under the pollution prevention and control accountability system.

Lingbao Gold and its branches and subsidiaries have formulated related environmental management regulations to refine the environmental management system.

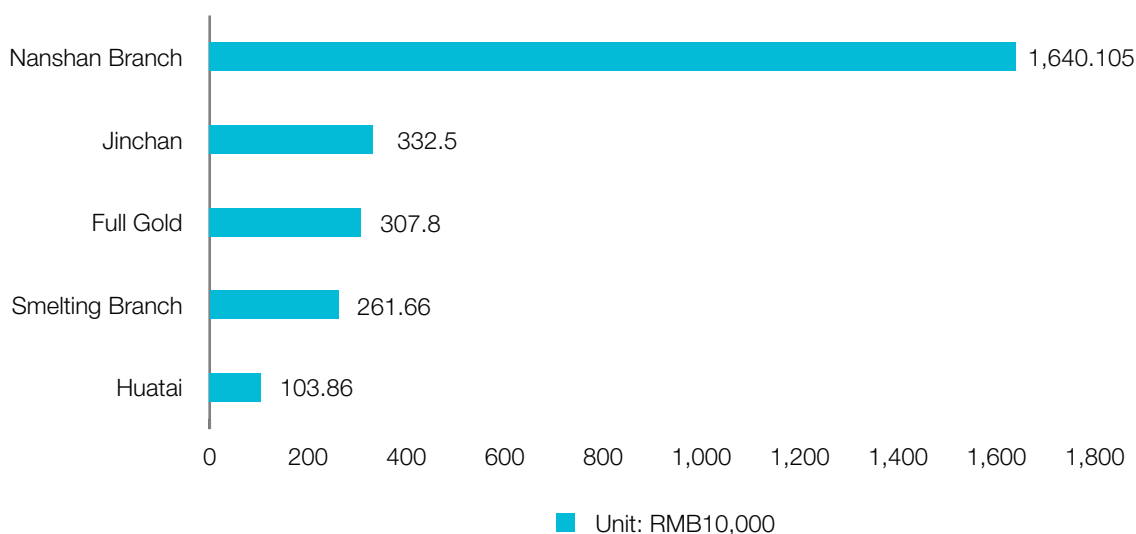
- Lingbao Gold: Issued the *Regulations on Safety Production and Environmental Protection Management of Lingbao Gold Group Company Ltd.* during the Reporting Period, which provide detailed provisions on environmental protection governance.
- Nanshan Branch and Huatai: Established the *Compilation of Environmental Management Systems*, further standardized a series of environmental protection management rules and regulations such as the operation procedures of environmental protection facilities and equipment, the environmental management system of hazardous waste, the system of environmental protection supervision and inspection, and the system of environmental protection promotion, education and training.
- Full Gold:
 - 1) Formulated the *Environmental Protection Measures Plan for 2024*, strictly complying with local legal requirements to advance lawful and compliant green operations. During the Reporting Period, Full Gold obtained an Emission and Waste Disposal License issued by the Ministry of Natural Resources, Ecology, and Technical Supervision of the Kyrgyz Republic;



- 2) Established the *Graded Assessment and Handling Measures for Environmental Incidents*, developing a performance evaluation mechanism linking environmental compliance to executive compensation. Monthly cross-departmental assessments are conducted, with strict adherence to monthly reporting protocols.

Adequate environmental funding serves as the core guarantee for Lingbao Gold's environmental management initiatives. During the Year, Lingbao Gold maintained sustained investments in environmental projects, covering awareness campaigns, environmental monitoring, equipment procurement, hazardous waste disposal, and ecological restoration.

Investment in Environmental Protection of the Group in 2024



➤ Environmental Objectives and Performance

In 2024, Lingbao Gold and its branches and subsidiaries have achieved emission standards for wastewater, waste gas and waste materials.

During the Reporting Period, the Group did not identify any material violation or non-compliance involving waste gas, wastewater, waste emissions, or noise management.

2.2 Emission and Waste Management

Mining and smelting operations inevitably generate various emissions, including solid waste, waste gas, wastewater, and noise. If not properly managed, these emissions may lead to soil contamination, water pollution, and air quality deterioration, posing potential risks to ecosystems and the health of surrounding communities. The Group has continuously improved its emissions management system and implemented multi-faceted governance measures during the Reporting Period. Emissions and waste control are crucial to the sustainable development of mining and smelting enterprises.



2.2.1 Waste Gas Management

The Group strictly complies with the *Air Pollution Prevention and Control Law of the People's Republic of China* and relevant domestic laws and regulations, as well as host country laws such as the *Air Pollution Prevention and Control Law of Kyrgyzstan*.

Waste gas emissions from the Group's production processes are categorized into two types: organized emissions and unorganized emissions. Organized emissions primarily include particulate matter generated during primary crushing and secondary crushing and screening stages of ore processing, as well as acidic gases and nitrogen oxides produced during smelting and production activities. Unorganized emissions mainly consist of dust originating from ore stockpiles, tailings ponds, and transportation routes.

We have strictly implemented emission prevention and control measures and installed emission control facilities at key emission-producing areas, achieving emission standards for the Year. Measures such as covering open-pit mining areas and tailings ponds with dust suppression nets and assigning personnel for regular road cleaning and water spraying have been implemented to prevent fugitive dust pollution.

We adopted a multi-level approach to air emissions management, focusing on the following production and operational stages:

Ore Processing

Installed baghouse dust collectors at crushing stages in ore processing workshops to capture and recover particulate matter from organized emissions. The recovered dust is reintegrated into the ore processing system to enhance precious metal recovery. Huatai has achieved a recovery rate of over 95%.

Smelting

Installed baghouse dust collectors in smelting workshops to reduce organized emissions;

The Smelting segment has upgraded the Distributed Control System (DCS) to enable intelligent tail gas emission control, achieving a Grade B rating in emergency emission reduction performance for heavily polluted weather;

Implemented an integrated desulfurization and denitrification retrofit in the acid production tail gas system, adopting advanced treatment processes to enhance gas absorption efficiency and optimize tail gas emission standards.

Emission Monitoring

The Smelting segment has installed two online waste gas monitoring systems for real-time tracking of emissions. Routine high-value hotspot sulfur dioxide control measures have been established;

Huatai has formulated environmental self-monitoring plans for its two mining sites and tailings ponds, conducting quarterly air emissions monitoring.



Heating Systems

Jinchuan has completed its “coal-to-electric boiler” project, successfully installing and commissioning electric boilers for its office buildings, workshops, and residential areas, eliminating emissions from coal-fired heating;

Huatai invested RMB230,000 to replace coal-fired heating boilers at Duolanasayi Gold Mine with electric boilers, reducing waste gas emissions and solid waste.

2.2.2 Waste Management

We strictly comply with law and regulations such as the *Law of the People's Republic of China on the Prevention and Control of Environment Pollution Caused by Solid Wastes*, *Standard for Pollution Control on the Non-Hazardous Industrial Solid Waste Storage and Landfill*, *Standard for Pollution Control on Hazardous Waste Storage and Emission* and *Standard of Pollutants for Gold Smelting Industry* as well as the relevant laws and regulations of the host country to dispose of general solid wastes and hazardous wastes.

The Group generates certain types and quantities of hazardous waste and non-hazardous waste in the mining, smelting and processing processes. Adhering to the principles of “reduction, resource utilization, and harmless treatment”, we have implemented a series of measures at all stages, from source to end, to minimize solid waste generation. Mining, smelting, and processing units have reinforced waste discharge control and established relevant waste management policies and disposal plans to mitigate environmental impacts to the greatest extent possible.

➤ General Solid Waste Management

During smelting and processing, general solid waste primarily includes waste rock, tailings, and yellow sludge (sulfur gypsum slag). Waste rock from mining operations is uniformly stored in regulated waste disposal sites, where ecological restoration measures such as soil covering and vegetation rehabilitation are implemented. Some of the waste rock is transported to gravel plants for resource utilization. The smelting subsidiary collaborates with qualified third-party institutions to ensure the timely and compliant disposal of both industrial and domestic waste. Yellow sludge is generally temporarily stored in dedicated sulfur gypsum slag sites and transported by vehicles to the Group's self-built dry stacking tailings facility for regulated storage. The tailings, classified as Category II general solid waste, generated by the beneficiation plant are stored in tailings ponds and treated using compaction technology.

Jinchuan has pioneered an innovative cut-wall backfill mining method, effectively reducing solid waste at the source. This method not only improves ore grade but also enables the resource-based utilization of waste rock for backfilling mining sites, achieving a symbiotic balance between extraction and backfilling. This approach establishes a solid foundation for the subsequent management of mined-out areas.



Highlight Case: Comprehensive Remediation Plan for Transforming Abandoned Mining Pits into Ecological Green Spaces

In 2024, the Group completed the compilation of the Environmental Impact Assessment Report for the Geological Environment Remediation of the Duolanasayi Gold Mine. In accordance with the environmental assessment requirements, a comprehensive remediation plan was implemented: the open-pit mine undergoes preliminary treatment to serve as a disposal site for mining waste rock. Once the general solid waste disposal is completed, strict standard-compliant site closure, capping, and greening projects are carried out. This plan not only ensures the regulated disposal and resource utilization of mining waste rock but also facilitates the ecological restoration of abandoned mining pits.

During implementation, the Duolanasayi Gold Mine successfully completed soil covering and grass planting for land reclamation over an area exceeding 60,000 square meters, along with the restoration of 20,000 square meters of deforested land to grassland. These efforts have achieved significant ecological restoration results.



Huatai: Waste Rock Yard Ecological Restoration



Huatai: Land Reclamation and Grass Planting Project



Huatai: Western Industrial Site Fencing and Landscaping



➤ *Hazardous Waste Management*

The Group strictly requires its subsidiaries to regulate the entire process of hazardous chemicals and hazardous waste management. All subsidiaries involved in hazardous waste must establish dedicated temporary storage facilities, maintain a complete *Hazardous Waste Generation and Storage Log*, strictly implement hazardous waste transfer procedures, and ensure that disposal is entrusted to qualified professional agencies in compliance with legal and regulatory requirements.

Subsidiaries handling hazardous waste actively implement the Group's hazardous waste management requirements:

Full Gold strictly adheres to the waste management production control plan, classifies waste by type and hazard level, and complies with the regulatory limits on the accumulation of production and consumption waste, ensuring compliance and efficiency in hazardous waste management.

Huatai and Nanshan Branch have established the *Hazardous Waste Management Policy* in accordance with hazardous waste management regulations. They standardize the management of waste engine oil, waste hydraulic oil, spent activated carbon sludge, waste acid, and other hazardous waste. Dedicated hazardous waste temporary storage areas have been set up, and ledger-based inbound and outbound waste tracking has been improved. This year, a total of 1.77 tons of waste engine oil and 0.12 tons of waste acid were transferred and processed.

Hazardous waste generated during smelting and processing mainly includes iron-silicon slag, spent catalysts, waste mineral oil, copper thiocyanate, and cyanide-containing peat. To manage these hazardous wastes, the Group has formulated a systematic hazardous waste management plan and an annual transfer plan. Regarding specific disposal methods:

- **Iron-Silicon Slag:** Due to its large volume, it is first temporarily stored in a dedicated hazardous waste storage facility on site and then transferred through standardized procedures and the Hazardous Waste Transfer Manifest System to qualified third-party cement plants for resource utilization. During this reporting period, the smelting subsidiary successfully transferred 217,800 tons of iron-silicon slag, effectively reducing environmental risks.
- **Other Hazardous Waste:** Hazardous waste with relatively smaller volumes is stored in dedicated hazardous waste storage warehouses, such as the standardized hazardous waste temporary storage room established by Huatai. During transfer, strict compliance with transfer application procedures and the Hazardous Waste Transfer Manifest System is ensured.

The disposal volume, treatment methods, and destinations of the above hazardous waste are all recorded in real-time in the Sanmenxia Hazardous Waste Pollution Prevention and Control Supervision System, ensuring full traceability.



Additionally, during the Year, Huatai invested over RMB3.7 million in constructing a carbon regeneration workshop, enabling the regeneration and reuse of spent activated carbon. This initiative effectively reduces production costs and minimizes hazardous waste inventory. Meanwhile, the smelting subsidiary invested RMB15.23 million in a green upgrade and improvement project, primarily aimed at reducing roasted ore consumption, lowering production costs, and decreasing wastewater and waste residue generation, thereby enhancing resource utilization efficiency and improving environmental performance.

2.2.3 Wastewater and Water Resource Recycling Management

The Group strictly complies with the *Water Law of the People's Republic of China*, the *Law of the People's Republic of China on Prevention and Control of Water Pollution*, and other domestic laws and regulations as well as relevant regulations applicable to its overseas projects. The Group attaches great importance to water resource management and actively promotes water resource recycling.

In water usage management, mining units primarily utilize mine water and tailings return water. Tailings water generated during grinding, flotation, and carbon-in-leach processing is recovered through dry stacking, then treated via sedimentation and pumped back to high-level reservoirs for reuse. Mine water and surface water serve as supplementary sources for the high-level reservoirs, ensuring that all beneficiation water is fully recycled. Specifically, Xingyuan requires approximately 4 tons of water per ton of ore processed, with 85% sourced from dry-stacked tailings return water and the remaining 15% supplemented by underground drainage. Meanwhile, Nanshan Branch primarily utilizes a circulation system composed of surface water, tailings return water, and concentrate dewatering return water.

Additionally, we have invested in an upgraded rainwater and wastewater separation project, increasing the total capacity of the plant's rainwater collection pools to 3,600 m³. Initial rainwater is fully and effectively collected, with the capacity to handle first 15-minute rainfall during the maximum rainfall recorded over the past five years. Furthermore, the discharged rainwater meets heavy metal concentration standards before entering the municipal drainage system.



In wastewater treatment, the Group categorizes its wastewater into domestic wastewater, mine inflow water, and industrial wastewater. Adhering to the principle of “source control, precise treatment, and long-term regulation”, we ensure that all wastewater is discharged in full compliance with regulatory standards.

➤ *Domestic Wastewater*

Huatai has installed a domestic sewage treatment facility at the Tuokuzibayi Gold Mine, employing a “coagulation sedimentation and disinfection” process. The treated wastewater, meeting regulatory discharge standards, is reused for mine site greening, dust suppression, and as a supplementary water source for beneficiation.

