



CHINA HEALTH

China Health Technology Group Holding Company Limited

中國健康科技集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1069)

2025

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT



Environmental, Social and Governance Report

Table of Contents

Welcome	2
About this Report	2
Approach to Sustainability	3
A. Environmental Responsibility	8
Aspect A1. Emissions and wastes generated	9
Aspect A2. Use of Resources	12
Aspect A3. The Environment and Natural Resources	13
Climate Change Response	14
B. Social Responsibility	17
Aspect B1. Employment	17
Aspect B2. Employee Health and Workplace Safety	21
Aspect B3. Development and Training	22
Aspect B4. Labour Standards	23
Aspect B5. Supply Chain Management	23
Aspect B6. Product Responsibility	24
Aspect B7. Anti-corruption	25
Aspect B8. Community Investment	26
Environmental Key Performance Indicators	27
Index of Environmental, Social and Governance Reporting	33

Environmental, Social and Governance Report (Continued)

WELCOME

China Health Technology Group Holding Company Limited (formerly known as China Bozza Development Holdings Limited) (the “**Company**”) and the subsidiaries (collectively named as the “**Group**”) steps forward to the ninth year for presentation of the Environmental, Social and Governance (“**ESG**”) Report. After the full year results announcement for the year ended 30 June 2025 has just been released on 30 September 2025, the Company would like to present the annual report and the ESG report by the end of October 2025.

With reference to management discussion and analysis section on page 17-18 of the announcement of annual results for the year ended 30 June 2025 dated 30 September 2025, revenue achieved a remarkable growth of approximately RMB42.6 million or 89.5% to approximately RMB90.2 million. For forestry management business, the Group has completed the sales of logging quantity of approximately 18,016 cubic meters with generated revenue of approximately RMB36.6 million. For ginseng business, the Group generated revenue from the sale of ginseng trading of approximately RMB25.0 million and from self-growth plantation of approximately RMB14.5 million. For health products business, the Group commenced this business with manufacturing and trading of health products since November 2024 with a 150-square-foot store in Hong Kong (“**HK**”) and generated revenue of approximately RMB14.1 million.

Forestry management business and ginseng business were for the People’s Republic of China (“**PRC**”) whereas health products business was for HK for the year ended 30 June 2025.

The Group’s directors and management strived hard during the year ended 30 June 2025 not only on the operating activities, but also on achieving the targets of the ESG key performance indicators set out in last year. This ESG report can show how far the Group’s performance for the year ended 30 June 2025.

ABOUT THE REPORT

SCOPE AND REPORTING PERIOD

The ESG report presented by the Company, highlighting its ESG performance, with disclosure reference made to the ESG Reporting Guide as described in Appendix C2 of the Main Board Listing Rules and Guidance set out by The Stock Exchange of Hong Kong Limited (“**HKEX**”).

This ESG report covers the Group’s overall performance in two subject areas, namely, Environmental and Social of the business operations in following operations from 1 July 2024 to 30 June 2025 (“**Reporting Period**”), unless otherwise stated:

- (i) forestry business (i.e. plantation, logging and sale of timber related products) in Sichuan Province, the PRC, with a total of five forests covered in the report.

The following forest is subtropical humid forest, Asia (continental >20y);

1. Hengchang forest

The following four forests are tropical moist deciduous forests, Asia (continental >20y):

2. Kunlin forest
3. Senbo forest
4. Ruixiang forest
5. Wantai forest

Environmental, Social and Governance Report (Continued)

- (ii) ginseng business (trading of ginseng purchased from suppliers and sales of self-grown ginseng from its own plantation)
- (iii) health products business (physical store located in HK for the sales of ginseng products under own brand name and other health products)
- (iv) overall management of the Group's business in the Shenzhen Office and Hong Kong Office

REPORTING PRINCIPLES

The Report is prepared in accordance with the "Environmental, Social and Governance Reporting Guide" set out in Appendix C2 to the Listing Rules of the Stock Exchange (the "**Guide**"). The contents covered herein are in compliance with the mandatory disclosure requirement and the provision of "Comply or Explain" basis as well as three reporting principles of materiality, quantitiveness, balance and consistency required in the Guide.

Materiality – The Group pledges to carry out materiality assessments to identify material environmental and social issues that have major impacts on investors and other stakeholders when it has the capacity to do so.

Quantitiveness – Key performance indicators ("**KPI**"s) have been established, and are measurable and applicable to make valid comparisons under appropriate conditions; information on the standards, methodologies, assumptions, and/or calculation tools used, and sources of conversion factors used, have been disclosed when applicable.

Consistency – Consistent statistical methodologies and presentation of KPIs have been used to allow meaningful comparisons of related data over time.

In addition, the ESG Report also covered Part D Climate-related Disclosure of Appendix C2 – the ESG Reporting Code with reference to the following four core pillars:

- (a) *Governance* – the governance process, controls and procedures the Group uses to monitor, manage and oversee climate-related risks and opportunities;
- (b) *Strategy* – the Group's strategy for managing climate-related risks and opportunities;
- (c) *Risk management* – the process the Group uses to identify, assess, prioritise and monitor climate-related risks and opportunities; and
- (d) *Metrics and targets* – the metrics and targets the Group uses to understand its performance in relation to climate-related risks and opportunities, including progress towards any climate-related targets it has set, and any targets it is required to meet by law or regulation.

APPROACH TO SUSTAINABILITY

The Group's mission is to maximise the benefits to our shareholders and employees. It upholds the core values of integrity, market-driven, accurate positioning, and seeking joint development, while adopting a people-oriented approach that values employees' continuous development.

Our mission statement shows what we endeavour to be. The journey towards it is equally important. Business longevity shall only be granted to those who look beyond short-term gains and consider the external impacts they have on the economy, society, and environment. The Group incorporates ESG into the board's oversight of strategy. We identify and evaluate the materiality of the diverse range of ESG issues that are interrelated with our business operations (See next section: Stakeholder Engagement and Materiality Assessment). Validated by the board, the most material ESG issues guide the Group's corporate strategy. As we advance our sustainability journey, the Group endeavours to raise the board's knowledge and awareness of the ESG landscape.

Environmental, Social and Governance Report (Continued)

BOARD STATEMENT

The Board has overall responsibility for the Group's ESG strategy and reporting. The Board is responsible for evaluating and determining the Group's ESG-related risks, and ensuring that appropriate and effective ESG risk management and internal control systems are in place. Senior management are delegated the responsibility of coordinating the implementation of the Group's environment, employment and service quality assurance policies.

SUSTAINABILITY GOVERNANCE

The sustainability plan of the Group shall be developed based on results of ESG Reports and regular reports from senior management, which shall be reviewed on an annual basis and adjusted as needed to align with the long-term business strategy of the Group.

THE GROUP'S SUSTAINABILITY MISSION AND VISION

The Group ensures strict compliance with any applicable regulations, laws, guidelines, and standards. Furthermore, the Group strives to achieve an optimum balance among maximum profit, responsibility and satisfaction for stakeholders. The Group does not consider ESG as a marketing tool. ESG is not about making donations, nor about issue of corporate social responsibility reports. It should be inherently integrated within daily operation and business decision making. The key message of the Group's sustainability mission is to reinforce the positive correlation between risk management and governance, followed by product innovation and management innovation.

While the establishment of an ESG working group is still under discussion, the Board oversees the ESG management for the Group. In particular, the Board pays close attention to the risks brought about by environmental and climate change, which are critical to the forestry business. With proper risk management, the Group is poised to capture various opportunities brought by environmental change and to make respective policy adjustment accordingly.

In the near future, the Group will continue to implement the principles of low-carbon economy and circular economy in its operations of sustainable farming and forestry business. The Group strives to adopt circular economy principles in forest sector and to capture the full potential of the forests throughout their lifecycle through the sustainable transformation and management of low-yield forests, management of forests for carbon sequestration, utilization of various forest resources, transformation of forest lands, and utilization of residues from land transformation and timber processing as a source of biomass fuel.

