

Subsidiary Fushan Resources Marked a Good Start in the First Quarter

Original Fushan Resources April 4, 2026, 13:00 Shanxi



Bravely riding the wave of the times to open a new chapter, forging ahead with determination to create outstanding results. In the first quarter of 2026, Fushan Resources, a wholly-owned subsidiary of Shougang Resources, thoroughly implemented the Shougang Group's strategic path of "One Leadership, Two Integrations," effectively carried out the work requirements of the "Four Extremes" and "Eight Focuses," and seized the foundation of stability, the trend of change, and the opportunities for progress. The company comprehensively promoted high-quality development toward optimization, greening, innovation, and safety, with all key indicators significantly exceeding planned targets, marked a good start in the first quarter.

Advancing Toward Optimization: Coordinated Production and Sales Improve Quality and Efficiency, Operating Performance Reaches New Highs

In the first quarter, Fushan Resources focused on the efficient operation of integrated production and sales. Both raw coal and clean coal output reached the highest quarterly levels in the past five years, while operating revenue and total profit exceeded planned targets.

The Coal Mining Production: All Mines Took Technological Breakthroughs as the Key Driver to Comprehensively Improve Production Efficiency

Xingwu Coal Mine

Completed intelligent upgrades of the mining, excavation, and transportation systems. For the 8102 working face, equipment recovery adopted shovel-car transport instead of the traditional

endless rope system, significantly improving operational efficiency.

Jinjazhuang Coal Mine

Addressing the challenge of passing through a geological structure zone in the 9304 track roadway, the mine innovatively developed a triple-guarantee construction plan of “first stabilization, then excavation, and step-by-step measures,” successfully achieving safe and efficient breakthrough.

Zhaiyadi Coal Mine

After upgrading the No. 3 belt conveyor, motor efficiency exceeded 95%. Completed automation commissioning of the 3815 fully mechanized mining face, with hydraulic support tracking rate reaching 95.4%, reducing labor while improving efficiency.

The Coal Washing and Processing: All Plants Deepened Refined Management to Ensure Full Capacity Release

Xingwu Preparation Plant

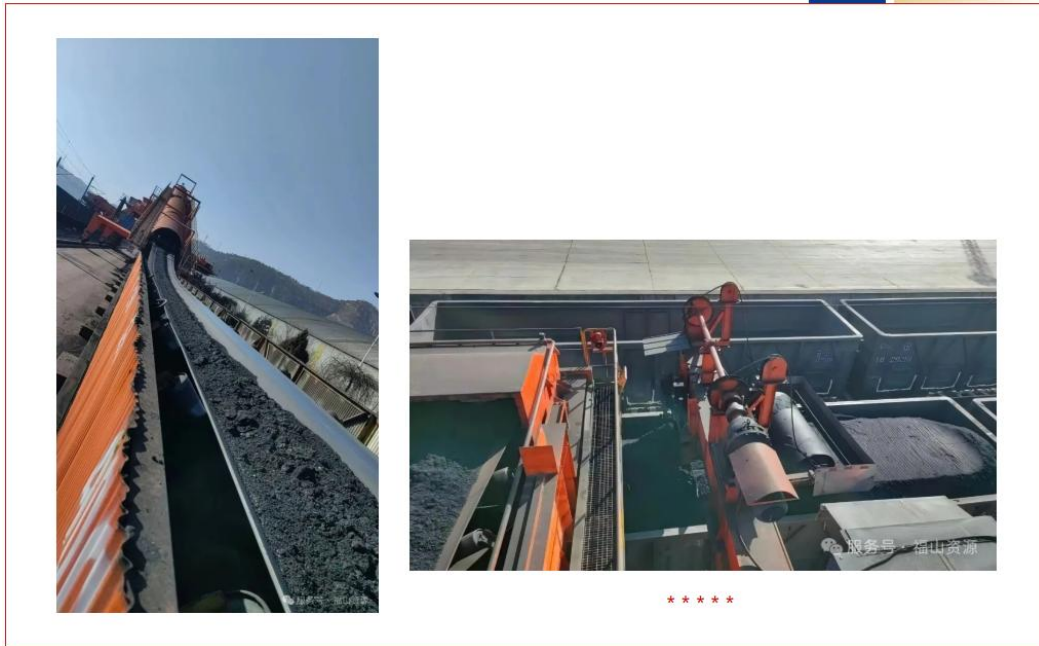
Flexibly adjusted equipment maintenance and production operation schedules according to raw coal washing volume, increasing equipment operation rate to over 98%.

Jinjazhuang Preparation Plant

Established a three-dimensional equipment operation and maintenance system of “daily inspection + preventive maintenance + emergency repair,” achieving a key equipment startup rate of 98.5%, providing a solid guarantee for stable and high-yield clean coal production.

Zhaiyadi Preparation Plant

Continuously optimized production processes and workflows, reducing equipment maintenance time and maximizing effective production duration.