Additionally, Huatai utilizes buried integrated sewage treatment equipment to collect and treat domestic sewage. The treated water is stored during winter and used for irrigation in summer, ensuring the efficient utilization of water resources.

For non-reusable domestic sewage, all units within the Group ensure it meets discharge standards before directing it into the wastewater pipeline. Moreover, third-party institutions are commissioned to conduct regular wastewater testing, ensuring compliance with environmental regulations.

➤ *Mine Inflow Water*

Huatai: Mine inflow water is primarily used for rock drilling dust suppression, with a portion serving as supplementary water for beneficiation. The remaining water undergoes coagulation sedimentation in storage tanks and further sedimentation in anti-seepage pools before being repurposed for mine site greening. Additionally, three new groundwater monitoring wells have been installed at the Duolanasayi Gold Mine and Tuokuzibayi Gold Mine tailings storage facilities. Regular sampling and testing are conducted to ensure compliance with Category II groundwater quality standards.

Xingyuan: Additional pumps and pipelines have been installed to redirect excess mine inflow water, which previously entered the wastewater treatment facility during the rainy season, to a closed tailings storage facility. This water is then utilized for tree and vegetation irrigation through gravity-fed sprinkling. In daily operations, a portion of mine inflow water and rock drilling dust suppression water is reused for beneficiation, while 40–55 m³/day of residual drainage is directed to the wastewater treatment facility. The water undergoes treatment to meet regulatory standards before being discharged.



➤ *Production wastewater*

The Group strictly managed its production wastewater in each mining production units, continued to improve wastewater management mechanism, optimized sewage treatment devices and generally adopted the way of using the discharged underground water for processing and recycling it after separation through tailings.

The processing plant implemented dry discharge of tailings, ensuring that the water content of tailings is around 15%–20%. All production wastewater was recycled to ensure zero discharge. The clear water recycling is adopted for the tailing dam through an anti-seepage dam and a backwater tank established as required achieving full recycling of beneficiation wastewater.

In addition, sewage treatment plants of Smelting Branch adopted “zero discharge” process. Acidic wastewater is treated with neutralization, filtration, lime precipitation and reverse osmosis to reduce copper content to less than 0.01g/L. Alkaline wastewater is treated with cyanide neutralization, carbonization and oxidation precipitation. These two wastewaters are recycled for production system after treatment, achieving zero discharge of wastewater.



Highlighted Case: Desalination Project of Cyanide Containing Wastewater in Smelting Branch

Desalination project of cyanide containing wastewater in smelting branch is the key project of the Group for year, demonstrating the determination of smelting branch to implement the philosophy of green environmental protection development.

Subjects treated in the project include cyanide containing wastewater, acidic wastewater, denitrification wastewater and smelting wastewater. The process is separating sodium sulfate through MVR evaporating crystallization system after pre-treatment by double alkali method, and then producing carnallite after treatment of triple effect evaporation with the mother liquor. The smelting wastewater will be conducted desalination when consolidating into carnallite process after removing heavy metals through treatment of carbide slag and Na₂S.

The project has achieved remarkable results: optimizing water quality of gold leaching system, reducing the gold content in the tailings; improving the quality of electrolytic copper; recycling approximately 4,300 tonnes of sodium sulfate annually, saving more than 60,000 cubic meters of groundwater, and increasing the benefits of RMB12.5488 million, while promoting the regional development and improvement of the ecological environment.



2.2.4 Noise Management

The Group pays high attention to and prevents the risk factors in the production environment that may affect human health and pays attention to noise management. The noise in our production process is mainly the noise from the working process of ball mills, crushers, rock drills and other equipment, for which the measures of sound insulation, vibration isolation and noise elimination are taken, and we have engaged a third-party agency to test the noise in the production process of the Group's main mining production units smelting units on a regular basis.

1. Management measures for noise prevention and control adopted by mine production units.
2. To establish a sound occupational hazard management organization and to carry out noise detection.
3. To monitor the noise of mining and processing operation sites at least once a day.
4. At mining operation sites, three points are selected at each monitoring location and the average value is taken.
5. To give a play to its own noise reduction function, and in the case of the noise index exceeding the standard, to examine and repair immediately.
6. The employees are equipped with labor protection supplies or work on shifts to reduce the time exposed to noise.
7. Any sudden noise shall be notified to the nearby employees in advance for safety protection.
8. To provide regular physical examinations for workers exposed to noise, protect the physical and mental health of workers, and establish a sound management mechanism for protection supplies.
9. To strengthen the maintenance of equipment to reduce the noise caused by the aging of machinery.
10. To strengthen personal protection: workers exposed to strong noise shall wear earplugs, earmuffs, etc., to reduce the impact of noise on workers.
11. To adopt methods such as sound insulation and sound absorption: silencer or sound insulation hood shall be installed at the source of strong noise.
12. To install silencers for noisy equipment such as Roots Blower to reduce noise frequency.



2.3 Use of Resources

We attach importance to the economical use of natural resources and put resource conservation and resource efficiency in an important position in the Group's development strategy and operation methods. We constantly improve our management system in resource use and energy consumption management, optimize energy saving and emission reduction measures, and devote ourselves to continuously monitoring and constantly improving the performance of Lingbao Gold's resource use efficiency. The main energy consumed by our subsidiaries and branches is electricity, with a small amount of coal oil and diesel as auxiliary energy. The Company regularly reports its energy consumption level to the government authorities as requested.

2.3.1 Energy Saving and Efficiency Improvement

In compliance with the laws and regulations such as *Energy Conservation Law of the People's Republic of China*, *Implementation Measures of Henan Province for Management of Energy Saving at Key Energy Consumption Entities*, and relevant regulations of places where we operate in overseas such as the *Kyrgyzstan Energy Conservation Law*, the Group was committed to enhancing efficiency of its energy utilization and prepared the *Energy Management Rules of Lingbao Gold Group* in order to enhance efficiency of its energy utilization. In 2024, our focus in respect of energy saving and efficiency improvement was electricity system renovation and the "coal to electricity" project.

- *Electricity system renovation*
The Group carried out overall planning for the high-voltage distribution system of Nanshan Branch to improve the quality of electricity and reduce power consumption;

Jinchuan advanced the improvement on electricity billing method and implemented the "capacity to demand" project to accurately match the demand of electricity, which saved electricity fee of RMB97,500 in the first half of the Year. Meanwhile, the Company upgraded and renovated the dust removal system of the processing plant, which not only saved electricity, but also reduced environmental pollution.
- *The "coal to electricity" project*
Jinchuan and Huatai implemented the "coal to electricity" projects; the Group's five mines and one plant all completed the "coal to electricity" electric boilers renovation project for heating.
- *Green renovation and improvement project*
Smelting segment invested in RMB15.23 million to implement green renovation and improvement project, which not only reduced volume of roasted ores, but also significantly reduced production costs, while reducing production of wastewater and slag, thus achieving a win-win situation in terms of both economic and environmental benefits.



2.3.2 Green Office

By upholding the philosophy of building a resource-saving society, the Group closely linked to the theme of “energy saving, emission reduction and green office”, issued the *Initiative of Energy Saving and Environmental Protection for All Employees* across the Company, developed green office management systems and established the leading group for monitoring and assessment, achieving significant results.



2024 Highlighted Performance:

- In active response to paperless listing mechanism by the Stock Exchange, the Group completed procedures such as corresponding amendments to the Articles of Association and collection of shareholders’ opinions, achieving a significant decrease in the number of printed copies of the interim report in 2024 and contributing to the environmental protection.
 - The Group successfully established and improved the integration of dispatching command center and key systems of four mining enterprises, achieving unattended operation, remote control and unified management and sharing of information.
 - The Group successively established and launched the “MES” systems for collection and beneficiation and smelting, achieving a significant increase in management and control capability of production process.
 - The Group developed systems in terms of online transaction, contract management, human resource management and SRM purchase for the purpose of managing risks and standardizing approval processes, significantly improving the management efficiency.
 - In addition, asset/equipment management system, SRM, BI project and integrated safety platform/safety education and training platform are also under intensive development.
-
- Package management: In terms of product package, Lingbao Gold mainly uses packages with environmental-friendly materials, packaging boxes and bags can be reused.
 - Electricity saving: Transforming the ceiling lights in the corridors of the office into motion sensor lights; turning off the landscape lights at the factory at night, and seriously investigating and punishing the illegal use of high-power appliances by dormitories and offices; implementing office area lighting renovation, and replacing over 400 ordinary light bulbs with LED energy-saving lamps.



- Water conservation: We introduced energy-saving and environment-friendly drinking water equipment, implemented a gas-to-electric water heater renovation project, and implemented centralized water supply for the Group; promptly repaired pipelines, valves, faucets and other facilities to solve the problem of running and dripping; built a rain and sewage diversion system, and used rainwater to water flowers and plants, reaching over 85% in water resources recycling.
- Strict control of office supplies: We implemented the administrative measures for the planned application, procurement by designated personnel and requisition approval of office supplies. The office is responsible for the procurement of office supplies according to the plan after review and approval of the applications of the departments and divisions, while each department or division designate a person to manage the office supplies and make application for the office supplies according to the monthly plan, and an incentive and penalty system has been established so as to reduce the consumption of office supplies.
- Strict control of the fuel consumption of non-production public vehicles: We reduced the allocation of public vehicles and strictly approved the use of public vehicles. Meanwhile, we implemented vehicle refuelling management and accessed fuel consumption on a vehicle-by-vehicle basis according to the mileage, the results of which will be announced on a month basis, to eliminate management loopholes such as private use of public vehicles.

2.4 Environment and Natural Resources

The Group integrates the concept of green development throughout the entire lifecycle of mineral resource development and utilization, with the goal of environmental protection and the sustainable use of natural resources. We are building a circular mining development model that promotes harmonious coexistence between mining development and ecological protection.

2.4.1 Green Mine

Each mining unit of the Group has developed the *Implementation Plan for Green Mine Construction*, incorporating green mine construction into the responsibility assessment mechanism, and systematically implementing green mine construction and consolidation enhancement projects. Through scientific land use planning, we actively carry out ecological restoration to effectively reduce the impact of mining activities on land and biodiversity. Currently, all green mines under Lingbao Gold have passed on-site verification and continue to be listed in the green mine directory.



Highlight performance:

Huatai has been awarded the title of national-level green mine. Through measures such as constructing standardized mine area roads and implementing regional greening projects, it has achieved significant ecological and environmental improvements, setting an industry benchmark for green development.



During the entire lifecycle of mineral resource development, the Company implements the following management strategies:

- Pre-development stage: Clearly prohibit mining-related activities in cultural heritage protection zones, nature reserves, and other ecologically sensitive areas designated by the state or operational locations. Strict environmental impact assessments are conducted before mining, covering the hydrogeological survey of the mining area, species composition of the area, and the status of key protected species.
- Development stage: Use underground waste rock and tailings to backfill mined-out areas, effectively eliminating the risks of subsidence and associated geological hazards such as cracks.
- Post-development stage: Systematically carry out mine restoration and rehabilitation projects, including land restoration for mined areas, subsidence zones, and slope areas. For waste rock dumps with vegetation recovery potential, progressively restore vegetation cover on slopes and flat areas to achieve comprehensive ecological benefits such as dust reduction, sand fixation, prevention of soil erosion, and air purification.

Mineral Resources Management

In mineral resource management, the Group strictly adheres to domestic regulations such as the *Mineral Resources Law of the People's Republic of China*, the *Measures for the Administration of Registration of Mineral Resources Exploration Blocks*, and the *Measures for the Administration of Registration of Mineral Resources Mining*. Full Gold strictly implements local legal provisions such as the *Law of the Kyrgyz Republic on Subsoil*.

Each of the Group's subsidiaries and branch companies actively optimizes the mining process, enhances mining techniques, and continuously improves the efficiency of mineral resource utilization.

Nanshan Branch

Through mineral tracking and inspection, the company controls the depletion rate of mining at the source, and after the ore is extracted, performs sorting of waste rock within the ore to improve the ore grade;

By strengthening the mining pillars with cement slurry, stabilizing the mine roof, recovering some mining pillars, and reducing resource waste, the company also carries out tailings backfilling in the mining area to reduce ore loss.

**Huatai**

Personnel tracking is implemented in the mining operations, and in some mining areas, urgent extraction is carried out to reduce ore depletion;

Regular sorting of waste rock is organized, and residual mined ore is priced according to its grade, improving the selected ore grade;

For the later-stage mining of the Tuokuzibayi Gold Mine, systematic recovery of remaining resources is carried out;

A new filling station has been established, utilizing upward layered backfilling mining techniques, where mining waste rock is crushed and mixed with the backfill material, reducing the hazards in mined-out areas while recovering security pillars and roof ore;

Timely recovery of low-grade by-product ore generated during the construction of off-vein tunnels in the shaft mining process.

Full Gold

For areas with substandard geological grade, reverse mining or further horizontal tunneling is adopted;

The elevation of the segmented horizontal tunnels on the relatively gentle mining faces is reduced from 10 meters to 7–8 meters to prevent roof collapse and ore depletion;

Secondary ore screening is carried out both inside and outside the pit to improve the ore grade;

For the thick and large ore body in Pit 6, the downward hole mining method replaces the small segmented caving method, improving mining efficiency by 40% and reducing the loss rate by 5%.


Highlight case: Steady progress of the Smelting Branch's green transformation project

During the Year, the Smelting Branch has completed the preparation of the *Feasibility Report for the Green Upgrade Project* and is currently preparing the preliminary design and construction drawings. This project plans to implement a comprehensive and refined flotation pretreatment process for the gold concentrate and fully leverage existing resources to optimize the process configuration. After implementation, the project will better meet the requirements of the roasting cyanidation process, effectively reduce the production of gypsum, and extend the service life of the tailings pond, thus promoting the company's green development.



Tailings management

The Group's subsidiaries and branch companies strictly formulate regulations such as the *Tailings Management Policy* in accordance with local laws and regulations, and regularly monitor the soil, surface water, and groundwater of the tailings ponds, while carrying out systematic remediation work. Furthermore, due to its risk characteristics, the management of tailings ponds is closely integrated with the occupational health and safety system (refer to Chapter 4.4 of this Report).