STAKEHOLDER ENGAGEMENT AND MATERIALITY ASSESSMENT

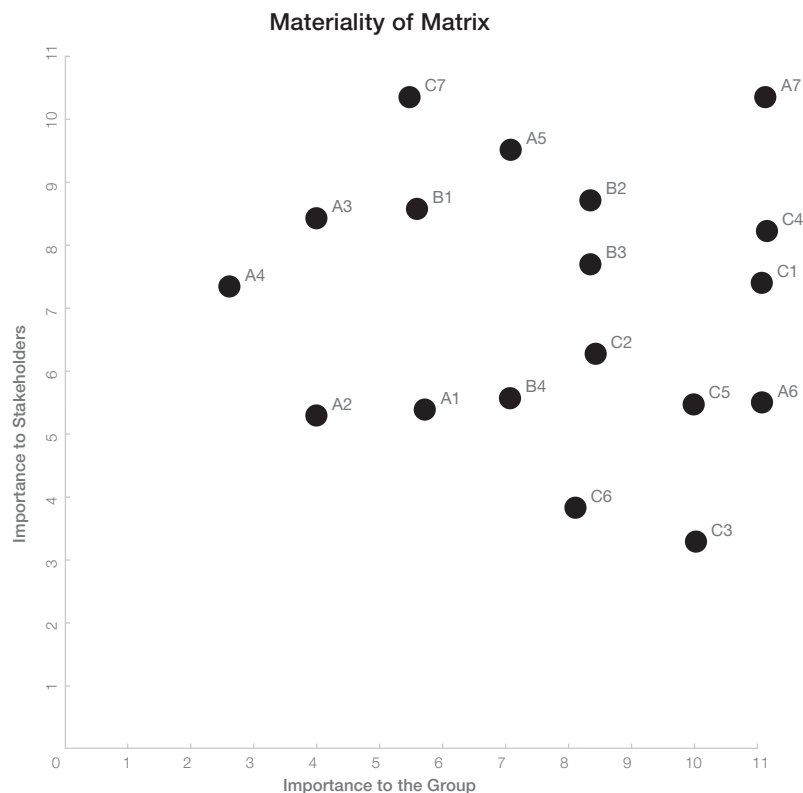
In order to identify the most significant aspects for the Group to report on for this ESG report, the Group regularly collects views and discusses ESG matters with stakeholders through a variety of channels, such as engagement sessions including routine meetings and annual general meetings. When issues have been identified, they are discussed as an issue of the corporate culture. The Group also emphasises on the importance of paying attention to issues and giving appropriate response to the arising problems. Solutions to relevant topics are regularly explored on such that relevant issues can be addressed and resolved.

During the Reporting Period, the Group has specifically engaged board members, senior management, shareholders, frontline employees, suppliers, and customers to gain further insights on ESG aspects they find material and relevant challenges that they may induce. A materiality assessment has then been produced according to the engagement as follows.

Environmental, Social and Governance Report (Continued)

Prioritisation

In accordance with the ESG Reporting Guide and industry standards, the Group has identified 18 material ESG issues. The Group conducts internal surveys to gather the views of management and staff in each of the major divisions to comprehensively assess the materiality of each issue based on the level of influence on stakeholders' assessment and decisions, as well as the level of significance of the economic, environmental, and social impacts. The results of the materiality assessment are used to determine the disclosure focus of ESG reports and to develop the Group's ESG strategy. The Group will continue to conduct materiality assessments to analyze its business risks, improve the relevance of ESG reports and respond to the expectations of stakeholders. The materiality assessment matrix of the Group's material ESG issues is as follows:



During the Reporting Period, the Group has confirmed that it has established appropriate and effective management policies and internal control systems for ESG matters and confirmed that the disclosures meet the requirements of the ESG Reporting Guide.

Environmental, Social and Governance Report (Continued)

Validation

The Board has reviewed and validated the materiality process, and hence the Report discloses the Group's performance on all high and low materiality issues. To address matters most material to the Group's stakeholders, issues of high materiality are discussed in more depth throughout the Report.

Environmental		Labour		Operational	
A1	Energy	B1	Employment	C1	Supply Chain Management
A2	Water	B2	Occupational Health and Safety	C2	Intellectual Property
A3	Air Emission	B3	Development and Training	C3	Data Protection
A4	Waste and Effluent	B4	Labour Standards	C4	Customer Service
A5	Other Raw Materials Consumption			C5	Product/Service Quality
A6	Environmental Protection Measures			C6	Anti-corruption
A7	Climate Change Response			C7	Community Investment

According to the assessment, the five most material topics to the Group are therefore,

Aspect no.		
1.	A7	Climate Change Response
2.	C1	Supply Chain Management
3.	C2	Intellectual Property
4.	A6	Environmental Protection Measures
5.	C5	Product/Service Quality

The Group aims to keep close communication with its stakeholders for the identified aspects and continue to improve its ESG performance. The Group also hopes to have better management on ESG-related risks for future business development. In alignment with the Group's vision on sustainability, the business will continue to operate with high ethical standards and provide sustainable returns to stakeholders.

STAKEHOLDER ENGAGEMENT

The Group believes that identifying and addressing stakeholder views lays a solid foundation to the long-term growth and success of the Group. The Group engages with a wide network of stakeholders, including employees, customers, suppliers, shareholders, government and community.

Environmental, Social and Governance Report (Continued)

The Group develops multiple engagement channels that provide opportunities for stakeholders to express their views on the Group's general business conduct and sustainability management. The engagement channels are summarised in the following table. To reinforce mutual trust and respect, the Group is committed to maintaining effective communication channels with stakeholders in both formal and informal ways. This can enable the Group to better shape its business strategies to respond to their needs and expectations, anticipate risks and strengthen key relationships.

Stakeholders	Engagement channels	Material ESG issues for the Group
Shareholders	• General meetings • Regular corporate publications including financial reports and ESG report • Circulars and announcements • Direct enquiries • Corporate website • Investor Relations	• Business strategies and sustainability • Financial performance • Corporate governance • Paperless regime communication with shareholders
Employees	• Performance appraisals • Training sessions	• Training and development • Employee remuneration and welfare • Occupational health and safety • Equal opportunities
Customers	• Business meetings • Complaint and feedback channels • Corporate website	• Products quality and reliability • Customer data security • Business ethics
Suppliers	• Business meetings • Supplier assessment • Continuous direct communication	• Fair competition • Business ethics
Government	• Statutory filings and notification • Regulatory or voluntary disclosures	• Compliance with law and regulations • Business strategies and sustainability • Environmental protection
Community	• Community activities • Corporate donations	• Fair employment opportunities • Environmental protection
Auditor	• Email • Telephone • Regular meetings • Field work	• Managing accounts on time • Well-organized documents

Environmental, Social and Governance Report (Continued)

STAKEHOLDERS' FEEDBACK

The Group welcomes stakeholders' feedback on our environmental, social and governance approach and performance. Please give your suggestions or share your views with us via email at hk_zgjk@1069.com.cn.

A. Environmental responsibility

The Group and its daily operations have little negative impacts on the natural environment. The Group does not generate emissions, wastewater and hazardous waste in its daily operations.

The Group is committed to providing quality products and services in a clean and sustainable manner. Its business activities are principally engaged in the sales of timber logging products and sales and plantation of ginseng products. The Group is aware of the environmental impact arising from the offices and operational sites. During the Reporting Year, it has implemented policies and measures to ensure adverse impacts on the environment are minimised and natural resources are conserved. The Group strives to drive improvements to continuously reduce our air emissions and waste generation, as well as conserve energy and water resources.

To better manage the Group's material ESG topics and its performance on those aspects, the Group has set quantifiable targets for the environmental aspect in the financial year ended 30 June 2025 ("2025") and planned to achieve such targets by the financial year ended 30 June 2026 ("2026"). The Group will continue to work for the targets set and review the status of the set targets annually prior to 2026. For each of the target set, corresponding measures to achieve them will be disclosed in detail in the section headed "Air emissions", "Greenhouse Gas ("GHG") Management", "Hazardous Waste", "Non-hazardous waste", "Measures to Mitigate Emissions" and "Water Reduction and Initiatives".

The table below summarizes the Group's sustainability targets set.

Environmental targets		Status
Emissions:		
1.	Hazardous emissions	
(a)	Air emissions	
	Not applicable	Not applicable
(b)	GHG emissions	
	To reduce the total GHG emissions intensity (tonnes of carbon dioxide equivalent ("tCO ₂ e")/million HKD revenue) by 2% in 2026 when compared with 2025.	In progress
	In long-term, the tentative aim is to achieve a 10% reduction in the intensity measure in 10 years, or by 2034/35.	In progress
Waste management		
2.	Non-hazardous waste	
	To reduce the total non-hazardous waste intensity (kg/million HKD revenue) by 2% in 2026 when compared with 2025.	In progress
	In long-term, the tentative aim is to achieve a 10% reduction in the intensity measure in 10 years, or by 2034/35.	In progress

Environmental, Social and Governance Report (Continued)

Environmental targets	Status
Use of resources	
3. Energy To reduce the total energy consumption intensity (MWh/million HKD revenue) by 2% in 2026 when compared with 2025.	In progress
4. Water resources To reduce the total water consumption intensity (cubic meters/million HKD revenue) by 2% in 2026 when compared with 2025.	In progress

In long-term, the overall intensity target is to achieve a 10% reduction in 10 years, or by 2034/35.