Market Development and Business Model Innovation Advanced Simultaneously, Achieving Breakthrough Growth in Revenue

Driven by finance to promote synergy between production and operations, the company seized the rigid downstream window for winter stockpiling in January and the key market rebound period in March. It precisely captured market peaks, increasing production beyond the sequential plan. Closely tracking market highs, the company flexibly adopted diversified strategies such as online auctions, offline negotiations, and large-order marketing, enabling product prices to outperform the market, the industry, and previous periods. Focusing on pre-sales to increase revenue, the company secured ground sales orders in advance, locking in high profits from the later period at an earlier stage. Leveraging resources from upstream and downstream customers as well as steel enterprises within the Group, the company expanded trading businesses in anchor rod steel, round steel, cement, and other products. Trade coal revenue exceeded targets, achieving multi-channel revenue growth and delivering remarkable results in diversified operations

Advancing Through Green Development: Practicing Green Pathways and Expanding Development Space

Fushan Resources consistently adheres to the concept of green development, promoting green and efficient mining through technological innovation, expanding the space for sustainable development through energy conservation and carbon reduction, and making green the distinctive background color of the company's high-quality development.



Remarkable Results in Green Mining

Continued to deepen the innovative application of the “110 Mining Method” across three mines. In the first quarter, this method enabled the additional recovery of 97,000 tons of raw coal, achieving deep integration of efficient resource recovery and green mining. This has become a vivid practice of cultivating new quality productive forces and implementing the “One Leadership, Two Integrations” strategy, while significantly improving the resource recovery rate.

Remarkable Results in Extreme Energy Efficiency

In the first quarter, gas comprehensive utilization generated 15.5552 million kWh of electricity, reducing carbon dioxide emissions by 12,400 tons. Three solid electric thermal storage devices were built, adopting the “off-peak electricity storage, peak and shoulder electricity use” model, saving electricity costs of 3.0809 million yuan. The company also fully utilized approximately 237,400 kWh of photovoltaic power generation, further reducing electricity expenses.

Cost Reduction and Efficiency Improvement Released Profits

Coordinated efforts in technological innovation, material management, energy consumption control, and lean management were advanced simultaneously, tapping internal potential and strictly controlling expenditures to comprehensively reduce operating costs.

Advancing Through Innovation: Deepening Reform and Stimulating Internal Momentum

In the first quarter, Fushan Resources took reform and innovation as breakthroughs, implementing a “combination punches” to improve efficiency and empower development, optimizing management systems, activating internal vitality, and building a pragmatic, efficient, and dynamic development landscape.



Optimizing Organizational Structure

The original 21 departments were consolidated into 13, further clarifying the functions and responsibilities of each department, building a flatter and more efficient organizational structure, and comprehensively improving the overall operational efficiency of the enterprise °

Optimizing Talent Structure

Organized competitive selection for middle-level management positions, with 116 participants actively involved. Outstanding talents were selected through open competition, fully optimizing the structure of the management team. The average age decreased by 5.27 years, the proportion of bachelor's degree or above increased by 17%, and the proportion of intermediate or higher professional titles increased by 5.91%, forming a younger, more professional, and highly qualified management team.

Improving Labor Productivity

Focusing on extreme efficiency, raw coal labor productivity increased by 25.41% year-on-year, achieving a leap in production efficiency and injecting strong endogenous momentum into high-quality development.

Advancing with Security: Strengthening the Safety Foundation and Escorting Business Development

Fushan Resources has always placed production safety at the top priority, deepened the construction of the safety system, strictly and meticulously implemented various safety measures, and made every effort to consolidate the foundation of safe development, achieving stable and safe production operations in the first quarter.



The company deeply promoted the dual prevention mechanism of risk hierarchical control and hidden danger investigation and governance; strengthened and reinforced the “three teams”; innovatively established the “1+3” safety standardization management model; and strengthened the implementation of safety responsibilities through grid-based and chain-based approaches, effectively consolidating the safety foundation. It strictly controlled on-site safety management, comprehensively promoted the “three lists” working method, and standardized operating procedures. Safety inspectors were granted on-site emergency stop authority to strengthen frontline supervision responsibility. Intelligent miner’s lamps were put into use, realizing the integration of “lighting + video recording,” ensuring that the operation process is standardized, transparent, and traceable. The company made full use of the video monitoring system to achieve full-process video monitoring of important operation sites in the mine. It also implemented the management model of “pre-shift quiz + on-site practical verification + post risk disclosure,” promoting the transformation of safety management from passive response to active prevention.

Diligence and Steady Progress Toward the Future

Fushan Resources will always maintain a high-spirited, upward, and courageous attitude of striving for excellence, continuously transforming the “One Leadership, Two Integrations” strategic path into core competitive advantages. The company will keep pushing its development toward higher efficiency, greater resilience, and stronger sustainability, striving to become a valuable enterprise to the Group through practical work and responsibility, and continuously contributing Fushan’s strength to building a modern Shougang scenario.