➤ Tailings pond environmental monitoring system:

- Xingyuan: Conducts monthly, quarterly, and annual monitoring of soil, surface water, and groundwater of the dry stockpile tailing dam according to the *Environmental Impact Assessment Report on Dry Stockpile Tailing Dam Construction Project of Tongbai Xingyuan Mining Company Limited* and relevant opinions from the Nanyang Municipal Ecology and Environment Bureau.
- Huatai: Establishes a tailings pond environmental hazard inspection and remediation system, as well as a responsibility system for leaders at all levels regarding tailings pond pollution prevention and control. Based on the *Environmental Impact Assessment Report on the Duolanasayi Gold Mine and Tuokuzibayi Gold Mine Construction Projects*, a specialized environmental testing program for the tailings pond is formulated. Environmental monitoring of tailings pond soil, surface water, and groundwater is carried out quarterly, and all monitoring indicators for the Year are normal. Regular inspections and assessments of major and general environmental hazards in the tailings ponds are carried out, with a 100% coverage rate.
- Jinchan: Entrusts a qualified agency to carry out regular monitoring of the tailings pond's soil, surface water, and groundwater on a quarterly basis. Strictly follows the tailings pond design for waste discharge and dam construction management, and ensures the entire life cycle of the tailings pond is properly managed. Jinchan operates two tailings ponds, neither of which are classified as high-risk, and a 100% risk assessment has been conducted for both.
- Smelting Branch: One operational tailings pond (Xingwa Sulfur Gypsum Dry Stacking Tailings Pond), which is classified as a Class III risk pond, undergoes regular risk assessments. Third-party organizations are commissioned to conduct periodic tests on the surface water, groundwater, and soil of the tailings pond during operations.

The implementation standards are as follows: the *Soil Environmental Quality – Risk Control Standard for Soil Contamination of Agricultural Land (Trial)* (GB 15618–2018) for soil quality, the Class III standard in the *Quality Standard for Groundwater* (GB/T 14848–2017) for groundwater quality, and Class II standard in the *Environmental Quality Standards for Surface Water* (GB 3838–2002) for surface water quality.



➤ Tailings pond remediation measures:

- Huatai, Xingyuan, and Nanshan Branch have successively constructed tailings cemented backfill system, utilizing tailings to backfill and remediate the mined-out areas underground. Through comprehensive utilization of tailings, both the pressure on the tailings pond inventory is alleviated and the safety risks underground are eliminated, reducing the occurrence of geological disaster risks.
- Xingyuan: In February 2024, completed the construction of a cemented backfill station with a total investment of RMB8.5 million, including RMB710,000 for environmental protection. The design capacity for tailings backfill is 80 m³/h, or 960 m³/d. A cumulative total of 18,300 m³ of tailings have been backfilled.
- Jinchuan: Cleaned up the waste rock pile and filled 57,000 cubic meters of collapse pits during the Year. Covered 5,120 square meters of the remediated area with soil, secured 340 meters of waste slag pile slopes, carried out mixed planting and greening over 6,620 square meters, leveled and widened 4,609 square meters of mine roads, and remediated 26 abandoned shafts and tunnels.
- In 2024, the tailings storage of Nanshan Branch and Hongxin underwent limited hazard remediation, eliminating the risks of water pollution.

Biodiversity

We are well aware that mining and smelting activities can have certain negative impacts on the natural environment and ecosystem. Our operations have resulted in land disturbance, vegetation loss and ecological degradation, which can threaten the surrounding biodiversity.

During the Reporting Period, Lingbao Gold implemented a number of ecological protection measures, mainly focusing on three major directions: soil and water conservation, vegetation restoration and mine site management. In terms of soil and water conservation, all units of the Group actively carried out water system management, anti-seepage projects, retaining wall construction and drainage system optimization; in terms of vegetation restoration, they vigorously promote reclamation, returning forest to grass and afforestation. For example, over 60,000 m² was reclaimed with soil restored, and 20,000 m² of the forest was returned to grass in the Tuokuzibayi Gold Mine; in terms of mine site management, the soil was restored and grass was planted comprehensively in the tailing dam.

During the Year, the Nanshan Branch continued to carry out the “Green Sword Action”, and the annual mine ecological restoration projects successfully passed the expert review. The Company has completed several pit treatment tasks, including drainage channel construction, road construction, etc. In terms of vegetation restoration, we planted 530 whitebark pines, 2,000 locust trees, covered 15,000 m³ of soil, and sowed 740 kg grass seeds, effectively promoting biodiversity protection in the mining area.

During the Reporting Period, none of our subsidiaries and branch companies had operating locations or projects located in or adjacent to protected areas or areas with rich biodiversity outside of protected areas.

Highlight case: Green action: environmental publicity and public participation

The Group actively participated in the large-scale publicity and consultation activity entitled “protecting the clear water and blue sky to build an eco-friendly home” organized by the municipal government, exhibiting 4 panels and 1 banner, distributing more than 100 leaflets on the spot, and answering consultation from more than 50 people. Through diversified publicity methods, the Group has effectively guided the public to focus on pollution prevention and emission reduction, and encourage more people to participate in environmental protection.

The Group also organized the volunteer signing activity of “comprehensively promoting the construction of a beautiful China” in the Gold Smelting Branch and Nanshan Branch, with more than 180 employees participating in the signing pledge. At the same time, the Company’s representatives attended the launch ceremony of “comprehensively promoting the construction of beautiful China” in memory of June 5 Environment Day held in the square in front of the exhibition hall of Xiaoqinling Ecological Civilization Construction Practice Base, demonstrating the Company’s environmental protection responsibility.



Inquiry desk of June 5 Environment Day



Publicity among citizens on June 5 Environment Day

Green Exploration

In the whole process of mineral resource exploration, all design units of the Group strictly abided by relevant environmental laws and regulations, and adhered to the exploration principle of legal compliance. The environmental impacts of the exploration activities were minimized via policy safeguards and technical standards.

In the design stage of the exploration project, we require that the proposal must cover the relevant chapters of green exploration. For example, specific measures for green exploration are explicitly put forward in the *Implementation Plan for Production and Exploration in Tongbai Laowan Gold Mine and Deep and Surrounding Gold Mines of Tongbai Xingyuan Mining Company Limited*.



In the exploration operations, the Group implements a series of environmental protection measures: priority is given to the adoption of clean water drilling technology, combined with the precipitation and landfill treatment of sludge wastewater, effectively reducing the risk of groundwater pollution and dust discharge. The scientific drilling layout and active promotion of construction technology of in-pit drilling minimize surface occupation and vegetation damage. Upon the completion of work at the exploration points, the Group immediately carries out the land surface restoration and vegetation reconstruction, and strictly controls soil and water conservation, in order to reduce the ecological impacts. For the trial trench required by the exploration, we immediately carry out a landfill and recover the surface vegetation after cataloging and sampling according to the principle of “landfill after sampling”, in order to ensure that the land in the exploration area is restored to its original appearance.

2.4.2 Smart Mining

The Group carries out the construction of smart mines in a scientific and orderly manner, focusing on key production procedures and high-risk operation scenarios. We replace the traditional manual work with mechanized operations, reduce front-line personnel through automated centralized control, and energize a safe production system with smart technology to minimize the number of downhole operators.

In large mines, the Group is committed to realizing mechanized continuous operation processes; for small and medium-sized mines, speed up the mechanized transformation in rock drilling, prying, shoring, shoveling, transportation and other procedures. Meanwhile, we actively promote the application of unattended and remote monitoring technology in underground fixed positions, enhance the smart and high-end development of mining equipment, and build a modern mining production model with man-machine collaboration.



Highlight performance:

Xingyuan and Nanshan Branch, as a pilot unit of smart mining in non-coal mines in Henan Province, have completed the smart mine construction as scheduled and passed the evaluation and acceptance smoothly.

➤ *Reduction of safety risks with mechanical equipment*

Advanced mechanized equipment such as rock drilling rigs, prying rigs, anchor drilling machines, reverse well-drilling machines and mining ropeways for inclined shafts are successfully put into use in Huatai, Xingyuan and Nanshan Branch, which comprehensively enhances the operation safety and efficiency. During the Year, 13,892 meters of flame-retardant armored cable were replaced, 3,730 meters were shored with anchor net gunite, 8,038 meters were shored with steel frame, and the restoration of some split well walls was completed by adopting anchor bolt hanging net support and shotcrete grouting treatment technology.



➤ *Strengthened control with a smart system*

Huatai, Xingyuan and Nanshan Branch realized smart control and unattended duty in part of the drainage and power distribution system;

The special renovation of the transportation system has achieved initial achievements. The Company has completed the upgrading and transformation of the safety door and shaking table of the three vertical shafts of the transportation system, and realized the interlocking and locking function of the elevator;

Three sets of car catcher devices for inclined shafts and four sets of man-car configuration for inclined shafts have been built to ensure safe operation;

Xingyuan added a smart sorting and disposal system, with the early disposal of waste rock included to the smart sorting and disposal system, reducing the amount of ore to be grinded. This alleviated the pressure on the tailings dam, achieving considerable economic and social benefits.

➤ *Smart detection of tailing dams to ensure safety*

We have installed online monitoring and network surveillance devices and set warning values to monitor the various facilities of the tailing dam in real-time and the readings are transmitted to emergency management departments. Every month, the Company manually measures and analyzes the dam displacement and infiltration line of the tailing dam, and timely detects and eliminates any abnormal situations.

2.4.3 Chemical Usage

The Group strictly abides by relevant domestic laws and regulations such as the *Production Safety Law of the People's Republic of China*, as well as relevant regulations of the host country such as the *Hazardous Facilities Management Law of Kyrgyzstan*, and follows the safety management requirements in the production, operation, storage and usage of hazardous chemicals.

All the subsidiary and branch companies of the Group have formulated perfect chemical management system, and the Gold Smelting Branch and Full Gold have formulated and implemented the *Safety Management System for Hazardous Chemicals*, *Procurement Management System for Hazardous Chemicals*, the *Transportation Standard for Hazardous Chemicals* and the *Storage and Issue System of Hazardous Chemicals*. The procurement, transportation and usage of chemicals are conducted in strict accordance with relevant regulations.



The Group requires its subordinate hazardous waste enterprises to implement the whole-process management of hazardous chemicals, build standardized temporary storage facilities for hazardous waste, implement the *Generation and Storage Machine Account of Hazardous Waste*, strictly implement the transfer procedures of hazardous waste, and ensure that qualified professional institutions are entrusted to carry out legal disposal.

During the Reporting Period, each branch adopted sound management measures based on the types of hazardous chemicals involved.

Smelting Branch

In Smelting Branch, the hazardous chemicals mainly consist of sulphuric acid and sodium cyanide. It has obtained *Hazardous Chemicals Operating Permit* and the *Non-drug Chemical Products Business Certification* in terms of sulphuric acid management, and *Evaluation Report on Safety Status of Sodium Cyanide Storage Container and Filing Opinions on Rectification* in terms of sodium cyanide management, achieving compliance management.

Nanshan Branch

In Nanshan Branch, the chemicals are divided into two categories: explosives used for tunnel exploration and hazardous chemical reagents used for laboratory analysis. The procurement, transportation, storage, and use of these chemicals comply with the regulations on the management of civil explosives and the safety use of hazardous chemicals.

Huatai

In Huatai, explosive materials for civil use are procured, transported, stored, and used in accordance with relevant regulations; hazardous chemical reagents used for laboratory analyses are properly stored and managed via accounts, and the waste acid from the laboratory is regularly stored and then sent to the dry discharge workshop of the selection plant for cleaning the ceramic filter plates of the filter machine, with the filtrate returned to the production system.

2.5 Combating Climate Change

Combating climate change has definitely emerged as a global issue and controlling greenhouse gas emission and climate warming has become the global consensus. As a major player in mining market, Lingbao Gold always takes account of future climate in the course of development, actively responding to the “3060” target of carbon peak and carbon neutrality. Based on its business characteristics, we will take a wide range of adaptation and mitigation measures to promote low-carbon development with its every effort.

This section refers to Part D: Climate-related Disclosures of Appendix C2 *Environmental, Social and Governance Reporting Code* of the Hong Kong Stock Exchange.



2.5.1 Governance

The Group has established a comprehensive ESG governance framework, which integrates climate governance into the overall ESG governance. Through the ESG governance framework, we discuss issues related to climate change, identify climate risks and develop measures to respond to relevant risks. The Board, the highest responsible and decision-making body for climate-related issues, regularly reviews the achievement of the objectives of ESG and climate change issues; the Strategic Committee is responsible for the supervision of ESG and climate-related issues; and the ESG Working Group works closely with various departments and branches and subsidiaries to implement specific measures and ensure the timely circulation of the relevant information to the higher level.

2.5.2 Strategy

Climate-related risks include transition risks in relation to the transition to a low-carbon economy and physical risks in relation to the impact of climate changes. Transition risks mainly include policy and regulatory risks, technical risks, market risks, reputational risks while physical risks include acute physical risks (e.g. typhoons, floods and other extreme weather conditions) and chronic physical risks (long-term change in climate pattern such as persistent high temperatures). During the Reporting Period, major transition risks and physical risks identified and faced by the Group are set out as follows.

Transition risks	Policy and regulation	Mining companies are facing more stringent policies on carbon emission management as the governments in both China and Kyrgyzstan, where we operate, have announced carbon neutrality targets.
	Technology	With the rapid development of global low-carbon technology, traditional high-energy consumption equipment may be phased out earlier, which increases the enterprises' investment in technical renovation.
Physical risks	Extreme precipitation	The Group's production-type mines are all located in inland areas which are relatively unaffected by the direct impacts of typhoons and rising sea level. However, the risk of extreme precipitation and persistent high temperatures is significantly increased.
	Extreme high temperature	
	Extreme snowfall	Some of the Group's operating units are vulnerable to extreme snowfall for locating in higher latitude areas.
	River flood	The rapid melting of snow and ice in spring may cause sudden floods, threatening the safety of infrastructure and production continuity in mining areas.



2.5.3 Risk Management

Based on the areas where the Group's operating units are located and taking into account the industry characteristics, we have identified and assessed the impact on climate-related risks. For example, according to the analysis results of years of meteorological data of areas where mining units are located, the most likely natural disasters in this area are windstorms and heavy rainfall, which can lead to wastewater overflow. Not only do sudden rainstorms threaten the production safety, but also exacerbate the accumulation of pollutants in downstream receiving water bodies, leading to environmental hazards. In response to the identified climate risks effectively, we have established the *Emergency Rescue Plan for Workplace Safety Accidents* to standardize emergency process and response measures for various safety accidents, which can minimize the potential impact of accidents on people, property and the environment and improve enterprise's ability to respond to emergencies related to extreme climate conditions.