The Group's activities that have caused indirect environmental impacts include: 1) consumption of purchased electricity; 2) processing of freshwater and sewage; and 3) paper waste disposed of in landfills. Their corresponding emissions during the Reporting Period were calculated and presented in Aspect A1.

The Group strictly abide by applicable laws such as the Environmental Protection Law of the PRC and the PRC Prevention and Control of Environmental Pollution by Solid Wastes. No non-compliance with relevant laws and regulations that have a significant impact on the Group relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste had been identified during the Reporting Period.

Aspect A1.

Emissions and wastes generated

A1.1 The types of emissions and respective emission data

Air Emissions

Both the forestry business and office operations at Shenzhen and Hong Kong have not generated major air emissions. The Group did not own any vehicles during the Reporting Period and the last reporting period, and all employees are encouraged to take public transport and/or taxis for business trips. The Group outsourced the delivery and transportation to the third party services providers during the reporting and prior years. Air emissions arisen from others such as forklifts were immaterial during the years.

Greenhouse Gas (GHG) Emissions

The total amount of GHG, mainly carbon dioxide, methane and nitrous oxide, emissions for the Group during the Reporting Period was approximately 108,109 kg (2023/24: 67,511 kg) kg CO_{2eq}, and the overall intensity was 1,198.5 kg (2023/24: 1,418.3 kg CO_{2eq} per RMB million) CO_{2eq} per revenue in RMB million. Increase in GHG Emissions intensity was mainly due to extension of office size in Shenzhen and more active operational activities during the Reporting Year. The following activities contributed to the indirect GHG emissions reported:

- Energy indirect (scope 2) GHG emissions from purchased electricity; and
- Other indirect (scope 3) GHG emissions from municipal freshwater and sewage processing, waste paper landfilling, and business air travels.

Environmental, Social and Governance Report (Continued)

Activity	2024/25 GHG emissions (kg CO _{2eq.})	2023/24 GHG emissions (kg CO _{2eq.})
Scope 1 Direct GHG emission⁽¹⁾	N/A	N/A
Scope 2 Energy indirect GHG emission		
Purchased electricity ⁽²⁾	104,786	65,491
Scope 3 Other indirect GHG emission⁽³⁾		
Freshwater and sewage processing	1,069	660
Paper waste disposed of in landfills	1,410	782
Business air travels ⁽⁴⁾	844	578
Total GHG	108,109	67,511
Revenue (RMB million)	90.2	47.6
Overall GHG Intensity⁽⁵⁾ (kg CO_{2eq.}/RMB million)	1,198.5	1,418.3

Note:

- (1) Greenhouse gas emission ("GHG" emission data is presented in terms of carbon dioxide equivalent and are based on, but not limited to, "The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standards" issued by the World Resources Institute and the World Business Council for Sustainable Development, "Notice on doing a Good Job in 2023–2025 Reporting and Management of Greenhouse Gas Emissions of Power Generation Enterprises" issued by the Ministry of Environmental Protection, the PRC in 2023, and "How to prepare an ESG Report — Appendix II: Reporting Guidance on Environmental KPIs" issued by the Stock Exchange.
- (2) The scope of calculation of indirect greenhouse gas emissions includes the indirect greenhouse gas emissions of our business generated using purchased electricity. The calculation method and the calculation of emission factor of emission were established with reference to the "Announcement on the Release of the 2022 Electricity Carbon Dioxide Emission Factors" issued by the Ministry of Ecology and Environment of the PRC.
- (3) Scope 3 was mainly from the greenhouse gases generated from the Group's paper waste, freshwater processing, sewage treatment and business air travel. Calculations were based on Appendix 2: Reporting Guidance on Environmental KPIs issued by the Stock Exchange and the Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Building (commercial, residential or public use) in Hong Kong.
- (4) CO₂ emissions from the Group's business air travels were reported in accordance with the International Civil Aviation Organisation (ICAO) Carbon Emission Calculator.
- (5) Carbon intensity in 2025 and 2024 were calculated by dividing the amount of Scope I and II emissions by the Group's revenue as at the end of 30 June 2025 and 30 June 2024.

Despite the above-mentioned GHG emissions, potential carbon sequestration can be realized through the biomass accumulation in its managed forest. The Intergovernmental Panel on Climate Change's ("IPCC") gain-loss method (from 2006 IPCC Guidelines for National Greenhouse Gas Inventories, Volume 4: Agriculture, Forestry and Other Land Use, Chapter 4 Forest Land) was used to estimate the annual increase in carbon stocks resulting from biomass growth, which was then converted to CO₂ sequestration.

Environmental, Social and Governance Report (Continued)

Based on forest types and areas, it is estimated that a total of 28,035 tonnes (2023/24: 22,793 tonnes) of CO₂ was sequestered from the Group's forest operation during the Reporting Period, with a lower uncertainty value calculated at 28,670 tonnes (2023/24: 21,398 tonnes) of CO₂. It should be noted that the annual carbon sequestration figure only provides a rough estimation as some factors were not taken into account due to lack of data. For instance, the annual carbon stocks loss due to biomass loss, resulting from wood removal, transfer of biomass to dead organic matters and carbon loss to mortality, was not calculated.

A1.3 *Total hazardous waste*

The Group recognises that its business operations had generated hazardous waste, which mainly consisted of some electronic waste, used light bulbs, and cleaning supplies. Since the amount of hazardous waste generated was insignificant, the Group had not kept records of the amount of disposal of such items during the Reporting Period. However, the Group has handed all hazardous waste to external qualified waste handlers for further processing.

A1.4 *Non-hazardous Waste*

During the Reporting Period, the Group generated an approximate total of 79.05 tonnes (2023/24: 63.24 tonnes) of non-hazardous waste, with an overall intensity of 87.64 kg per revenue in RMB million (2023/24: 69.92 kg per revenue in RMB million). Non-hazardous waste generated from the Group's business operation mainly included waste from the forestry business, with a small amount from waste office paper and general office waste. An approximate amount of 203 kg (2023/24: 162 kg) of waste paper was landfilled during the Reporting Period.

The amount of waste from forestry business was approximately 45 tonnes (2023/24: 38 tonnes), whereas the amount of general office waste was approximately 0.64 tonnes (2023/24: 0.56 tonnes), both of which were handled and treated by municipal waste treatment facilities.

A1.5 *Description of emission targets set and steps taken to achieve them*

With minimal direct emissions generated by its operation, the Group's controlling and mitigation schemes have been focused on encouraging eco-friendly behaviours among staff, such as printing on double sides, reusing printing papers, and sharing office supplies by all employees. Employees are encouraged to use public transport or take hybrid vehicles for business trips, and to only resort to air travel for long distance business trips.

With the resumption of the Group's business operations during the Reporting Period, increases have been recorded in the Group's freshwater consumption, paper waste disposal, business air travel, and, most significantly, electricity consumption. As business has resumed as usual, the Group shall be adopting the current Reporting Period as the baseline year for setting its annual target for GHG emissions reduction, with the tentative aim of achieving a 10% reduction in emissions intensity in 10 year, or by 2034/35. This target may also be reevaluated in the future pending any major operational changes or lacking progress.

Environmental, Social and Governance Report (Continued)

A1.6 Description of how hazardous and non-hazardous wastes are handled, and a description of reduction targets set and steps taken to achieve them

With insignificant amount of waste generated from its business operation, the Group has not set up any waste reduction schemes formally. However, it has promoted environmental awareness through unwritten norms and its sustainable corporate culture. For example, paperless office is highly encouraged among employees, and if possible, double-sided printing is preferred.

With the resumption of the Group's business operations during the Reporting Period, increases have been recorded in the Group's non-hazardous waste generation. As business has resumed as usual, the Group shall be adopting the current Reporting Period as the baseline year for setting its annual target for waste reduction, with the tentative aim of achieving a 10% reduction in non-hazardous intensity in 10 year, or by 2034/35. This target may also be reevaluated in the future pending any major operational changes or lacking progress.

Aspect A2.