Based on the identification and evaluation results, the Group and subsidiaries developed a series of response measures.

Category	Risks	Response Measures	Potential Financial Impact
Transition risks	Policy and regulation	Carry out carbon accounting to assess in advance the potential impact of carbon pricing mechanisms on production costs; Cooperate with relevant authorities to conduct technical research and exchanges on "dual carbon" initiative, and promote the preparation of carbon peak action plan.	Increase in compliance cost
	Technology	Promote the energy-saving renovation of equipment by phasing out equipment with high energy consumption and high emission; Phase down fossil energy consumption and promote the transformation of electrification of mine units. Please refer to Section 2.3.1 for specific measures for this year.	Increase in capital expenditure
Physical risks	Extreme precipitation	Optimize the design of drainage system in mining area to enhance the flood conveyance capacity.	Increase in capital expenditure
	Extreme high temperature	Adjust the working time and intensity in high temperature season to ensure the health and safety of employees; Strengthen daily maintenance and temperature monitoring of equipment to reduce the risk of failure.	Increase in operating expenses



Category	Risks	Response Measures	Potential Financial Impact
	Extreme snowfall	<p>For the severe cold winter in Xinjiang, replace furnace heating with electric heating to prevent gas poisoning incidents;</p> <p>Enhance snow removal operations and anti-skid measures on roads to ensure smooth transportation and commuting;</p> <p>Developed a winter <i>Five-prevention System</i> to ensure the safety of production and personnel of the Company;</p> <p>For snowstorm weather, strengthen on-site inspection, issue working warning and reduce outdoor operations;</p> <p>Keep production and living facilities warm and frost proof.</p>	<p>Increase in capital expenditure</p> <p>Increase in operating expenses</p> <p>Decrease in operating income</p>
	River flood	<p>Develop special contingency plans for river flood: for the flooding disasters caused by the melting of ice and snow in April and May each year, relevant units issue contingency plans on flood prevention and organize the processing plant to conduct flood control emergency drills at the tailing dam.</p> <p>Construct infrastructure such as flood control dams to protect critical production areas.</p>	<p>Increase in operating expenses</p> <p>Increase in capital expenditure</p> <p>Decrease in operating income</p>

2.5.4 Metrics and Targets

Targets	Progress on Targets
<ul style="list-style-type: none"> Further phase-out of direct fossil energy consumption Continuous electrification of mines 	<ul style="list-style-type: none"> Five mines and one plant, operating units of the Group, have completed the “coal-to-electricity conversion” project, adopting electric boiler heating systems to replace coal-fired facilities During the Year, Nanshan Branch carried out overall planning of high-voltage distribution system to improve power quality while reducing power consumption



III. SHOULDER RESPONSIBILITY FOR WIN-WIN COOPERATION

3.1 Quality Products and Services

The Group attaches great importance to quality management and customer service and ensures stable and reliable product quality to meet the diversified needs of customers through the establishment of a standardized quality control process and customer service system.

3.1.1 Product Quality

Perpetually adhering to product quality, the Group has formulated the *Record Control Program* to ensure the efficient transmission of quality management information such as production technical and economic indicators, which provides an accurate basis for decision-making. Meanwhile, the *Substandard Product Control Program* has been formulated, which applies to the process of the quality control assessment over raw materials, work in progress, and finished products.

Smelting Branch

The Gold Smelting Branch is a member of Shanghai Gold Exchange and has received the quality system certification from Shanghai Gold Exchange. The subsidiaries of the Group have also crafted product quality systems based on major product categories, such as gold ingots, silver, and electrolytic copper, which clarify the operating procedures, internal control standards and index assessment, so that there are rules governing quality management to follow through.

In 2024, we comprehensively strengthened quality control, focusing on raw material procurement, production process parameter monitoring and finished product sampling inspections. In addition, the Company strictly implemented the requirements of the quality management system, such as personnel qualification management, equipment calibration and maintenance, standardized testing methodologies and internal control standards, ensuring stable and reliable product quality.

During the Reporting Period, the Group maintained exceptional product quality performance, achieving a 100% product qualification rate and zero recalls. During the Year, the Company participated in the proficiency testing programmes organized by Changchun Precious Metals & Products Quality Inspection Center (長春金銀及製品質量檢驗檢測中心) twice in April and September respectively, and passed the testing successfully.

In terms of product warehouse security management, we have formulated a standardized and detailed gate access, security, and entrance and exit management system to implement comprehensive management:

- Establishing a safety production scheduling center to implement 24-hour real-time monitoring of major production positions and the surrounding areas of the factory;
- Establishing a dedicated safety management department to manage the whole process of production, sales, and transportation of products, as well as to provide safety skills training for relevant personnel;
- In 2024, the Company successfully implemented a Manufacturing Execution System (MES), enabling real-time acquisition of metrological data, process parameters and product testing information, which significantly improved the predictability and systematicity of quality control.



The products produced by the Group are all subject to third-party quality inspection. In 2024, we completed the sampling inspection of gold bullion, silver bullion and sulphuric acid of Sanmenxia Institute of Metrology and Testing (三門峽質量檢驗技術研究院) in June, the results of which are all qualified; we completed the entrusted inspection of gold bullion of Shanghai Gold Exchange in October; and the sampling inspection of sulphuric acid at the provincial level in November.

In the future, we will continue to improve product quality, enhance quality management, meet market demand, and increase efficiency.

Lingjin Jewelry (靈金珠寶)

Lingjin Jewelry (靈金珠寶) specializes in products such as gold, silver, and jewelry. It offers specialized areas for gold and silver jewelry, ornaments, diamonds, custom-made products, and online live streaming, and adopts a combination of online and physical stores for marketing. Also, the quality of the products sold by the Company follows the relevant national regulations on gold and silver products.

Lingjin Jewelry (靈金珠寶) has established a comprehensive quality management system that covers production, processing, technical innovation, and end-to-end sales, strictly controlling the quality of products to ensure their quality. We implement strict control measures in product procurement and use professional testing equipment to sample each batch of products to ensure that the metal types, precious metal content, and quality labels are consistent with the actual situation of the product.

Lingjin Jewelry (靈金珠寶) achieved a 100% product qualification rate and zero recalls in 2024. In terms of security, Lingjin Jewelry (靈金珠寶) has installed cameras and alarm systems throughout the store, with security personnel on duty 24 hours a day to ensure the safety of our products.

In the future, Lingjin Jewelry (靈金珠寶) will continue to cooperate with high-quality suppliers demonstrating proven quality benchmarks, large scale, and good reputation, strengthen product quality management and strictly carry out product inspection.

3.1.2 Customer Service

The Group strictly complies with the *Law of the People's Republic of China on the Protection of Consumers' Rights and Interests* and other relevant laws and regulations, providing customers with high-quality and attentive services.

Smelting Branch

In the smelting business, customer service mainly involves providing on-site services such as handling loading procedures for customers' silver, electrolytic copper, sulfuric acid, and contacting relevant departments for scheduling. In strict compliance with the relevant laws and regulations in the place where we operate and the relevant systems of the Company, we require that customer personnel and vehicle qualifications must comply with relevant regulations to ensure that the operation is in line with the relevant laws and regulations.



In order to continuously improve the quality of our services, we have established a comprehensive customer return visit mechanism, which requires us to carry out on-site customer return visits and surveys usually in the first half and second half of each year. In recent years, we have flexibly adjusted our communication methods by adding convenient channels such as telephone return visits.

During the Year, gold products are sold or in transit without any product recall due to safety and health issues, or complaints about such products and services. The operating activities of the Group's smelting business do not involve customer privacy and confidentiality.

Lingjin Jewelry (靈金珠寶)

Fully relying on the Group's brand advantages, Lingjin Jewelry (靈金珠寶) focuses on building the Lingbao Gold jewelry flagship store to increase the visibility of Lingbao Gold. The Company endeavours to improve the quality of its services, adjusting its product range in a timely manner through in-depth understanding of customers' preferences, and focusing its work on meeting customers' needs.

Service quality:

- In daily sales activities, we require sales personnel to provide excellent customer service, pay attention to every detail, and strive to achieve 100% customer satisfaction. We pay special attention to organizing relevant training to improve service quality and level.

Communication with customers:

- We communicate with customers face-to-face and provide suggestion boxes to understand their suggestions on services (including in-store reception, product introduction, jewelry tryon, sales billing, after-sales service, and other processes). For regular customers, we will inquire about any problems encountered during the daily wearing process, explain the daily maintenance methods, and provide free jewelry cleaning and maintenance for every customer who visits the store.

Responsible marketing:

- Currently, the Company only has one physical store, whose main marketing and market development methods include offline promotion, online platforms such as Douyin, Rednote, WeChat Moments, and WeChat official accounts. We firmly oppose false advertising and promotion, and all promotional products are selected from the actual products in the store. Our marketing activities are all conducted truthfully and effectively.



Membership management:

- We have established a complete membership system and membership manual and invite customers to become our members. Members are required to provide identification when applying or reapplying for membership. After registration, members can enjoy different discounts based on their membership level and accumulate points to exchange for gifts or coupons. During the Reporting Period, we took seriously the issuance of membership cards, accumulation of points, reissuance, consumption records, and processing of point redemption for members. At the same time, we strictly protect our members' personal information, ensure that all members' information is properly stored, and clearly define the responsibilities of our staff to avoid any unauthorized disclosure of information.

Customer complaint handling:

- We have a service hotline, and customers can file complaints in-store or via phone. When receiving a customer complaint, we provide help or solutions in a timely and customer-oriented manner by following the principle of "dealing with feelings before handling complaint". We value our customers and treat their complaints as opportunities for improvement, continuously improving our service quality. As of the end of the Reporting Period, we have not received any customer complaints.

Store Complaints Address: 1/F, Lingjin Plaza, North Hangu Road, Lingbao City, Henan Province

3.2 Research and Innovation

3.2.1 Research Achievements and Talent Development

Smart Mining

The Group carries out the construction of smart mining in a scientific and orderly manner, promotes the development of mining equipment such as machinery and equipment and smart systems towards intelligence and high-end, and builds a modern mining production model with human-machine collaboration (see Chapter 2.4.2 for details).

Development of Information Technology

We have established a phase-specific digitalization strategy. In the short term, we will focus on business system and data integration, and plan to build an information application system covering core business areas in 2–3 years. During the Year, our key tasks included achieving unified control of ore flow, material flow and business flow in the entire process of mining, selection and smelting, as well as building a business digital system and supporting network and information security assurance system.

At present, the Group's main businesses have basically achieved information system management, with business scenario coverage rate exceeding 80%.

➤ MES Innovates Production Management

The Manufacturing Execution System (MES) project has changed the way data is managed on the mining and production site, from traditional manual collection and aggregation at each level to a model that combines one-time reporting at the source with automatic collection, greatly reducing repetitive basic work. Meanwhile, inspection and testing management realizes system entry, retrieval and archiving, avoiding issues such as wrong samples and insufficient samples in manual delivery. We also improve the timeliness of reporting laboratory data.



In terms of metal balance management, the MES system relies on data from original geology, mining, mineral processing, sales, smelting and blending, mining, output, and laboratory quality inspection throughout the entire process to achieve transparent control of ore flow and metal flow and traceability management of report data.

➤ Data Middle Platform and BI Large Screen System

As an extension of the MES system report, the data middle platform and BI large screen System (Phase I) project integrates data from multiple systems and uses in-depth analysis models to intuitively display production conditions, effectively making up for the shortcomings of the MES system in report flexibility and comprehensive analysis, and helping managers make accurate decisions.

- The current status, dimension proportion and historical trend of indicators are presented through BI visual reports, providing data basis for the Group to understand and manage the operation of each mine in real time.
- To meet the needs of digital transformation of production and operation of various mines, in addition to the existing manual reporting processes of production management, statistical reporting, and design review, an automated reporting system for bottom-up production intelligence aggregation is established based on the MES system.

Development of Scientific and Technology Talents

In terms of talent development, we actively develop a scientific mechanism to introduce and cultivate scientific and technology talents, focusing on internal training and supplemented by external recruitment. We formulate talent cultivation and recruitment plans to give full play to the role of scientific and technology talents, and provide them with platforms to showcase their talents. We encourage the establishment of various groups for technological breakthroughs, and reward units and individuals who have achieved tangible results in technological innovation and breakthroughs.

3.2.2 Strategic Cooperation

In order to accelerate the pace of the Group's digital/intelligent transformation, we have drew on mature project construction experience and entrusted Zijin Zhixin to provide professional technical consulting services to the Company based on the strategic cooperation established with Zijin Zhixin in previous period. The planning content comprehensively covers multiple fields such as smart mining, smart beneficiation, digital management, safety monitoring and environmental protection technology. Through current situation diagnosis and optimization suggestions, the Company's development goals, implementation paths and specific steps for digital transformation are clarified, providing systematic guidance for the Company's intelligent construction.



3.2.3 Intellectual Property Protection

The Group continues to strengthen the awareness of intellectual property protection and recognizes the great importance of protecting intellectual property rights. Besides actively protecting the intellectual property rights established by the Group and supporting the combat against infringement and other various unfair competition acts, the Group respects the intellectual property rights of others and avoids infringement.



Highlights:

As at the end of the Reporting Period, the Group has 38 patents, including 36 utility model and invention patents and 2 software copyrights.

During the Reporting Period, Huatai and Lingjin Technology have obtained high-tech enterprise certification. Xingyuan is promoting the application for high-tech enterprise certification.

3.2.4 Information Security and Privacy Protection

The Group has established an information and digital governance structure. The Chief Information Officer (CIO) serves as the head of the Digitalization Working Group, responsible for formulating strategic plans for digital construction and supervising the daily work of the working group. The working group is composed of multiple professional teams, including the network security team, digitalization team, application development team, etc. Each team has clear responsibilities and cooperates in division of labour to jointly promote the efficient implementation of the Group's digital construction tasks.

We strictly abide by the *Cybersecurity Law of the People's Republic of China*, the *Personal Information Protection Law of the People's Republic of China* and other laws and regulations. In addition, we have formulated the *Information Security Management System*, which clarifies the basic principles, organizational structure, division of responsibilities, management processes, etc. of information security management to ensure the safe and stable operation of the Company's information system.

In the collection of member information, we minimize the collection of unnecessary information and keep the collected information confidential. During the Reporting Period, member information was stored on a third-party server, and we have required the third-party service provider to strictly keep customer information confidential and secure. During the Reporting Period, we have conducted a training session related to information security and privacy protection, covering all employees. As of the end of the Reporting Period, there was no incidents of privacy breaches or damage and loss of customer information.

During the Year, we fully upgraded the Company's network system, and adopted advanced security protection technology to significantly improve the system's defence capabilities. We strengthened data transmission management, and implemented encryption transmission technology, ensuring the security of data transmission throughout the entire process. In addition, we conducted a series of information security publicity activities to effectively enhance employees' information security awareness and prevention capabilities.



3.3 Responsible Supply Chain

In order to strengthen the due diligence supervision of suppliers, we have established a supply and marketing business management organization, with the Smelting Branch organizing and implementing the purchase of gold concentrate raw materials, and Jinda Company organizing and implementing the purchase of bulk materials and equipment. In December 2024, based on management needs, the Group merged the raw material procurement and settlement business functions of the Smelting Branch into Jinda Company.

Lingbao Gold fully implements interview internal systems such as the *Procurement Management System of Lingbao Gold Group Company Ltd.*, the *Raw Materials Procurement Management System*, and the *Material Management Approach* to promote responsible business conduct by suppliers in a manner that aligns with business ethics, so as to build an integrity-based supply chain.

We have established a comprehensive procurement system to manage and monitor the procedures of supply chain of the Group. We carry out due diligence work and conduct consolidated and comprehensive review and assessing on supplier's quality, credit, supply capacity and others aspects.

For different types of suppliers, we have established a procurement management platform and a contract management platform, which have effectively improved the efficiency of the procurement process and the standardization of contract management, and promoted the digitalization of procurement work.

Supplier Selection Processes

We adhere to green and safe procurement and prioritize the selection of suppliers who operate with integrity, provide quality services, offer stable and reliable product quality and can provide safe and environmental-friendly products. To further standardize procurement activities, the Company continues to improve the supplier database and establish a supplier blacklist based on the evaluation results. This aims to establish a set of standardized, orderly supplier evaluation standards and competitive mechanisms, providing support for the Company's standardized tendering and procurement management.

We adhere to the principle of green and safe procurement, and give priority to suppliers that operate with integrity, provide quality services, have stable and reliable supply quality, and are able to provide safe and environmentally friendly products. In order to standardize procurement behaviour, the Company has continued to improve its supplier pool and established supplier evaluation standards and competition mechanisms that include a blacklist mechanism, providing institutional safeguards for bidding and procurement management.

Supervision and management of suppliers covers a number of aspects, including but not limited to a comprehensive assessment of the safety, environmental protection, quality, price, supply capacity, technical reliability, intellectual property rights, service level, contract performance, intellectual property rights ownership, and assumption of responsibility for infringement of rights of products or services. We pay close attention to significant changes, risky matters and negative information of suppliers, make timely evaluation and put forward opinions on handling, follow up on rectification, and implement measures to pursue or claim compensation when necessary.



In the future, we will further optimize our supplier access, evaluation and related management models. In addition, we will incorporate more ESG factors into our supplier evaluation system, which helps promote a sustainable development of our supply chain and jointly fulfil our social responsibilities.

Number of Suppliers

➤ *Gold concentrates*

The number of our suppliers of smelting branch is divided into “within the Group”, “within the province”, “outside the province”, and “from foreign traders”, including 37 within the province, 15 outside the province, and 4 from foreign traders. In reviewing suppliers, we mainly carried out audits on our current and new suppliers for their qualifications, credit, scale, etc. In 2024, all new raw materials suppliers were audited, and the suppliers subject to annual audit amounted to 37.

➤ *Bulk supplies and equipment*

In 2024, a total of 182 qualified suppliers were selected after the Group’s stringent review process. Based on the evaluation results, the Company entered into long-term framework procurement agreements with 153 high-quality suppliers, which effectively safeguarded the procurement quality and significantly enhanced the procurement efficiency, while alleviating the pressure on financial funds through reasonable payment arrangements for the billing period.

Supply Chain Integrity

The procurement process is a high-risk area for corruption. We focus on strengthening the integrity management of our suppliers. The Company enters into an integrity agreement with suppliers, promising to strictly comply with the provisions of the integrity agreement in business activities in the form of a contract. We also conduct integrity-themed training for all employees on regular or ad hoc basis.

Requirements for integrity practice management are as follows:

- At the beginning of each year, the personnel in charge of procurement and procurement personnel sign an *Integrity Commitment Letter of Lingbao Gold Group Company Ltd.*. The new procurement personnel must participate in integrity-themed education within one month of taking the position.
- At the beginning of each year, the Company signs an integrity agreement and letter of undertaking with major suppliers.
- A rotation system should be implemented for procurement personnel (including those responsible for evaluation, negotiation, inquiry, contract review, and price supervision) and working in the same position should be no more than 3 to 5 years.
- Violations of regulations during the procurement process shall be handled by the Company’s disciplinary inspection department in accordance with relevant regulations. Those suspected of criminal offences shall be handed over to the judicial authorities for handling.



IV. PEOPLE-ORIENTED EMPLOYEE CARE

4.1 Employee Rights and Care

The Group has always attached great importance to the rights and interests of its employees. With the principle of respecting the diversity and difference of employees, the Company employs in strict accordance with the law, and is determined to eliminate child labour and forced labour. At the same time, the Group pays active attention to employee support and opens up communication channels, in a bid to create a fair and inclusive working environment.

4.1.1 Legal Employment

The Group emphasizes on talents and believes that talents are the most valuable asset of the Group and crucial for maintaining sustainable development. The Group endeavours to provide its employees with a wide range of career development opportunities, promotion opportunities and suitable development platforms to help each and every employee realize their self-worth and professional growth. In addition, the Group has specially formulated the *Lingbao Gold Group Company Ltd. Employee Management Regulations*, which aims to regulate behaviors of our employees, as well as to advocate the working style where our employees will hone strict self-discipline, abide by the rules and regulations, and maintain a rigorous and meticulous approach. Furthermore, the regulations protect the legitimate rights and interests of our employees, boost their workplace morale, and mobilize their enthusiasm for work. We respect the individuality and differences of each employee, encourage diversified development, and eliminate any form of discrimination against employees on the basis of gender, age, geographical location, religion and other factors, so as to ensure that these factors will not hinder the employees' development in the Group.

The Group strictly complies with the *Social Insurance Law of the People's Republic of China* combining with local government and administrative regulations where each branch and subsidiary locates, participates in pension insurance, unemployment insurance, medical insurance, major disease insurance, work-related injury insurance, maternity insurance, and housing fund for all employees, and makes full payments on timely basis. We give away holiday consolation goods and funds during traditional holidays of China, goods and supplements that keep cool in summer and stay warm in winter, yearly health check for female employees, etc. Through these ways, we create a good working and living surroundings, raising up employees' sense of belonging, safeguarding their interests and relieving them from future worries.

Recruitment

We take into account of the actual needs and the vacancies at each unit to formulate the criteria for employment in terms of position, type of job, professional level, quantity, qualification, and working experience for staff recruitment. The recruitment channels include: internal recruitment, social recruitment, and campus recruitment. In connection with employee dismissal, the Group is in strict compliance with the relevant provisions of the *Labour Law of the People's Republic of China* and the *Law of the People's Republic of China on Employment Contracts*. As for the situation of negotiable dismissal of labour relations between employees and the Company, the Company should report to the local social security authority for record. The Company will handle unemployment procedures for those who are in line with relevant policies and guarantee unemployed staff to receive unemployment benefits in a timely manner.



Working Hours and Holidays

We strictly comply with the *Labour Law of the People's Republic of China*, the *Provisions of the State Council on Working Hours of Workers and Staff* and the *Notice of the Department of Human Resources and Social Security of Henan Province on Strengthening the implementation of Flexible Working Hour System and the Approval and Administration Work of Comprehensive Calculation Working Time System by Employers* and relevant regulations, and have formulated systems in respect of annual leave, family visit leave, marriage leave and funeral leave. We carry out 8 working hours each day, 40 hours a week, and for voluntary overtime work, corresponding overtime pay shall be given if no alternative leave could be arranged for compensation, and triple pay will be offered for overtime work on national legal holidays.

During the Reporting Period, the Group did not identify any violation against national and local laws and regulations in terms of employment.

4.1.2 Prohibition of Using Child Labour

In strict compliance with the relevant laws and regulations such as the *Law of the People's Republic of China on the Protection of Minors* and the *Provisions on Prohibition of Using Child Labour*, the Group clearly prescribes that employment of persons under the age of 18 is prohibited. The human resources officers of the Company and each branch and subsidiary will verify ID cards and academic credentials of recruits during the recruitment process to prevent use of child labour. The Human Resources Department of the Group conducts random inspections of employee entry information during internal audits. Use of child labour, if identified, will be immediately rectified by terminating the employment, and the relevant responsible persons will be held accountable. As of the end of the Reporting Period, the Group did not identify any incident involving the employment of child labour.

4.1.3 Anti-forced Labor and Worker Protection

The Group resolutely persists in ending forced labor, and strictly complies with the *Labour Law of the People's Republic of China*, the *Regulations on Employees' Work Hours* by the State Council, and the *Circular on Further Strengthening Management of the Approval for Irregular Work Hours and Comprehensive Calculation of Work Hours of Employers* by Henan Provincial Department of Human Resources and Social Security. Besides signing the *Labor Contract* with the employees in a timely manner, the Group entered into the *Collective Contract* and *Special Collective Contract for the Protection of the Rights and Interests of Female Workers* with the labour union to protect the rights and interests of workers, strengthen the labour and employment management and regulate the labour and employment behavior. As of the end of this Reporting Period, no incidents related to forced labor, discrimination, or harassment have occurred.



4.1.4 Support to and Communication with Employees

The Group has established a top-down assistance system to address employees' difficulties. Each business unit conducts a thorough investigation into the families of our employees in difficulties, and establishes profiles for the employees in difficulties. The leaders of our business units at all levels pay visitations to the grassroots employees in difficulties to assess their living conditions. During public holidays, including New Year's Day and Spring Festival, each unit launches employee care activities by providing assistance to sick employees, retiring bereaved senior citizens, and families with low incomes. Furthermore, assistance will be given as much as possible to local underprivileged households, ethnic minority compatriots, and local people's livelihood infrastructure construction in places where our business units operate.

We pay attention to smooth communications with our employees by providing a feedback box, and holding discussion sessions for cadres and certain employees representatives at the annual appraisal meeting. Through labour union members' representative meeting and employees' representative meeting, the Company not only strengthened the labor union organization and promoted democratic development but also safeguarded the legitimate rights and interests of our employees. Demonstrating a spirit of ownership among the employees, these efforts have contributed to our harmonious development.

In order to safeguard the legitimate rights and interests of our employees and coordinate the relationship between employees and the Company, the Group has established a labour union committee to safeguard the rights and interests of our employees and enable the labour union to serve as a means of communications between our employees and the Company. The organizational structure of the labour union committee is divided into an organization committee, finance and economics committee, production safety committee, labour security committees, and female workers committee. As at the end of the Reporting Period, the Group had 7 grassroots labour union organizations.

4.2 Employee Compensation and Benefits

The Group consistently upholds a people-oriented development philosophy, and places protection of employee's rights at the core of corporate growth. We are committed to establishing a scientific, fair and competitive employee compensation system while enhancing a diversified benefits system. This system encompasses health protection, career development support, and well-being initiatives to meet the diverse needs of its employees.



4.2.1 Employee Compensation

To align with the urgent need for refined management by units with the Group, further benchmark against industry-leading standards, and achieve scientific optimization of staffing, the Group has introduced the *Management System on Position and Job Hierarchy*. This system focuses on building a clear and standardized position and job hierarchy to lay a solid foundation for the Group's organizational structure and employee career planning. Concurrently, the Group has implemented the *Compensation Management System*, aiming to establish a standardized and integrated compensation structure. This ensures consistency in internal compensation management within the Company, thereby promoting fairness and rationality in compensation distribution while enhancing employee cohesion. Moreover, the implementation of the *Employee Performance Management System* serves as a scientific and precise reference for talent selection, appointment, and dynamic compensation adjustments. By leveraging a quantitative and traceable performance evaluation framework, the Group can identify talents with both integrity and capability. This also provides strong support for reasonable compensation adjustments, so as to fully stimulate organizational vitality and employee proactiveness.

4.2.2 Employee Benefits

As regards employee rights protection, the Group operates its business in strict compliance national policies, laws and local government regulations, and implements relevant labour laws and regulations such as the *Labour Law of the People's Republic of China* and the *Law of the People's Republic of China on Employment Contracts*. In this regard, the Group formulates and improves various rules and regulations so as to protect the legitimate rights and interests of our employees in accordance with the law. All employees of the Group sign labour contracts, the contents of which shall proceed in compliance with the laws and regulations. The Group clarifies the employment rules in such areas as contract term, labour service-based remuneration, fringe benefits, labour discipline, employment contract modification and termination, termination and renewal, and economic compensation, so as to avoid labour disputes, while safeguarding the legitimate rights and interests of the Company and our employees.

Employee care management represents an important means to safeguard a harmonious ambience for the Company, and constitutes an important part of our corporate culture development. Our focus on employee-friendly management and care for employees can enhance our employees' sense of identification with and belonging to the Company, so as to keep our employees in better working conditions so as to grow and develop together with the Company. We adhere to the "people-oriented" business philosophy by attaching great importance to the development and improvement of the employee benefits system, and making contribution to the "five insurances and one housing fund" programs as required. We also provide benefits such as responsibility allowances, performance incentives, communications subsidies, paid leave for employees, and paid elder care leave for single-child families, family visit leave for employees in remote areas. In addition, holiday benefits for employees are available on national statutory holidays, alongside high temperature subsidies in summer, and high-cold subsidies for employees in Xinjiang. Furthermore, occupational disease examinations, annual employee health examinations, etc. are also provided so that our employees can fully experience the care and warmth of the Company.



4.3 Employee Training and Development

The Group attaches great importance to employee training, optimizes the promotion channels, improves the selection mechanism, and carries out diversified training to assist growth and development of employees, so as to achieve a win-win situation for both the Company and employees.