Use of Resources

A2.1 Energy Consumption

The only kind of energy consumption by the Group during the Reporting Period was electricity for its office operations and lighting for its forestry business. The total electricity consumption was 143,550 Kilowatt-hour (kWh) (2023/24: 111,100 kWh), with an overall intensity of approximately 1,591 kWh per revenue in million RMB (2023/24: approximately 2,334 kWh per revenue in million RMB).

A2.2 Water Consumption

The Group did not consume a significant amount of water for its business activities. Forestry business relies solely on natural precipitation. For the Group's office operations, the bill of water use is paid to the management office of the office building. The Group's office operations had not been involved in the direct management of water resources.

The total water consumption of the Group was estimated at 870 m³ during the Reporting Period (2023/24: 697 m³). The overall intensity for water consumption was approximately 9.64 m³ per revenue in RMB million (2023/24: approximately 14.64 m³ per revenue in RMB million).

A2.3 Energy Use Efficiency Initiatives

The energy consumption from the Group's business operation is not significant, with its forestry business only consuming a very insignificant amount of electricity for lighting purpose. For Shenzhen Office and Hong Kong Office, electricity was the major type of energy consumed by the Group. Thus, employees are reminded to switch off lights, air conditioners, computers, monitors and equipment before leaving work.

With the resumption of the Group's business operations during the Reporting Period, significant increases have been recorded in the Group's electricity consumption. As business has resumed as usual, the Group shall be adopting the current Reporting Period as the baseline year for setting its annual target for electricity consumption reduction, with the tentative aim of achieving a 10% reduction in electricity consumption intensity in 10 year, or by 2034/35. This target may also be reevaluated in the future pending any major operational changes or lacking progress.

Environmental, Social and Governance Report (Continued)

A2.4 Water Use Efficiency Initiatives

The Group's business operation did not involve any significant water consumption. Its forestry business has not consumed any processed water and hence no formal water use efficiency initiatives have been established. While the Group has not set any targets for water consumption reduction due to its minimal impacts, the Group nonetheless promotes reasonable water use initiatives and water saving measures among its employees.

Office operations of the Group do not directly control and/or manage water consumption and hence have not put forth any water use efficiency initiatives. Nevertheless, water-saving signs have been put up in the pantry and toilets to remind employees of water conservation. No issues on sourcing water were reported during the Reporting Period.

A2.5 Packaging Material

In the sales and plantation of forestry business and ginseng business, the Group's operations did not heavily involve the repackaging of wholesale products. The Group regularly communicates with customers to minimise the packaging materials as we aim to protect the environment. As the Group deemed packaging consumption was not a material topic, it did not disclose any data for this Reporting Year and the Prior Year.

Aspect A3.

The Environment and Natural Resources

A3.1 Significant Impacts of Activities on the Environment

The nature of the Group's business poses limited negative impact on the environment. Instead, proper management of forest resources and use of forest products can contribute to substantial GHG reductions. The forests contain carbon in living trees and plants, organic matter and soil. While forest management activities such as harvesting, thinning, planting, natural decaying, controlling forest fires and insects have impacts on the environment, the continuous growth and regeneration of the forests, as well as the absorption of CO₂ and nutrients by other animals and organisms have taken up large amount of carbon from the atmosphere. The Group continuously promotes environmental protection to pose minimal impacts on the surrounding environment and ecosystem.

Resource Conservation

The forestry business continues to adopt sound forest management practices, such as complying with logging requirements, selective logging, and conducting monthly inspection and annual evaluation on the forests. Overall, local government bodies centrally manage the local forestry resource conservation and involve extensively in the Group's logging activities.

The Group adopts selective logging. Formal application, with details such as logging site, tree species, quantity, has to be made to the forestry administration department, if necessary, for issue of logging permit after careful consideration.

Environmental, Social and Governance Report (Continued)

The scrutinization and approval criteria are set by the Forest Resources Management Unit and the Forestry Investigation Team. The approval of annual logging activities will take into account of the logging method, forest growth rate and harvesting area will be considered. The Forest Resources Management Unit also control the logging frequency based on the local environment, tree growth cycle and growth rate.

No fertilizers, nor tree growth accelerators have been applied during the Reporting Period. Pest and disease control have been centrally managed by the local forestry management department, which is responsible for the overall arrangement on pest control for all forest areas within the county. Local forestry workers will be employed to carry out integrated pest management when pests are detected. The soil testing has also been conducted regularly to check on soil fertility.

Climate Change Response

Climate change poses a huge threat to all businesses, and that of the Group's is not an exception. In response to the global and national call to have carbon emissions peak before 2030 and achieve carbon neutrality before 2050 or 2060, the Group acknowledges the significance of addressing climate change in order to be more responsive to potential climate-related consequences.

The Group has identified relevant climate-related risks and assessed their potential financial impacts. The climate risks identified, their time horizon, trend, and the potential financial impacts affecting the Group are shown below.

Climate Risks		Time horizon	Trend	Potential financial impact
Physical Risks	Acute	Short term	Increase	Extreme weather events with increased severity during cyclones, hurricanes, storm surges and floods can cause supply chain interruption by bringing damage to local infrastructure, potential damage to offices and disruption to human resources.
	Chronic	Long term	Increase	Longer-term shifts in climate patterns can increase capital costs, operating costs, costs of human resources and increased insurance premium.
Transition Risks	Technology	Long term	Increase	During the transitional period, the Group expects increased procurement expenditures to introduce new and alternative technologies, and the additional cost of adopting/deploying new practices and processes.
	Policy and Legal	Short to medium term	Increase	Implementation of tightened environmental laws, stringent requirements on climate disclosures and carbon pricing system increases operating costs.
	Market	Short term	Increase	During the transitional period, the Group might face a decrease in revenue due to higher environmental requirements of clients, if no strategy has been set accordingly.
	Reputation	Short to medium term	Increase	Stakeholders' concerns on climate-related issues of the Group might dampen the investment sentiment of investors, impacting the stock price and market capitalisation of the Group, and hence increasing the liquidity risk.

Environmental, Social and Governance Report (Continued)

Governance

The Group has incorporated the governance of climate-related risks and opportunities into all dimensions of the Group, including the Board, management, and various departments. As the highest of the Group's governance structure, the Board is responsible for coordinating sustainable development tasks and has the highest decision-making power for related work. The Board also makes decisions, deployments, and guides on material sustainability issues, including climate risk-related issues and strategies. The management meets at least two times a year on a regular basis and reports to the Board on the discussion of climate-related risks and opportunities identified. The management is formalising the Climate Change Policy as a guidance for its climate change responses subject to review and approval by the Board. In addition, to strengthen the Board members' awareness of climate-related issues, the Board has received training on the Task Force on Climate-related Financial Disclosures during the fiscal year to strengthen their understanding of the roles and responsibilities in addressing climate-related work.

Senior management is primarily responsible for strengthening climate-related risk management under the leadership of the Board and conducting internal risk assessments to identify the impacts of risks on the businesses. In addition, we established a working team for monitoring the materiality of climate-related issues and developing strategies to mitigate losses from climate related risks to ensure that the Group reports climate change related targets and performance in an accurate and transparent manner. In addition, the Board members assist the management in coordinating, implementing, and supervising the Group's sustainability-related work, so that the sustainability activities can be effectively coordinated and implemented.

Strategy

During the financial year, we further evaluated the Group's climate-related opportunities and risks under different climate scenarios, with the aim of identifying risk factors that have a significant impact on the Group's businesses. Given the 1.5° C and 4° C warming above pre-industrial, we have identified potential physical and transition risks, including physical risks such as strong winds/typhoons, fluvial floods, extreme temperature, global warming, as well as transition risks such as policy and legal, market and reputation risks. These risks may result in an increase in the Group's operating costs, and a decrease in revenue due to operational disruptions, decreases in staff productivity, etc.

The Company expects achievement of such strategies will minimise any unfavourable or unexpected impacts that might be brought about by its operations to the environment, society and well-being of its employees, to ensure healthy and long term returns to its shareholders.

Risk management

To better understand the climate-related risks faced by the Group's companies and make corresponding countermeasures against climate risks in advance, we conduct scenario analysis and in-depth climate risk assessments for the project companies in this financial year. The assessment focused on analysing the transition and physical climate risks.