4.3.1 Employee Training

Employee training is a source of strength for the sustainable development of an enterprise. We firmly believe that high quality staff is the key to enhance the competitiveness of an enterprise in the market. We recognize the importance of talent training by providing our employees with abundant training opportunities and diversified training programs, which cover induction training, business management training, professional technical training, job skills training, and other special training, with training methods cover centralized training, network training, on-the-job training, external training. For instance, we train new employees on safety knowledge, corporate culture and skills, etc. to assist new employees to develop a good understanding about the company profile, rules and regulations, and organizational structure, become familiar with job responsibilities, work procedures and work-related business knowledge, and adapt faster to the workplace conditions. The training methods are divided into centralized off-job training and on-the-job training at a later stage. As for technical maintenance personnel, we invite external lecturers to provide maintenance-related professional training. Business-related training is provided to our employees holding production and operation positions, such as training related to mineral processing safety, mining activities, and visits to leading enterprises.

In 2024, the Group organized diversified employee training programs, including Trainings on professional technologies, management system, safety education and environmental protection knowledge, contract management and legal knowledge. In the future, we will improve the all-round training system, and sort out training records and training feedback, so that more diversified training programs targeting our employees will be provided. Meanwhile, we will also establish cooperative relationships with universities and colleges to provide diversified training opportunities for employees and continuously enhance their overall quality.

Case: Management capability training and study tour and exchange

In 2024, Lingbao Gold's training initiatives are guided by the principle of "attracting inbound and going global." We have progressively established and refined a comprehensive training and development system for employees at all levels, addressing their needs for skill enhancement. A diversified and extensive growth mechanism has been implemented, offering four distinct career development paths: management, professionalism, technical, and skill capabilities. Employees can choose their career trajectories based on personal aspirations.

- I. Online learning program of Tsinghua University on capacity enhancement of first-line managers

To elevate the comprehensive capabilities of first-line managers and strengthen echeloned construction of talents, the Group has reached cooperation with Tsinghua University. Tailored to the actual operation of various business units, we conducted a five-month capability enhancement training program for first-line managers. The program focused on four core areas of "cutting-edge trends, professional skill, organizational management, and comprehensive quality development." With a flexible online learning platform complemented by community interactions and assessment modules, the program provided an average of 72 training hours for 50 first-line managers. The program yielded significant outcomes, with all participants successfully received program completion certificates issued by the university.



Study tour to Luoyang Kunyu under Zijin Mining



Study tour to Jinyuan Mining under China National Gold



Study tour to Shishudi Gold Mine of Henan First Geology and Mineral Survey Institute



II. Training program on “study tour to benchmarking enterprises”

To foster “emancipating the mind and looking ahead to the future” among management personnel at all levels, the Group organized two study tour and exchange delegations comprising nearly 50 mid-to-senior managers of the main professions from each production unit. These delegations engaged in a three-day study tour and exchange program with leading gold enterprises including Zijin Mining, China National Gold, and outstanding mining enterprises in the province under Henan First Geology and Mineral Survey Institute. The exchanges focused on critical areas such as safety and environmental protection, technological innovation, team building, and human resource management systems, so as to learn the advanced management experience of the industry. Through such training program, participants not only gained valuable industry insights but also established clear development direction and goals, translating their learnings into actionable improvement plans within their respective roles.

Training program	Category	Gender		Employee hierarchy			
		Male	Female	General staff	Junior managers	Middle managers	Senior managers
Capacity enhancement program for first-line managers of Tsinghua University	Number of employees trained	48	2	/	50	/	/
	Number of hours of training received	3,456	144	/	3,600	/	/
Training program on “study tour to benchmarking enterprises”	Number of employees trained	48	2	4	32	12	2
	Number of hours of training received	864	36	72	576	216	36



4.3.2 Employee Promotion

We provide employees with a fair and promising promotion system. In 2024, the Group amended *the Measures for the Administration of Official Ranks and Positions*, categorizing employees into four distinct career tracks: management, technical, professional, and skilled positions. These categories are further divided into specific job positions based on skill relevance. This refined system enhances the hierarchical structure and position classification within each track, enabling employees to be promoted according to their individual rank. Salary adjustments are systematically aligned with rank promotions. To cultivate a robust talent pipeline, the Group conducts annual selection processes across all branches and subsidiaries to identify promising young professionals. This initiative aims to match capable and experienced individuals with suitable positions, providing them with platforms to demonstrate their potential while infusing new energy into the organization's management team. Concurrently, each branch and subsidiary implements annual competitive selection processes for the re-selection and appointment of first-line managers, establishing a dynamic cadre management system that facilitates both upward mobility and performance-based adjustments. Through the continuous optimization of our rank and position management system, we have clarified career development pathways for employees, expanded promotion opportunities, and enhanced employee motivation and job satisfaction. This systematic approach also serves as a strategic framework for human resource decisions, including recruitment, promotions, and compensation adjustments, ensuring scientific rigor, fairness, and transparency in human resource decisions while improving management efficiency.

4.4 Occupational Health and Safety

The Group effectively safeguards employee safety and promote production safety practices across the organization. By deepening the implementation of emergency drill programs and strengthening occupational disease prevention initiatives, the Company has successfully fostered a robust company-wide safety culture.

4.4.1 Production Safety

Governance

Each of the Group's subsidiaries has established a safety committee, which holds a special meeting on safety, environmental protection, and occupational health on a regular basis to strengthen promotion and education in order to raise employees' awareness of occupational disease prevention. Employees' reasonable suggestions on occupational health will be adopted to improve their working environment. During the Reporting Period, Jinchan conducted a total of 11 special meetings on safety, environmental protection, and occupational health. It conducted 5 comprehensive examinations on essential safety, environmental protection, and occupational health knowledge for safety management personnel across all levels, with a total participation of 168 person-times. Meanwhile, Full Gold organized monthly special meetings on safety, environmental protection, and occupational health. By actively soliciting reasonable suggestions from its employees, Full Gold adopted and implemented such suggestions which helped to enhance its occupational health practices.



The Group firmly believes that corporate interest is fundamentally linked to the safety of both the enterprise and its employees. We place paramount importance on and earnestly carry out safety management, continuously strengthening our production safety management and system construction. This commitment not only serves the needs of the enterprise but also the requirements of the general employees and the society. The Group requires all units to conscientiously implement and enforce the *Production Safety Law*, *Safety Regulations for Metal and Non-metal Mines*, and other laws and regulations. Besides strictly managing production operations and management in accordance with laws and regulations, each unit shall consider taking good command of professional skills as an important guarantee for production safety. In addition, they shall persist in the policies of impartiality, determination, and executability to strengthen and closely maintain the management of production safety, and ensure that all risk control measures for production safety are in place. The Group has established a long-term safety performance evaluation mechanism with the ultimate goal of achieving zero safety incidents. Through monthly on-site safety inspections, attendance summary reporting at the end of the month, and inspection and tracking the safety work of employees from different departments, we conduct performance assessments. At year-end, we perform safety incentive evaluations based on each department's fulfillment of the production safety responsibility system.

Risk Management

In 2024, the Group has prioritized production safety by implementing a series of preventive measures to ensure stable and secure operations.

- **System Update and Improvement:** The Group updated and enhanced several critical systems, including the occupational disease management system, oxygen self-rescuer management system, protective pillar management system, surface subsidence management system, safety exit management system, construction safety technology approval system, and underground hot work operation management system. These updates further refined the production safety responsibility system. In addition, Full Gold developed the *2024 Safety Measures Plan*, establishing comprehensive systems such as the *Hot Work Permit System for Underground Operations*, the *Mine Entry and Exit Control System*, the *Classification System for Underground Ground Support*, the *Ventilation and Fume Extraction Regulations* and *Safety Management Regulations for Blasting Operations*. These systems improved safety operating procedures for underground personnel, ensuring the advancement of production safety.
- **Production Safety Responsibility System:** The Group enforced a comprehensive production safety responsibility system across all employees. Adhering to the principle of "Three Managements and Three Musts," safety responsibilities are delegated at all levels to eliminate safety risk and enhance overall safety awareness. Weekly safety and environmental protection meetings are mandatory, focusing on key prevention and control matters relevant to each department. Each unit must uphold the concept of "safety comes before production, and unsafe production is prohibited", with particular emphasis on strengthening the management of underground operation construction sites, in particular enhancing supervision over lifting equipment, electrical systems, ventilation systems, drainage systems, and the six major systems. Meanwhile, the Company also intensifies site inspections of construction workfaces, collapse areas, goaf areas, mining shafts, and chute areas to promptly eliminate hidden dangers. Production is implemented under the premise of ensuring safety to guarantee efficient operation.



- Implementation of laws and regulations: We require all units to earnestly implement and enforce the *Work Safety Law*, *Safety Regulations for Metal and Non-Metal Mines* and other laws and regulations, strictly follow the laws and regulations to ensure effective production, operation and management, and ensure that all safety risk control measures are effectively implemented. During the Reporting Period, Huatai strictly implemented production safety requirements by completing safety management personnel and managers' safety management qualification certificate training and examination for 35 individuals, and special operation qualification certificate examinations for 32 individuals.
- Risk identification and disclosure: Huatai identified a total of 153 risk points, which were prominently displayed at wellheads, key locations, and important positions. Each employee was issued a safety risk notification card for easy access and ongoing learning.
- Safety inspections and control: The Group conducts safety inspections at all levels, focusing on significant risks and key areas, particularly addressing high-risk scenarios such as roof falls, vehicle injuries, poisoning and asphyxiation, and fires. Corresponding control measures have been established to mitigate these risks.
- Safety training and education: The Group regularly organizes safety training sessions where accident cases are studied to analyze causes and implement preventive measures, thereby enhancing the safety awareness of all employees and preventing similar incidents. Huatai strictly enforces a dual prevention mechanism, ensuring that all personnel fulfill their responsibilities in safety risk classification and hazard identification. Regular meetings, including morning meetings, pre-shift meetings, safety briefings, and on-site discussions, are held to systematically identify risks based on employees' positions, classify and control them from the source, and improve employees' risk identification, self-protection, mutual rescue awareness, and emergency response capabilities. We strive to keep various risks within acceptable limits and eliminate accidents.



Safety Education and Training

All units are required to strengthen safety education and training, heighten the safety awareness of all employees, and enhance the common sense and business skills of self-rescue and mutual rescue of all employees. Furthermore, the safety work concept shall be firmly maintained where “safety is top priority, and prevention is a major approach alongside comprehensive management”, and all units shall consciously maintain effective production safety to prevent all kinds of accidents.

- We organized a centralized learning session on the *Production Safety Month*-themed promotional video *Production Safety Responsibility on Our Shoulders* and the safety warning education film *Life Channel*, fostering reflection and discussion. This included case studies to explain laws and regulations, raise awareness, and advance rectification. These efforts enabled employees to be familiar with standards, master skills and protect their rights and interests, continuously improving the safety awareness and literacy of all employees.
- We conducted a study on the *Public Course on Production Safety Theory*, where the Nanshan Branch, Gold Smelting Branch, and Hongxin, by setting up sub-venues and mobile self-study options, organized over 460 leaders and employees to watch live lectures on the public course on production safety theory. We carried out a safety knowledge exam for all 826 employees across the Group, in a form of self-formulated questions, closed-book exams, and on-site supervision.

4.4.2 Occupational Disease Prevention

Risk Management

- Risk Identification
The main occupational hazards faced by employees of the Group’s branches and subsidiaries are dust and noise hazards, mainly in the crushing, screening, ball milling processes, down-hole drilling, and ore drawing of the processing plant. To avoid or reduce these hazards, the Group has implemented various measures, such as requiring employees to wear labour protection equipment correctly during work, conducting regular tests on occupational hazard factors in the workplace, organizing annual physical examinations for employees, and providing occupational sanitation training for employees.



Different companies have adopted various response methods based on their specific situations:

Company	Risks	Measures
Nanshan Branch	Underground poisoning, etc.	Organized occupational health checks for employees, tested occupational disease hazards in workplace, purchased labour protection equipment, equipped occupational disease protection facilities and equipment, and maintained insurance
Huatai	Dust, noise	Installed spray facilities, implemented enclosure treatments and added ventilation and dust removal facilities at dust-generating positions
Xingyuan	Dust, noise	Used wet drilling for underground mining to avoid dust generation, sprayed water to reduce dust during cutting, and required workers to wear dust masks and noise-canceling earplugs during work
Jinchan	Noise	Established a sound occupational hazard management body, commissioned third-party organizations to conduct regular noise tests, provided workers with labor protection supplies, and worked on shifts to reduce the time exposed to noise
Full Gold	Dust, noise	Conducted a monthly occupational health training for employees, strengthened publicity and education, raised awareness of occupational disease prevention, and organized physical examinations for all employees in October every year
Smelting Branch	Lead, mercury, sulfur dioxide, cyanides, dust, noise, etc.	Distributed labor protection supplies to personnel in hazardous positions and strictly required its use, improved hygiene in the production environment, conducted regular tests on occupational hazard factors for personnel in hazardous positions, and organized regular physical examinations for personnel in hazardous positions.

- Risk Management
In 2024, we spent over RMB2 million on organizing occupational health checks for employees, testing occupational disease hazards in workplace, purchasing labour protection equipment, equipping occupational disease protection facilities and equipment, and maintaining insurances.



Lingbao Gold places a high priority on the management of employees' occupational health, and requires employees to undergo pre-employment, on-the-job (once a year), and post-employment physical examinations. During the Reporting Period, the Nanshan Branch conducted pre-employment physical examinations for new employees, and organized occupational health check-ups for employees in the processing plant, quality inspection personnel, and underground mining workers. Huatai fully implemented pre-employment physical examinations, completed on-the-job physical examinations for all employees, and arranged for post-employment physical examinations. Full Gold conducted physical examinations for new employees at the designated location, with results communicated by the HR department; those who met the criteria were registered for employment, and on-the-job physical examinations are organized in October every year. The Smelting Branch strictly enforces the pre-employment, on-the-job (once a year), and post-employment physical examinations protocols for new and retired employees.

4.4.3 Safety Emergency Drills

All subsidiaries of Lingbao Gold have developed comprehensive emergency response plans and conduct regular drills each year to ensure a swift and effective response to various emergencies, safeguarding the safety of employees and the stability of business operations.