Environmental, Social and Governance Report (Continued)

Physical climate risks include strong winds and cyclones, fluvial floods, extreme temperature, global warming and extreme precipitation. We have taken reference to the representative concentration pathway (“RCPs”) of the Intergovernmental Panel on Climate Change (“IPCC”), adopted the appropriate scenario assumptions of RCP2.6 and RCP8.5, i.e. the scenarios of warming of below 1.5° C and 4° C above preindustrial level, and considered the short (0–5 years), medium (5–10 years), and long (over 10 years) term impact of climate risk, and conducted a rigorous analysis of its severity, likelihood and vulnerability. After assessing the risk information, we assessed the relevant financial impact and implemented corresponding mitigation plans to follow the HKEX’s Guidance on Climate Disclosures. Most of our operations of forestry management and self-grown ginseng businesses are located in several counties of Sichuan Province of which in summers, the average temperature ranges from 15 to 32 Celsius degree, in winters, the average temperature ranges from –10 to 5 Celsius degree and in transitional seasons, the spring and autumn seasons are marked by unpredictable weather patterns with the potential for sudden temperature changes and precipitation. Our health products business is located by an indoor store in HK which is less subject to extreme weather.

The Group will continue to analyse the impact of climate risks in depth and assess the resulting financial impact from multiple perspectives. Looking ahead, we will gradually expand the scope of climate risk assessment and conduct more frequent risk assessments on project companies and business locations to ensure that the Group is capable of coping with the challenges brought by climate change.

Indicators and Targets

To actively respond to the severe challenge of climate change, the Group published the “China Gas Carbon Neutrality Action Report ” in 2022 as one of its responses focusing on GHG emission reduction. The report covers seven major actions of green energy, energy conservation and innovation, low-carbon logistics, smart operation, methane emission control, net zero path and green ecosystem, and three major commitments:

- Reducing carbon emission intensity by 5% by 2035 compared with the 2025 level
- Achieving carbon peak by 2030
- Achieving carbon neutrality in its own operation by 2050

We regularly review the Group’s carbon emissions to monitor the progress and explore different carbon reduction opportunities, exploring and formulating carbon reduction initiatives towards carbon neutrality.

Our Company will follow up the new sustainability-related disclosure standards from the ISSB and new requirements on Climate Change from the Stock Exchange. Please refer to relevant sections for climate change in this ESG Report.

Management approach

The Board of the Company has responsibility for overall risk oversight. Apart from that, our Company considers formalising an advisory panel with certain professionals of its management measures that can help the Group to become resilient to climate change.

In strengthening its attention of climate policy trends and information, the Group is dedicated to learning from its surrounding enterprises and implementing its own-resource finance responses.

Environmental, Social and Governance Report (Continued)

Significant Climate-Related Issues

In the Reporting Year, the Group did not incur any significant losses arisen from the extreme weather changes (2023/24: Nil). The Group does not intend to subscribe to any insurance to indemnify the risks from the extreme weather changes at this moment but the Group has established certain measures to remind the management and the operational staff on mitigating any issues or side effects arising from the extreme weather.

The Group is also dedicated to systematically identifying opportunities created by climate change and determined to develop a low-carbon supply chain that is adaptable to climate-related risks and help enhance the adaptability and business value of the Group. The Group will continue to explore innovative cold chain technologies to improve the reliability of its technology and the overall adaptability to the warming climate, thus the food quality and customer safety can be maintained. Additionally, the Group will optimize the logistic routes and improve the efficiency of transport vehicles to reduce the operation and maintenance costs and improve the resource efficiency. Moreover, the Group is devoted to raising the awareness of its employees in adapting to climate change along with the Group with the above measures regarding GHG emissions, water, energy, and waste management.

As a business in the forestry industry, the Group recognises that its decisions will play a huge role in mitigating climate-related issues. The Group's forest operations sequesters significant amounts of carbon dioxide, and the Group shall adopt stricter forest management practices to ensure that logging activities have minimal impact on the local environment and resources.

B. Social Responsibility

1. Employment and labour practices

Aspect B1.

Employment

The Group stringently complies with national and local laws and regulations concerning employment and labour practices, such as Labour Law of the PRC, Labour Contract Law of the PRC, and the PRC Law on the Protection of Women's Rights and Interests. No non-compliance with relevant laws and regulations that have a significant impact on the Group relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare had been identified during the Reporting Period and the last reporting period.

Policies on employees' rights and benefits, including public holidays, annual paid leaves, sick leaves, maternity leaves have been formulated and executed per the Labour Law of the PRC, Labour Contract Law of the PRC, and Salary Payment Regulations of the PRC. Employees in the PRC have been provided with five (5) kinds of social insurance and housing provident fund (「五險一金」). Related employees in Hong Kong have been paid Mandatory Provident Fund ("MPF") contribution according to the requirements of the MPF Ordinance.

In addition, the Group has subscribed for Directors' and Officers' Indemnity Insurance to insure against the liabilities of the duties of the directors and officers on the risk of the legal commitment and safeguard the corporate status.

Environmental, Social and Governance Report (Continued)

The Group formulates its own reward system with reference to market salary trends. Individual employee's contribution to the Group is also a major consideration in salary adjustment. Overall, there are three types of salary adjustment: regular salary adjustment, seniority salary adjustment, and post salary adjustment. There was no change in its recruitment procedure during this Reporting Period. No major changes have been made to the appraisal, promotion, reward and penalty system. All employees are liable for promotion based on their competence and suitability for specific position. When there is a vacancy, priority is given to internal employees.

Remuneration and welfare

Employees of the Group are rewarded at a competitive level and are rewarded according to their performance and experiences. The promotion and remuneration of the Group's employees are subject to periodic review. Employees are entitled to retirement fund, transportation allowance and discretionary bonuses. Details are set out in the staff handbook to ensure information transparency on the responsibilities and rights of employees.

Recruitment and promotion

The human resources department conducts a comprehensive recruitment review process to ensure that the data provided by the candidates is accurate. The Group's recruitment and promotion processes are carried out in a fair and open manner for all employees. Employees are recognised and rewarded by their contribution, work performance and skills, and outcomes will not be affected by any discrimination on the grounds of age, sex, marital status, family status, race, disability, nationality, religion, political affiliation and sexual orientation and other factors. In the case of dismissal, the staff handbook is adhered to which ensures the entire procedure is compliant with statutory requirements.

The Group had a total number of 29 full-time and no part-time employees (2024: 31 full-time and 2 part-time) as of 30 June 2025.

Environmental, Social and Governance Report (Continued)

Total Workforce as of 30 June	2025		2024	
	Number	Percentage	Number	Percentage
By Employment Type				
Full-time	29	100.00%	31	93.94%
Part-time	0	0%	2	6.06%
By Gender				
Male	18	62.07%	25	75.76%
Female	11	37.93%	8	24.24%
By Employee Category				
Senior Management	6	20.69%	6	18.18%
Middle Management	3	10.34%	3	9.09%
Frontline and Other Employees	20	68.97%	24	72.73%
By Age Group				
18-25	2	6.90%	3	9.09%
26-35	17	58.62%	25	75.76%
36-45	3	10.34%	1	0.03%
46-55	2	6.90%	1	0.03%
56 or above	5	17.24%	3	9.09%
By Geographical Location				
Mainland China	24	82.76%	27	81.82%
Hong Kong	5	17.24%	6	18.18%
Total	29	100.00%	33	100.00%

Environmental, Social and Governance Report (Continued)

A total of 4 employees (2024: 8) left the Group during the Reporting Period, which corresponds to a turnover rate of 13.79% (2024: 24.24%). The Group regularly reviews salary remuneration and benefits to retain talents and stay attractive and competitive in the market. See below for the detail breakdown of turnover rate by employee group.

Total Turnovers as of 30 June	2025		2024	
	Number	Turnover Rate	Number	Turnover Rate
By Employment Type				
Full-time	4	13.79%	8	25.81%
Part-time	0	0%	0	0%
By Gender				
Male	3	10.34%	7	28.00%
Female	1	3.45%	1	12.50%
By Employee Category				
Senior Management	0	0%	8	N/A
Middle Management	0	0%	0	0%
Frontline and Other Employees	4	13.79%	0	0%
By Age Group				
18-25	0	0%	0	0%
26-35	4	13.79%	0	0%
36-45	0	0%	5	N/A
46-55	0	0%	0	0%
56 or above	0	0%	3	100.00%
By Geographical Location				
Mainland China	4	13.79%	0	0%
Hong Kong	0	0%	8	100.00%
Total	4	13.79%	8	24.24%

N/A: Not Applicable.

Environmental, Social and Governance Report (Continued)

Aspect B2.

Employee Health and Workplace Safety

The Group strives to provide employees with a safe workplace. The Group abides by relevant laws and regulations such as Law of the PRC on the Prevention and Control of Occupational Diseases. The Group provides medical examinations to employees to ensure that they are in good physical and mental health. Employees who are exposed to health hazards in the workplace can report to their department heads and have the right to request for remediation.

Clear instructions and labels on emergency evacuation and fire safety are put up at Shenzhen Office building. Sufficient fire extinguishers are placed in the office area. Fire safety knowledge lectures and fire drills are conducted annually for all office workers.

Warning signs such as "Take Precautions" were put up throughout the forest areas. All contracted loggers have undergone medical examinations to ensure that they are physically fit to perform forestry management tasks. The loggers are all equipped with appropriate protective gears and follow safety guidelines. Designated personnel from forest workstations shall be on site to instruct and supervise all logging activities. When making the inspection tour in the forest, the inspection route shall be planned in advance and be strictly followed. Relevant safety protection is in place to protect the workers' safety.

In addition to the health and safety management for its employees, the Group promotes the importance of forest protection and fire prevention among residents of local communities, jointly with local forest workstations and police stations. The joint promotion aims to arouse the awareness of forest protection among local villagers and to avoid the occurrence of any forest destruction incidents from the root causes.

The Group has a complete set of employees' policy handbook which covers their interests on health and safety. The Group had also subscribed appropriate insurance policies to protect those employees who worked in the fields and/or other indoor and outdoor places required by the Group.

No work-related injury cases (2023/24: Nil) were reported during the Reporting Period and there were no lost days due to work injury, and no work-related fatality cases were reporting for the past three reporting periods. No non-compliance with relevant laws and regulations (2023/24: Nil) that have a significant impact on the Group relating to provision of a safe working environment and protection of employees from occupational hazards was identified during the Reporting Period.

Environmental, Social and Governance Report (Continued)

Aspect B3.

Development and Training

The Human Resources department manages all employee development and training, including orientation and on-job trainings. General training sessions provided to all newly engaged employees cover topics such as basic information of the Group, personal job duties and other related topics. Based on the Group's developmental needs, professional knowledge training has also been offered to targeted employees, in order to improve collaboration between employees and professional skills.

During the Reporting Period, the Group has provided different types of training for the senior and middle management and frontline and other staff to enhance their level of communication and team building skills.

Furthermore, the Group provides guidance and training to the directors regarding the Group's business and his/her duties and responsibilities under the Listing Rules and the relevant statutory and regulatory requirements when newly appointed. The directors will be briefed regularly on the latest development regarding the Listing Rules and other applicable statutory requirements to ensure compliance and upkeep of good corporate governance practices.

During the Reporting Period, the Group has provided a total of 1,407 hours (2023/24: 1,120 hours) of training for an accumulative number of 22 employees (2023/24: 16 employees) (inclusive of employees who have left the Group during the Reporting Period), with average training hours per employee at 44.1 hours (2023/24: 33.94 hours).

Aspect B3 Development and training information as described as follows:

Development and training ⁽¹⁾	FY2025		FY2024	
	Trained employee (in percentage)	Average training hours (in hours)	Trained employee (in percentage)	Average training hours (in hours)
Group				
By gender				
Male	62.00%	86.00	52.00%	77.85
Female	38.00%	53.00	48.00%	32.80
By employee category				
Senior management	100.00%	120.00	100.00%	100.00
Middle management	100.00%	120.00	100.00%	100.00
Frontline and other staff	45.00%	100.00	44.15%	90.59

Note (1):

The employees' training data are obtained from the Company's human resources department. Training refers to the vocational training that the employees of the Company participated during the Reporting Year and the prior year. The method adopted for the above report on the number and percentage of trained employees are based on "How to prepare an ESG Report Appendix 3: Reporting Guidance on Social KPIs" issued by the HKEX.

Environmental, Social and Governance Report (Continued)

Aspect B4.

Labour Standards

The Group strictly observes the Labour Law of the PRC, the Labour Contract Law of the PRC, and the Law on the Protection of Minors in terms of labour practices. Background checks were conducted on new employees and all employees are required to show their original identity cards to prove their legal identities.

In case of any child or forced labour is found, labour contract will be terminated immediately, and the case will be reported to the local legal entity. Depending on the situation, the person(s) involved may be sent to the hospital for medical examination, to ensure that his/her health has not been affected by the work. The Group's top management will also take appropriate disciplinary actions against those who are responsible for the violation and negligence, and internal investigations shall be conducted to prevent further such incidences.

The Group also establishes and implements the staff handbook which contains clear policies relating to relevant labour laws, regulations and industry practices, covering areas such as compensation, dismissal, promotion, working hours, recruitment, rest periods, diversity and other benefits and welfare. The rights and freedoms of every individual is protected as no worker is asked to surrender identification documents nor lodge deposits as a condition of employment. Cases of child labour in our businesses are averted by conducting age verification of all job applicants.

Our Group has formalised Risk Management Division in the Human Resources Department to closely monitor the abnormal employment conditions and events and report timely to the senior management in charge.

During the Reporting Period, the Group has not encountered any incidents of non-compliance with all applicable laws and regulations related to anti-child and anti-forced labour practices at all operating regions. Major applicable laws and regulations include, but are not limited to, the "Labour Law" of the PRC and "Employment Ordinance" of Hong Kong.

2. Operating Practices

Aspect B5.

Supply Chain Management

KPI B5.1 Number of suppliers by geographical region

The Group had approximately 24 suppliers (2024: 21 suppliers in the PRC) mainly located in the PRC for ginseng products for the year ended 30 June 2025.

The Group had engaged with a number of reliable and long-term cooperative suppliers from the PRC, responsible for provision of plantation of ginseng products and forest services, during the Reporting Period. The Group has standard procedures for engaging suppliers and contractors related to its business operation to ensure the quality of received products and services. Suppliers and contractors are encouraged to maintain a high standard of business ethics and conducts, and a satisfactory environmental and social performance.

Environmental, Social and Governance Report (Continued)

We reckon that supply chain management and supplier engagement process is vital to the sustainable development of the Group. The Group expects and requires all of its suppliers to share the similar core values as the Group in terms of corporate social responsibility. ESG performance is incorporated as one of the assessment criteria during this supplier engagement process, to incentivise suppliers to adopt socially and environmentally preferable practices.

Policies and guidelines in identifying, assessing and minimizing the environmental and social impacts of our suppliers is the essence of our sustainable supply chain strategy. We are aware that climate and social issues such as unpredictable extreme weathers, labour disputes and unanticipated incidents may greatly affect our supply chain. However, such awareness has only further motivated the Group to optimize its framework in its attempt to control ESG risks along the supply chain.

Regular supplier review and due diligence is performed to aid us in ensuring that we are able to identify potential issues within our supply chain which may require further action. ESG performance has been also continuously monitored and evaluated when suppliers are carrying out their contractual duties. The Group has signed an agreement with the local authority in Sichuan to set up designated forest workstation to perform forest management activities. The Group conducts an annual assessment on the performance of the contracted forest workstations. The Group will evaluate and adjust the contract fee based on the assessment results.

Aspect B6.

Product Responsibility

In terms of regulating product promotion and responsible sales, the Group strictly abides by relevant laws and regulations, such as the Criminal Law of the PRC, the Advertising Law of the PRC, the Cyber Security Law of the PRC, and the Trademark Law of the PRC.

Product Labelling, Health and Safety, and Advertising

The Group's business operation did not involve product labelling. No non-compliance with relevant laws and regulations that have a significant impact on the Group relating to health and safety, advertising, labelling and privacy matters relating to products and services provided had been identified during the Reporting Period.

Quality Assurance

Logs harvested from the forests are the major products of the Group. Due to the business nature, no relevant policies on quality assurance and/or complaint handling procedures have been established. The Group does not perform further processing on raw logs harvested. Customers visit our forests and select logs on-site based on their business needs and quality requirements. Customer then arrange for shipment of their selected logs themselves. The Group actively engages with customers during follow-up visits and calls to understand customers' level of satisfaction and to build strong customer relationships.

Environmental, Social and Governance Report (Continued)

During the Reporting Period and the prior period, the Group has not encountered any incidents of non-compliance with all applicable laws and regulations related to product/service quality and safety at all operating regions, and no products were subject to recalls for safety and health reasons. Furthermore, the Group has not received any product and services complaints. In case of any product and services complaints, the Group will follow up, investigate and handle the complaints received from customers in a timely manner in accordance with the Group's guidelines. The sales department is responsible for receiving and tracking the customer complaints. If there is a product quality or service-related issue, the relevant department will propose a solution and handle immediately upon approval by the department head. The sales department will then reply to the customers regarding the handling measures until being confirmed by the customers. The Group will also implement precaution measures for the issues raised by customers. Major applicable laws and regulations include, but are not limited related to laws and regulations in relation to, the Administrative Measures for Food and Drugs Operation Licensing and the Food and Drugs Safety of the PRC.