Company	Number of Participants	Drill Content
Nanshan Branch	340	Conducted emergency drills for tailing dam overtopping accidents, underground poisoning and suffocation prevention drills, fire prevention drills and emergency drills for environmental emergencies
Huatai	320	Organized flood control emergency drills at the tailing dams, underground poisoning and suffocation prevention drills, emergency drills for evacuation from underground, machinery injury emergency drills, gas poisoning emergency drills, and emergency drills for environmental emergencies
Xingyuan	300	Conducted drills for poisoning and suffocation prevention, roof falls, fire emergencies, emergency evacuations, fire incidents, emergency drills for dry-stacked tailing dam overtopping accidents, and emergency drills for environmental emergencies
Jinchan	—	Organized six emergency rescue drills, including comprehensive emergency response drills for tailing dam overtopping accidents, desk emergency drills for tailing dam crack incidents, emergency drills for evacuations under extreme weather, fire incident response drills, emergency drills for escape route of underground operations, and practical emergency drills for poisoning and suffocation prevention
Full Gold	—	Improved seven emergency response plans for Full Gold, and organized five emergency drills for poisoning and suffocation prevention, fire emergencies, electrical shocks, tailing dam landslides, and underground collapses throughout the Year



Company	Number of Participants	Drill Content
Smelting Branch	—	Organized emergency rescue drills for flood control in tailing dams, emergency drills for the sodium cyanide poisoning incident and the confined space incident, emergency drills for the sulfur dioxide leak poisoning incident, emergency drills for the fire and personnel escape incident and the confined space suffocation incident, and emergency drills for the sulfuric acid leak burn incident during the Reporting Period



Safety Emergency Drill

The Group organized a 50-person team to actively participate in the “Emergency Mission • 2024” comprehensive practical drill for tailings ponds in (Lingbao) Henan Province, hosted by the Henan Provincial Emergency Management Department. Various units conducted emergency drills for different accident scenarios, including flood rescue for tailings ponds, sodium cyanide poisoning accidents, confined space incidents, sulfur dioxide leakage and poisoning accidents, firefighting and evacuation, asphyxiation in confined spaces, sulfuric acid leakage and burn accidents, and tailings pond overtopping accidents. The drills involved over 240 participants.



Drill launch ceremony



Nanshan Branch: On-site Emergency Drill for Underground Gas Exceeding Standards Accident in 2024



Emergency team assembled and on standby



Air quality testing in the work area



On-site rescue operations



Drill summary and evaluation

4.4.4 Employee Mental Health

Lingbao Gold continued to strengthen its focus on and support for employee mental health. Nanshan Branch has established a psychological counseling hotline and an online consultation platform to provide employees with free mental health services. Regular mental health lectures and training sessions are conducted to help employees develop coping mechanisms for stress and emotional management. The Group encourages employees to actively participate in physical exercise and cultural activities, enriching their leisure time and promoting overall well-being.



V. RURAL REVITALIZATION, CARING FOR SOCIETY

Building a collaborative, co-governed, and shared social governance framework between enterprises and communities is an essential pathway to achieving modernized social governance and fostering harmonious enterprises and societies. In addition to actively fulfilling our social responsibilities over the Years, we insist on sharing development achievements and giving back to communities, and always regard rendering support to charitable causes as a compelling commitment. We provide necessary support for local development, assist residents in overcoming poverty and achieving prosperity, and contribute to regional economic and social progress.

The Group continues its commitments to local communities, by exerting its corporate resources and strengths, which are dedicated to improving the living standard of local residents, promoting community prosperity, and realizing the integration and development of enterprises and communities. In 2024, we continued our community engagement by investing RMB13,334,900, with a primary focus on education, support for the underprivileged, public welfare input, and rural revitalization to promote community development and progress.

In recent years, we have consistently prioritized rural revitalization as a key annual focus, actively investing resources to support related initiatives.

- Nanshan Branch donated RMB50,000 for road construction in Dongjia and contributed RMB30,000 to Dongzhai Village, Xiaohu Village, and Laohugou Village for rural cultural development.
- Xingyuan invested over RMB150,000 to help Laozhuang group in Laowan Village replace and install more than 4,000 meters of water supply pipelines. Additionally, it allocated RMB2 million to support post-disaster reconstruction efforts in Tongbai County and actively participated in the county's "Rural Revitalization, Kindness from Henan Province" donation campaign, contributing RMB100,000.
- Huatai provided ongoing vehicle assistance to neighboring villages, including Jialang'ashi Village, the local police station, and Yushi'axia Village, such as emergency road repairs, snow removal, and firefighting. The company also assisted with multiple police station building renovations, spent 23 days on road repairs, conducted regular winter snow clearance, and responded to four fire emergencies.

Meanwhile, the Group has placed significant emphasis on education and assistance for those in need. In 2024, Nanshan Branch donated RMB200,000 through the Lingbao Charity Federation to help impoverished college students overcome financial barriers to education, demonstrating the company's commitment to social responsibility. Xingyuan contributed RMB120,000 to support underprivileged students in Tongbai County, enabling them to pursue higher education. Additionally, the company actively organized initiatives such as "Delivering Warmth," "Providing Cool Relief," "Golden Autumn Scholarship", and "Assistance for the Needy", distributing a total of RMB34,500 in relief funds to 27 struggling employees and 10 of their children. Similarly, the Huatai's labor union has been proactive in providing support to employees facing hardships and distributed RMB59,000 in relief funds to 29 employees and 20 of their children in need.



Case: Full Gold's Initiatives in Education and Assistance for the Needy

In 2024, Full Gold invested a total of RMB8,362,500 in educational sponsorship and support, including a donation of RMB7,323,800 for the construction of a school in the Issyk-Kul region, a contribution of RMB1,027,700 to support the construction of a teaching building at Oruktu School, and an additional RMB11,000 allocated for other educational assistance and donations. In addition, Full Gold also dedicated RMB88,000 to provide assistance to impoverished villagers in surrounding towns and villages.



Case: Nanshan Branch Assists in Post-Disaster Road Reconstruction

In July 2024, severe flooding in Yuxianhe Village, Zhuyang Town, Lingbao City, caused significant damage to several sections of local roads. In response to the urgent need for post-disaster reconstruction, Nanshan Branch proactively organized personnel and equipment to assist in the affected area. The company voluntarily repaired approximately 7 kilometers of damaged roads, significantly improving travel conditions for local residents, which was highly commended by the village committee and local officials.



Nanshan Branch: repairing local road



Local village committee presenting Nanshan branch with a banner of appreciation

Case: A Heart for Education, Building Dreams for the Future: Nanshan Branch Continues to Support Zhuyang Town's Scholarship and Aid Program

In September 2024, during a symposium organized by the Zhuyang Town government to celebrate the 40th Teachers' Day, a donation ceremony was held where Nanshan Branch contributed to the town's 2024 scholarship and student aid program. For many years, Nanshan Branch has demonstrated its commitment to education by generously supporting students from mountainous areas, helping them achieve their academic dreams. This act of kindness has earned the company a reputation in Zhuyang Town as a socially responsible enterprise that gives back to its community, fostering a collaborative and progressive relationship between the company and the local area. Over the Years, Nanshan Branch has provided financial assistance to nearly 600 students, including newly enrolled college students from Zhuyang and those from economically disadvantaged families.



Scholarship and student aid donation ceremony



Visiting students from struggling families who have gained admission to university



Case: Lingbao Gold Title Sponsors Tongbai Half Marathon

On December 8, 2024, under the meticulous planning of the Tongbai County Committee and County Government, and with the generous sponsorship of Lingbao Gold, the “Lingjin • Xingyuan Cup” 2024 Tongbai Rural Revitalization Old District Half Marathon commenced with a ceremonial start at the square in front of the Tongbai County Government. Over 8,000 running enthusiasts from across the country gathered to enjoy this event.

As the title sponsor of the event, Lingbao Gold not only provided strong support for the successful organization of the race but also significantly contributed to the vigorous development of sports and cultural initiatives in Tongbai County. Through this platform, Lingbao Gold demonstrated its commitment to promoting sports and fulfilling its social responsibilities.



“Lingjin • Xingyuan Cup”
Half Marathon Launch Ceremony



Runners at the starting line,
poised and ready to begin the race

The Group places great emphasis on labor union, party building, poverty alleviation, petition, and others. The Group's labor union adheres to the goal of maintaining stability and promoting development, and focuses on providing practical benefits to our employees, eliminating worries, and resolving issues. We also conscientiously implement the petition policy, which resolve conflicts to the maximum extent so as to provide stable conditions for our corporate reform and development. In 2024, the Company handled a total of 38 cases of public correspondence, visits, and phone calls, involving 110 individuals.



APPENDIX I: INDUSTRY ASSOCIATION

Name of association	Participating entity (position)
China Gold Association ¹	Lingbao Gold as vice president unit
Henan Gold Association ²	Lingbao Gold as vice president unit

¹ China Gold Association is a national social organization officially approved and registered by the State Economic and Trade Commission and the Ministry of Civil Affairs of the People's Republic of China in 2001, which is also a national, non-profit, self-discipline social organizations formed voluntarily by enterprises engaged in gold exploration, production, processing, and circulation, investment enterprises, scientific research institutions, public entities involved in gold matters, and social organizations according to law.

² Henan Province Gold Association is a provincial social organization officially approved and registered by Henan Province Gold Administration (河南省黄金管理局) (business supervisory unit) and Henan Provincial Department of Civil Affairs, which is also a social body with legal person status, voluntary members of which include entities and individual engaged in scientific research and design, teaching, geological prospecting, resource development, smelting, and processing, distribution and management of gold products in the gold sector in Henan Province, as well as a social organization for economic and technical cooperation and academic exchanges between gold enterprises and institutions in Henan Province.



APPENDIX II: CONTENT INDEX

Index		Chapter
Subject area A. Environmental		
Aspect A1: Emissions		
A1	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	ENVIRONMENT PROTECTION AND GREEN PRODUCTION
A1.1	The types of emissions and respective emissions data.	APPENDIX III: TABLE OF ENVIRONMENTAL AND SOCIAL PERFORMANCE INDICATORS
A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	APPENDIX III: TABLE OF ENVIRONMENTAL AND SOCIAL PERFORMANCE INDICATORS
A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	APPENDIX III: TABLE OF ENVIRONMENTAL AND SOCIAL PERFORMANCE INDICATORS
A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	APPENDIX III: TABLE OF ENVIRONMENTAL AND SOCIAL PERFORMANCE INDICATORS
A1.5	Description of emissions target(s) set and steps taken to achieve them.	ENVIRONMENT PROTECTION AND GREEN PRODUCTION
A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	ENVIRONMENT PROTECTION AND GREEN PRODUCTION



Index	Chapter
Aspect A2: Use of Resources	
A2 General Disclosure Policies on the efficient use of resources, including energy, water and other raw materials.	ENVIRONMENT PROTECTION AND GREEN PRODUCTION
A2.1 Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	APPENDIX III: TABLE OF ENVIRONMENTAL AND SOCIAL PERFORMANCE INDICATORS
A2.2 Water consumption in total and intensity (e.g. per unit of production volume, per facility).	APPENDIX III: TABLE OF ENVIRONMENTAL AND SOCIAL PERFORMANCE INDICATORS
A2.3 Description of energy use efficiency target(s) set and steps taken to achieve them.	ENVIRONMENT PROTECTION AND GREEN PRODUCTION
A2.4 Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	ENVIRONMENT PROTECTION AND GREEN PRODUCTION
A2.5 Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	APPENDIX III: TABLE OF ENVIRONMENTAL AND SOCIAL PERFORMANCE INDICATORS
Aspect A3: The Environment and Natural Resources	
A3 General Disclosure Policies on minimising the issuer's significant impacts on the environment and natural resources.	ENVIRONMENT PROTECTION AND GREEN PRODUCTION
A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	ENVIRONMENT PROTECTION AND GREEN PRODUCTION



Index		Chapter
Aspect A4: Climate Change		
A4	General Disclosure Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	ENVIRONMENT PROTECTION AND GREEN PRODUCTION
A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	ENVIRONMENT PROTECTION AND GREEN PRODUCTION
Subject Areas B. Social		
Employment and Labour Practices		
Aspect B1: Employment		
B1	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, antidiscrimination, and other benefits and welfare.	PEOPLE-ORIENTED EMPLOYEE CARE
B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	APPENDIX III: TABLE OF ENVIRONMENTAL AND SOCIAL PERFORMANCE INDICATORS
B1.2	Employee turnover rate by gender, age group and geographical region.	APPENDIX III: TABLE OF ENVIRONMENTAL AND SOCIAL PERFORMANCE INDICATORS
Aspect B2: Health and Safety		
B2	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	PEOPLE-ORIENTED EMPLOYEE CARE



Index	Chapter
B2.1 Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	APPENDIX III: TABLE OF ENVIRONMENTAL AND SOCIAL PERFORMANCE INDICATORS
B2.2 Lost days due to work injury.	APPENDIX III: TABLE OF ENVIRONMENTAL AND SOCIAL PERFORMANCE INDICATORS
B2.3 Description of occupational health and safety measures adopted, and how they are implemented and monitored.	PEOPLE-ORIENTED EMPLOYEE CARE
Aspect B3: Development and Training	
B3 General Disclosure Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	PEOPLE-ORIENTED EMPLOYEE CARE
B3.1 The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	APPENDIX III: TABLE OF ENVIRONMENTAL AND SOCIAL PERFORMANCE INDICATORS
B3.2 The average training hours completed per employee by gender and employee category.	
Aspect B4: Labour Standards	
B4 General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	PEOPLE-ORIENTED EMPLOYEE CARE
B4.1 Description of measures to review employment practices to avoid child and forced labour.	PEOPLE-ORIENTED EMPLOYEE CARE
B4.2 Description of steps taken to eliminate such practices when discovered.	PEOPLE-ORIENTED EMPLOYEE CARE



Index		Chapter
Operating Practices		
Aspect B5: Supply Chain Management		
B5	General Disclosure Policies on managing environmental and social risks of the supply chain.	SHOULDER RESPONSIBILITY FOR WIN-WIN COOPERATION
B5.1	Number of suppliers by geographical region.	APPENDIX III: TABLE OF ENVIRONMENTAL AND SOCIAL PERFORMANCE INDICATORS
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	SHOULDER RESPONSIBILITY FOR WIN-WIN COOPERATION
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	SHOULDER RESPONSIBILITY FOR WIN-WIN COOPERATION
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	SHOULDER RESPONSIBILITY FOR WIN-WIN COOPERATION
Aspect B6: Product Responsibility		
B6	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	SHOULDER RESPONSIBILITY FOR WIN-WIN COOPERATION
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	APPENDIX III: TABLE OF ENVIRONMENTAL AND SOCIAL PERFORMANCE INDICATORS
B6.2	Number of products and service related complaints received and how they are dealt with.	SHOULDER RESPONSIBILITY FOR WIN-WIN COOPERATION