Customer Data Protection

The Group acknowledges the importance of protecting the privacy and confidentiality of relevant stakeholders and prohibits the use of any personal information of clients by other parties. The Group implements various schemes to prevent data leakage and misuse or abuse of customer sensitive information. For example, anti-virus software and firewall have been installed on office networked servers and have been constantly updated to prevent virus attack and external hacking. File transmission is carried out via internal mailbox to prevent data intruding by hackers.

The Group ensures operations are conducted in a manner consistent with the highest ethical standards, which is essential to gain the confidence of customers and the public. During the Reporting Period and the prior period, the Group has not encountered any incidents of non-compliance with all applicable laws and regulations related to the protection of data privacy, advertising and labelling at all operating regions.

Intellectual Property

The Group attaches great importance to the protection of intellectual property rights, and complies with the relevant laws and regulations. As of 30 June 2025, the Group holds 3 officially registered trademarks (As of 30 June 2024: 2).

No non-compliance with relevant laws and regulations that have a significant impact on the Group relating to intellectual property rights had been identified during the Reporting Period.

Aspect B7.

Anti-corruption

The Group is committed to managing all businesses without undue influence and has regarded honesty, integrity, and fairness as its core values. All parties shall observe the Law Against Unfair Competition of the PRC, Criminal Law of the PRC, and other laws, regulations and regulatory documents related to commercial bribery.

Environmental, Social and Governance Report (Continued)

Upon encounter of any suspicious activities, employees at any level have the responsibility and right to report directly to the top management team of the Group. The Group ensures that no one suffers any detrimental treatment as a result of refusing to accept or offer a bribe or other corrupt activities or because they reported a concern relating to potential acts of bribery or corruption. Upon receipt of any report of suspected corruption, theft, fraud, embezzlement or money laundering, the Group will take immediate actions to investigate the suspected case and try to obtain evidence through different channels, such as internet, phone calls, mails, and personal visits.

The Group adopted a zero-tolerance on corruption basis. The employees' policy handbook has listed down the strict requirements and appropriate policies. The Group also provided training to all employees not only with senior management to give them a correct idea and good education on this area.

Whistle-blowing policy is also implemented to encourage employees and others who have serious concerns to voice any suspected misconduct, illegal acts or failure to act. Employees who breach the anticorruption policy will face disciplinary action, which could result in dismissal for serious misconduct. During the Reporting Period and the last reporting period, the Group has not encountered any incidents of non-compliance with all applicable laws and regulations at all operating regions. Major applicable laws and regulations include, but are not limited to, the "Criminal and Civil Law" of the PRC and the "Prevention of Bribery Ordinance" of Hong Kong.

Our Group has provided relevant anti-corruption training materials particularly to Directors and Senior and Middle Level Managers working in the offices during the Reporting Period and the last reporting period.

No legal cases regarding corrupt practices brought against the Group or its employees were reported during the reporting period and the prior year.

Aspect B8:

Community Investment

For the Group's long-term development, community participation is important. As a responsible corporate entity, the Group is constantly aware of the needs and is committed to promoting development and construction activities of the community at which the Group operates.

Being health products manufacturer, trader and business practice pioneer, our Group has actively conveyed the message to the public not only on our products but stress on importance of healthy lifestyle and balance of life.

The Group takes up corporate responsibilities with the best efforts and benefits the community through a variety of actions, such as investment, donation, time, products, services, influences, management knowledge and other resources. The Group also encourages staff to spend time and efforts on various community projects, making contributions to the community. The Group has regular meetings and plans to join more social activities to communicate better with the general public. The Group did not contribute a significant amount to community involvement during the Reporting Period and the last reporting period, but we will further focus on this area in the future.

Environmental, Social and Governance Report (Continued)

ENVIRONMENTAL KEY PERFORMANCE INDICATORS

The Group continually improves its ESG by managing, monitoring, and reporting its environmental Key Performance Indicators ("KPIs") as described in the following table for our 2025's quantitative data.

KPI A1.1

The types of emissions and respective emissions data

KPI A1.3

Total hazardous waste

Item	Unit	2025	2024
Nitrogen oxides (NO _x)	kg	Nil	Nil
Sulphur oxides (SO _x)	kg	Nil	Nil
Particulate matter (PM)	kg	Nil	Nil

The Group did not have any vehicle and thus no material air emissions were noted during the Reporting Period and the last year.

KPI A1.4

Non-hazardous waste

Greenhouse gas emissions in total and, where appropriate, intensity

Item	Unit	2025	2024
Scope I (Direct emissions) from sources	tCO ₂ e	N/A	N/A
Mobile combustion	tCO ₂ e	N/A	N/A
Scope II (Indirect emissions)	tCO ₂ e	104,786	65,491
Electricity purchased	tCO ₂ e	104,786	65,491
Scope III (Other indirect emissions)	tCO ₂ e	3,323	2,020
Freshwater and sewage processing	tCO ₂ e	1,069	660
Paper waste disposed at landfills	tCO ₂ e	1,410	782
Business air travels	tCO ₂ e	844	578
Total (Scope I, II and III)	tCO ₂ e	108,109	67,511
Revenue	RMB million	90.2	47.6
Carbon intensity (Scope I, II and III)	tCO ₂ e per revenue of RMB million	1,198.5	1,418.3

N/A: Not Applicable

Environmental, Social and Governance Report (Continued)

KPI A1.5:

Description of emission targets set and steps taken to achieve them.

The Group is committed to reducing the carbon footprint. Scope I and II emissions are addressed through the energy reduction initiatives (See Section: A2.1 Energy Consumption). Scope III emissions have been incurred throughout the value chain. To minimise such emissions, the Group aims to minimise business travels whenever possible through video conferencing. By 2035, we set a target of reducing the GHG emission intensities (scope I and II) by 10% as compared with the baseline in 2025. We will monitor the target progress and report in the ESG Report annually.

KPI A2.1

Direct and/or indirect energy consumption by type in total and intensity

Item	Unit	2025	2024
Energy consumption			
Direct			
Vehicle fuel	kWh	N/A	N/A
Indirect			
Electricity purchased	kWh	143,550	111,100
Total (Direct and indirect)	kWh	143,550	111,100
Revenue	RMB million	90.2	47.6
Energy consumption intensity	kWh/RMB million	1,591	2,334

KPI A2.2

Water consumption by type in total and intensity

Item	Unit	2025	2024
Total water consumption	m ³	870	697
Revenue	RMB million	90.2	47.6
Water consumption intensity	m ³ /RMB million	9.64	14.64

Environmental, Social and Governance Report (Continued)

KPI A2.3:

Description of energy use efficiency targets set and steps taken to achieve them

We have set a target of reducing the energy consumption intensity by 5% by the end of 2035 as compared with the baseline in 2024/25 is set. We will monitor the progress and report annually in the ESG Report. The Group will continue to promote concepts of reducing the energy consumption to our staffs and continue to review the effectiveness of the existing initiatives. In the long-term perspective, the Group will continue to improve the efficiency of resource and energy use with reducing energy consumption.

KPI A2.4:

Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency targets set, and steps taken to achieve them

During the Reporting Period, the Group has consumed a total of 870 cubic metre of water, resulting in a water intensity of 9.64 cubic metre per revenue in RMB million. By 2035, we set a target of reducing the water consumption intensity by 1% as compared with the baseline in 2024/25. We will monitor the target progress and report annually in the ESG Report. The Group will continue to promote concepts of reducing the water consumption to our staffs and continue to review the effectiveness of the existing initiatives.

Aspect A3: The Environment and Natural Resources

KPI A3.1:

Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them

The Group strives to minimise the effect of forestry business and ginseng self-plantation to the nearby environment by green plantation around the fields through the integration of greenery around the fields. The Group is committed to providing a complete picture of the environmental impacts. The Group strives to mitigate climate change, protect biodiversity, prevent soil and water resources from being polluted, and maintain a sustainable ecological environment with actions. Our Group has prevented the erosion of soil during fields and facilities construction by laying nets on the grass. The standard operating procedures also have ensured that soil moisture and fertility is maintained through regular fertilisation and irrigation. The Group's technical people have also monitored the fields' surrounding areas to ensure the healthy condition of the trees around the production facilities.

Environmental, Social and Governance Report (Continued)

KPI B1.1

Employees' information

Total Workforce as of 30 June	2025		2024	
	Number	Percentage	Number	Percentage
By Employment Type				
Full-time	29	100.00%	31	93.94%
Part-time	0	0%	2	6.06%
By Gender				
Male	18	62.07%	25	75.76%
Female	11	37.93%	8	24.24%
By Employee Category				
Senior Management	6	20.69%	6	18.18%
Middle Management	3	10.34%	3	9.09%
Frontline and Other Employees	20	68.97%	24	72.73%
By Age Group				
18-25	2	6.90%	3	9.09%
26-35	17	58.62%	25	75.76%
36-45	3	10.34%	1	0.03%
46-55	2	6.90%	1	0.03%
56 or above	5	17.24%	3	9.09%
By Geographical Location				
Mainland China	24	82.76%	27	81.82%
Hong Kong	5	17.24%	6	18.18%
Total	29	100.00%	33	100.00%

Environmental, Social and Governance Report (Continued)

KPI B1.2

Staff turnover

Total Turnovers as of 30 June	2025		2024	
	Number	Turnover Rate	Number	Turnover Rate
By Employment Type				
Full-time	4	13.79%	8	25.81%
Part-time	0	0%	0	0%
By Gender				
Male	3	10.34%	7	28.00%
Female	1	3.45%	1	12.50%
By Employee Category				
Senior Management	0	0%	8	N/A
Middle Management	0	0%	0	0%
Frontline and Other Employees	4	13.79%	0	0%
By Age Group				
18-25	0	0%	0	0%
26-35	4	13.79%	0	0%
36-45	0	0%	5	N/A
46-55	0	0%	0	0%
56 or above	0	0%	3	100.00%
By Geographical Location				
Mainland China	4	13.79%	0	0%
Hong Kong	0	0%	8	100.00%
Total	4	13.79%	8	24.24%

KPI B2.1

Number and rate of work-related fatalities occurred in each the past three years including the reporting year were all Nil.

KPI B3.1

Employees' development and training

Development and training	FY2025		FY2024	
	Trained Employees (in percentage)	Average Training Hours (in hours)	Trained Employees (in percentage)	Average Training Hours (in hours)
Group				
By Gender				
Male	62.00%	86.00	52.00%	77.85
Female	38.00%	53.00	48.00%	32.80
Employee category				
Senior management	100.00%	120.00	100.0%	100.00
Middle management	100.00%	120.00	100.0%	100.00
Frontline and other staff	45.00%	100.00	44.15%	90.59

N/A: Not Applicable

Environmental, Social and Governance Report (Continued)

B. SOCIAL

Aspect B6: Product Responsibility

KPI B6.1:

Percentage of total products sold or shipped subject to recalls for safety and health reasons

Percentage of total products and/or services sold or shipped subject to recalls	FY2025	FY2024
For safety and health reasons	Nil	Nil
Other reasons	Nil	Nil
Total	Nil	Nil

Aspect B7: Anti-corruption

KPI B7.1

Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases

Number of concluded legal cases	FY2025	FY2024
Corrupt practices	Nil	Nil
Other practices	Nil	Nil
Total	Nil	Nil

Environmental, Social and Governance Report (Continued)

INDEX OF ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING

Subject Areas and Aspects

Subject Area A – Environmental Responsibility

Aspect A1: Emissions and Waste generated

Aspect A1: Emissions and waste generated	Description	Section/Declaration
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.	Aspect A1: Emissions and Waste generated. Page 8 to 9
KPI A1.1	The types of emissions and respective emissions data.	Air Emission Page 9
KPI A1.3	Total hazardous waste produced (in tonnes) and where appropriate, intensity.	Waste management Page 11 Not applicable – Explained
KPI A1.4	Total non-hazardous waste produced (in tonnes) and where appropriate, intensity.	Waste management Page 11
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	Environmental Responsibility Page 11
KPI 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.	Waste management Page 12

Subject A2: Use of Resources

Aspect A2: Use of resources	Description	Section/Declaration
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Aspect A2: Use of Resources Page 12
KPI A2.1	Direct and/or indirect energy consumption by type in total and intensity.	Use of Resources – Energy Consumption Page 12
KPI A2.2	Water consumption in total and intensity.	Use of Resources – Water Consumption Page 12
KPI A2.3	Description of energy use efficiency target(s) set and steps taken into achieve them.	Environmental responsibility Page 12 to 13 Not applicable – Explained
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Environment responsibility Page 12 to 13 Not applicable – Explained
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Use of Resources – Packaging material Page 13 Not applicable – Explained

Environmental, Social and Governance Report (Continued)

Aspect A3: The Environment and Natural Resources

Aspect A3: The Environment and Natural Resources	Description	Section/Declaration
General Disclosure	Policies on minimizing the issuer's significant impacts on the environment and natural resources.	Aspect A3: The Environment and Natural Resources Page 13
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Aspect A3: The Environment and Natural Resources Not applicable – Explained Page 13

Subject Area B – Social Responsibility

Aspect B1: Employment

Aspect B1: Employment	Description	Section/Declaration
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, anti-discrimination, and other benefits and welfare.	Aspect B1: Employment Page 17 to 18
KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	Aspect B1.1: Employees' information Page 19
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Aspect B1.2: Staff turnover Page 20

Environmental, Social and Governance Report (Continued)

Aspect B2: Employee Health and Workplace Safety

Aspect B2: Employee Health and Workplace Safety	Description	Section/Declaration
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.	Aspect B2: Employee Health and Workplace Safety Page 21
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Aspect B2: Employee Health and Workplace Safety Page 31
KPI B2.2	Lost days due to work injury.	Aspect B2: Employee Health and Workplace Safety Page 21
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Aspect B2: Employee Health and Workplace Safety Page 21

Aspect B3: Development and Training

Aspect B3: Development and Training	Description	Section/Declaration
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Aspect B3: Development and Training Page 22
KPI B3.1 and 3.2	The percentage of employees trained by gender and employee category.	Aspect B3: Development and Training Page 22
KPI B3.1 and 3.2	The average training hours completed per employee by gender and employee category.	Aspect B3: Development and Training Page 22

Aspect B4: Labour Standards

Aspect B4: Labour Standards	Description	Section/Declaration
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.	Aspect B4: Labour Standards Page 23
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Aspect B4: Labour Standards Page 23
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Aspect B4: Labour Standards Page 23 to 24

Environmental, Social and Governance Report (Continued)

Aspect B5: Supply Chain Management

Aspect B5: Supply Chain Management	Description	Section/Declaration
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Aspect B5: Supply Chain Management Page 23 to 24
KPI B5.1	Number of suppliers by geographical region.	Aspect B5: Supply Chain Management Page 23 to 24
KPI 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.	Aspect B5: Supply Chain Management Page 23 to 24
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Aspect B5: Supply Chain Management Page 23 to 24
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Aspect B5: Supply Chain Management Page 23 to 24

Aspect B6: Product Responsibility

Aspect B6: Product Responsibility	Description	Section/Declaration
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.	Aspect B6: Product Responsibility Page 23 to 24
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Aspect B6: Product Responsibility Page 24 to 25
KPI B6.2	Number of products and service-related complaints received and how they are dealt with.	Aspect B6: Product Responsibility Page 24 to 25
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Aspect B6: Product Responsibility Page 24 to 25
KPI B6.4	Description of quality assurance process and recall procedures.	Aspect B6: Product Responsibility Page 24 to 25
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Aspect B6: Product Responsibility Page 24 to 25

Environmental, Social and Governance Report (Continued)

Aspect B7: Anti-corruption

Aspect B7: Anti-corruption	Description	Section/Declaration
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.	Aspect B7: Anti-corruption Page 25 to 26
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Aspect B7: Anti-corruption Page 32
KPI B7.2	Description of preventive measures and whistleblowing procedures, how they are implemented and monitored.	Aspect B7: Anti-corruption Page 26
KPI B7.3	Description of anti-corruption training provided to Directors, Managers and General Staff.	Aspect B7: Anti-corruption Page 26

Aspect B8: Community Investment

Aspect B8: Community Investment	Description	Section/Declaration
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.	Aspect B8: Community Investment Page 26
KPI B8.1	Focus areas of contribution such as education, environmental concerns, labour needs, health, culture, sport and so on.	Aspect B8: Community Investment Page 26
KPI B8.2	Resources contributed such as donation of money or time participation to the focus area.	Aspect B8: Community Investment Page 26