Index	Chapter
B6.3 Description of practices relating to observing and protecting intellectual property rights.	SHOULDER RESPONSIBILITY FOR WIN-WIN COOPERATION
B6.4 Description of quality assurance process and recall procedures.	SHOULDER RESPONSIBILITY FOR WIN-WIN COOPERATION
B6.5 Description of consumer data protection and privacy policies, and how they are implemented and monitored.	SHOULDER RESPONSIBILITY FOR WIN-WIN COOPERATION
Aspect B7: Anti-corruption	
B7 General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	RESPONSIBILITY MANAGEMENT AND INTEGRITY IN OPERATIONS
B7.1 Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	APPENDIX III: TABLE OF ENVIRONMENTAL AND SOCIAL PERFORMANCE INDICATORS
B7.2 Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	RESPONSIBILITY MANAGEMENT AND INTEGRITY IN OPERATIONS
B7.3 Description of anti-corruption training provided to directors and staff.	APPENDIX III: TABLE OF ENVIRONMENTAL AND SOCIAL PERFORMANCE INDICATORS



Index		Chapter
Community		
Aspect B8: Community Investment		
B8	General Disclosure Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	RURAL REVITALIZATION, CARING FOR SOCIETY
B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	APPENDIX III: TABLE OF ENVIRONMENTAL AND SOCIAL PERFORMANCE INDICATORS
B8.2	Resources contributed (e.g. money or time) to the focus area.	APPENDIX III: TABLE OF ENVIRONMENTAL AND SOCIAL PERFORMANCE INDICATORS



APPENDIX III: TABLE OF ENVIRONMENTAL AND SOCIAL PERFORMANCE INDICATORS

Environmental Performance Table:

Area	ESG indicators	Unit	2024	2023 ³
A. Environment				
A1: Emissions Management	A1.1 The types of emissions and respective emissions data			
	Wastewater (COD)	tonnes	2.36	4.16
	Wastewater (NH ₃ -N)	tonnes	0.00	0.00
	Sulfur dioxide (SO ₂)	tonnes	0.51 ⁴	1.99
	Nitrogen oxides (NO _x)	tonnes	24.35	26.49
	Particulate matters	tonnes	3.73 ⁵	8.18
	A1.2 Direct (scope 1) and energy indirect (scope 2) greenhouse gas emissions and intensity			
	Greenhouse gas emissions (Scope 1)	tonnes of CO ₂ e	7,582.98	9,111.35
	Greenhouse gas emissions (Scope 2)	tonnes of CO ₂ e	106,329.97	115,628.33
	Greenhouse gas emissions in total	tonnes of CO ₂ e	113,912.95	124,739.68
	Greenhouse gas emission intensity (in terms of revenue) (tonnes of CO ₂ e/RMB1,000)	tonnes of CO ₂ e/RMB1,000	0.01	0.01
	A1.3 Total hazardous waste produced and intensity			
	Total hazardous waste	tonnes	191,000.00	/
	Hazardous waste intensity	tonnes/RMB1,000	0.02	/
	Ferrosilicon slag	tonnes	191,000.00	/
	A1.4 Total non-hazardous waste produced and intensity			
	Total non-hazardous waste	tonnes	1,406,139.00	/
	Non-hazardous waste intensity	tonnes/RMB1,000	0.12	/
	Waste ore	tonnes	343,897.00	/
	Tailing sand	tonnes	869,242.00	/
	Yellow mud	tonnes	193,000.00	/

³ “/” denotes that the data are not yet available for that year.

⁴ In 2024, the smelting business reduced its production line by one, resulting in a more significant decrease in Sulphur dioxide emissions during the Year as compared to 2023.

⁵ In 2024, the smelting business reduced its production line by one, resulting in a more significant decrease in particulate matters emissions during the Year as compared to 2023.



Area	ESG indicators	Unit	2024	2023 ⁶
A2: Use of Resources	A2.1 Total direct and/or indirect energy consumption and intensity by type			
	Total energy consumption	MWh	223,349.88	232,033.95
	Energy consumption intensity	MWh/RMB1,000	0.02	0.02
	Raw coal	tonnes	1,696.12	2,719.34
	Coke	tonnes	6.50	4.00
	Gasoline	tonnes	15.12	16.51
	Coal oil	tonnes	81.92	191.74
	Diesel	tonnes	1,191.28	912.51
	Total purchased electricity	Ten thousand kWh	19,815.50	20,274.50
	A2.2 Water consumption in total and intensity			
	Total water consumption (excluding rainwater)	m ³	2,221,323.30	1,977,884.96
	Water consumption intensity	m ³ /RMB1,000	0.19	0.19
	Surface freshwater	m ³	82,483.93	87,105.00
	Subsurface freshwater	m ³	1,983,958.37	1,890,359.96
	Mineral well water	m ³	154,881.00 ⁶	420.00
	A2.5 Packaging materials in total and intensity			
	Total packaging used for the finished product	tonnes	0.16	0.18
	Packaging use intensity	g/RMB1,000	0.013	0.017

⁶ In May 2024, Jinchan commenced production at its processing plant and therefore the current year's figures are significantly higher than last year.



Social Performance Table:

Area	ESG indicators	Unit	2024	2023 ³
B. Social				
B1: Employment	B1.1 Total workforce by gender, employment type, age group and geographical region			
	Total number of employees	person	3,618	4,103
	By gender			
	Male employees in employment	person	2,803	3,199
	Female employees in employment	person	815	904
	By age group			
	25 or below	person	114	119
	25-35	person	819	956
	36-40	person	573	608
	41-45	person	518	586
	46-50	person	594	749
	51-54	person	510	562
	55 or above	person	490	523
	By geographical region (by workplace)			
	Henan region	person	2,267	2,388
	Xinjiang region	person	407	446
	Inner Mongolia region	person	257 ⁷	451
	Kyrgyzstan region	person	687	818
	By employment type			
	Management and administration	person	414	458
	Technology research and development	person	167	174
	Sales and marketing	person	86	113
	Quality control	person	133	149
	Safety	person	112	112
	Environmental protection	person	67	64
	Production	person	2,639	3,033

⁷ The relatively significant change in headcount in the Inner Mongolia region was due to changes in the mode of employment brought about by changes in the mode of operation.



Area	ESG indicators	Unit	2024	2023 ³	
	B1.2 Employee turnover rate by gender, age group, and geographical region				
	Employee turnover rate	%	10.42	7.41	
	By gender				
	Male turnover rate	%	10.74	8.32	
	Female turnover rate	%	9.33	4.20	
	By age group				
	25 or below	%	17.54	15.13	
	25-35	%	12.58	10.56	
	36-40	%	10.12	6.25	
	41-45	%	6.56	9.04	
	46-50	%	8.42	7.34	
	51-54	%	10.78	3.38	
	55 or above	%	11.63	3.82	
	By geographical region				
	Henan region	%	12.66	5.49	
	Xinjiang region	%	15.72	20.63	
	Inner Mongolia region	%	4.67	13.75	
	Kyrgyzstan region	%	2.04	2.32	
			2024	2023 ³	2022
B2: Health and Safety	B2.1 Number and rate of work-related fatalities occurred in each of the past three years including 2022				
	Number of work-related fatalities	person	0	1	4
	Ratio of work-related fatalities	%	0	0.02	0.13
	B2.2 Lost days due to work injury				
	Number of work injuries	time	33	/	
B5: Supply Chain Management	B5.1 Number of suppliers by geographical area				
	Total Suppliers	count	56	66	
	By geographical area				
	In-province suppliers	count	37	41	
	Out-of-province suppliers	count	15	20	
B6: Product Responsibility	B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons				
	Recall Rate	%	0	0	
	B6.2 Number of products and service-related complaints received				
	Total complaints received	time	0	0	



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Area	ESG indicators	Unit	2024	2023 ³
B7: Anti-corruption	B7.1 Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the Reporting Period and the outcomes of the cases			
	Corruption litigation cases filed or concluded	case	0	0
	B7.3 Description of anti-corruption training provided to directors and staff			
	Total number of hours of anti-corruption training received by directors and staff	hour	7	/
	Total number of staff trained in anti-corruption	person	130	/
B8: Community Investment	B8.2 Resources contributed (e.g. money or time) to the focus area			
	Education and difficulties assistance, consumer assistance	RMB10,000	886.90	15.22
	Rural revitalization	RMB10,000	233.00	221.40
	Healthcare initiatives	RMB10,000	0	28
	Community public welfare	RMB10,000	213.59	173.00
	Total	RMB10,000	1,333.49	437.62



APPENDIX IV: VERIFICATION STATEMENT



Verification Statement

Scope and Objective

Hong Kong Quality Assurance Agency ("HKQAA") was commissioned by Lingbao Gold Group Company Ltd. ("Lingbao Gold") to conduct an independent verification for its Sustainability Disclosures (the "Selected Disclosures") stated in its 2024 Environmental, Social and Governance Report ("the Report"). The selected disclosures covered the period from 1 January 2024 to 31 December 2024 and represented the sustainability performance of Lingbao Gold.

The objective of this verification is to provide an independent opinion with a limited level of assurance on whether the selected disclosures are prepared in accordance with the following reporting criteria:

- the Environmental, Social and Governance Reporting Guide ("ESG Guide") set out in Appendix C2 of the Listing Rules of The Stock Exchange of Hong Kong Limited (version effective from 31 December 2023, which remains applicable to annual reports for financial years commencing before 1 January 2025).

Level of Assurance and Methodology

HKQAA's verification procedure has been conducted with reference to the International Standard on Assurance Engagements 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information ("ISAE 3000") issued by the International Auditing and Assurance Standards Board. The evidence gathering process was designed to obtain a limited level of assurance as set out in the ISAE 3000 by using a risk-based approach.

Our verification procedure included, but not limited to:

- Sampling the sustainability information stated in the Report, e.g. claims and performance data for detail verification;
- Verifying the raw data and supporting information of the selected samples of the sustainability information;
- Interviewing responsible personnel; and
- Checking the internal control mechanism

Roles and Responsibilities

Lingbao Gold is responsible for the organization's information system, the development and maintenance of records and reporting procedures in accordance with the system, including the calculation and determination of sustainability information and performance. HKQAA verification team is responsible for providing an independent verification opinion on the selected disclosures provided by Lingbao Gold for the reporting period. The verification was based on the verification scope, objectives and criteria as agreed between the Lingbao Gold and HKQAA.



Independence

HKQAA did not involve in collecting and calculating data or compiling the reporting contents. Our verification activities were entirely independent and there was no relationship between HKQAA and Lingbao Gold that would affect the impartiality of the verification.

Limitation and Exclusion

The following limitations and exclusions were applied to this verification due to the service scope, nature of verification criteria, and characteristics of the verification methodology.

- I. Our verification scope is limited to verifying the transcription/transformation of the raw data or information into the selected disclosures, e.g., Claims and Performance Data stated in the Report. The identified sustainability information may be subject to inherent uncertainty because of incomplete scientific and technical knowledge.
- II. Evaluating the quality of execution and implementation effectiveness of the ESG practices, the appropriateness of the assumptions made, and the estimation techniques applied are outside the scope of our verification.
- III. The verification of raw data or information is based on the use of a sampling approach and reliance on the client's representation. As a result, errors or irregularities may occur and remain undetected.
- IV. Any information outside the established verification period has been excluded.

Conclusion

Based on the evidence obtained and the results of the verification process, it is the opinion of the verification team that, with a limited level of assurance, nothing has come to the team's attention that the Report has not been prepared, in all material respects, in accordance with the ESG Guide set out in Appendix C2 of the Listing Rules of The Stock Exchange of Hong Kong Limited (former version, which remains applicable to annual reports for financial years commencing before 1 January 2025).

Signed on behalf of Hong Kong Quality Assurance Agency

Connie Sham
Head of Audit
March 2025
Ref: 14952962-VER



APPENDIX V: DEFINITION INDEX

Glossary		Definition
Company, our Company and Lingbao Gold	means	Lingbao Gold Group Company Ltd.
The Group, our Group or We	means	Lingbao Gold Group Company Ltd. and its subsidiaries
The Report	means	Lingbao Gold <i>2024 ESG Report</i>
Smelting Branch	means	Gold Smelting Branch of Lingbao Gold Group Company Ltd.
Nanshan Branch	means	Nanshan branch of Lingbao Gold Group Company Ltd.
Huatai	means	Habahe Huatai Gold Company Limited
Xingyuan	means	Tongbai Xingyuan Mining Company Limited
Jinchan	means	Chifeng Jinchan Mining Company Limited
Full Gold	means	Full Gold Mining Limited Liability Company
Lingjin Jewelry	means	Lingbao Lingjin Jewelry Company Ltd.
Jinda	means	Shenzhen Jinda Gold Company Limited
Hongxin	means	Lingbao Hongxin Mining Company Limited
Lingjin Technology	means	Lingbao Lingjin Technology Company Limited



READERS' FEEDBACK

Dear readers,

Thank you for reading this report. In order to continuously enhance and improve the sustainable development management of the Group, we sincerely hope to hear opinions or suggestions from you on the Report. Please help to complete the following form and return to us through one of the following channels.

- 1. What is your opinion of this whole report?
☐ Good ☐ Not bad ☐ Normal
- 2. How do you think of the clearness, accuracy and completeness of the information and data disclosed in this report?
☐ Good ☐ Not bad ☐ Normal
- 3. How do you think of this report reflects the significant influence of the Group to the economy, society and environment?
☐ Good ☐ Not bad ☐ Normal
- 4. How do you think of the Group's performance in safeguarding the interests of stakeholders?
☐ Good ☐ Not bad ☐ Normal
- 5. Your opinions and suggestions on the sustainable development management of the Group:

We would appreciate it if you could specify your contact information below:

Name	Occupation
Employer	
Contact address	Post code
E-mail	Tel.

We will take thorough consideration of your opinions and suggestions and make sure your personal information is handled properly.

