2025

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

YesAsia Holdings Limited

(Incorporated in Hong Kong with limited liability)

Stock Code : 2209

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1 ABOUT THIS REPORT

1.1 Welcome to YesAsia's 2025 Environmental, Social and Governance Report

This report is YesAsia Holdings Limited's ("**YesAsia**" or the "**Company**", together with its subsidiaries, the "**Group**") (stock code: 2209) 5th environmental, social and governance (ESG) report since its public listing in 2021. It covers the Group's sustainability approach and policies, and reviews its performance and strategy against ESG and climate-related risks and targets. This ESG report is published in English on our website (https://www.yesasiaholdings.com) and The Hong Kong Stock Exchange Limited ("**HKEx**") website (http://www.hkexnews.hk) and should be read in conjunction with our 2025 Annual Report and the accompanying Corporate Governance Report enclosed within it.

1.2 Reporting Frameworks

Environmental, Social and Governance Reporting Code ("**ESG Reporting Code**" or "**Code**") as set out in Appendix C2 to the Rules Governing the Listing of Securities on HKEx ("**Listing Rules**").

- This ESG report was prepared according to the new ESG Reporting Code disclosure obligations published by HKEx. We comply with a series of mandatory disclosure requirements by including an explicit statement from the board of directors of the Company ("**Board**") setting out the Board's consideration of ESG issues, and a description of our governance structure and the management of environmental and social risks. In order to prioritise our reporting on the "comply or explain" requirements, an assessment of materiality was carried out, taking into account the Code's Environmental and Social Aspects.

- A content index can be found in the section "The Stock Exchange's ESG Reporting Code: Index Table" at the end of this report.

- This Report has been prepared in accordance with the International Financial Reporting Standards (IFRS) S2 Climate-Related Disclosures and the new climate-related disclosure requirements issued by the HKEx. It complied with all mandatory disclosure requirements and "comply or explain" provisions outlined in the Code, including disclosing information regarding the Group's climate-related performance, risks, opportunities, and policies.

- This Report also references selected disclosures, or parts of their content, from the United Nations Sustainable Development Goals (UN SDGs).

1.3 Overview of Yesasia

Established in 1997, YesAsia is an online retailer headquartered in the Hong Kong Special Administrative Region of the People's Republic of China (Hong Kong), which engages in the procurement and sale of third-party branded and unbranded Asian fashion & lifestyle, beauty, and entertainment products to customers worldwide. We primarily sell the products through our online platforms, complemented by a portion of sales of entertainment products.

Our major business activities can be divided into 2 business segments:

(i) Sales of fashion & lifestyle and beauty products on our www.YesStyle.com ("**YesStyle**") online B2C and mobile app, and www.AsianBeautyWholesale.com ("**AsianBeautyWholesale**") online B2B platforms; and

(ii) Sales of entertainment products on our www.YesAsia.com online B2C platform.

Our corporate headquarters is located in 5/F, KC100, 100 Kwai Cheong Road, Kwai Chung, New Territories, Hong Kong. As of 31 December 2025, we leased 10 properties in Hong Kong, 4 properties in South Korea, 1 property in Japan and Germany each. We do not own any properties. Our leased properties are mainly used as offices and warehouses, and to provide logistics services to external customers.

1.4 Reporting Boundary

This ESG report outlines the Group's sustainability approach, policies, performance, and strategy for the financial year ended 31 December 2025 ("**Reporting Year**"), which is consistent with that of the Company's Annual Report. Information and data were collected from the Group's 4 operation sites/locations, including sourcing, product trading, logistics & warehouse service activities and investment holding activities, unless otherwise stated:

(i) the offices and warehouses in Hong Kong;

(ii) the office in Japan;

(iii) the offices, warehouse and showroom in South Korea; and

(iv) the workstation in Germany.

These 16 facilities/sites represent all of YesAsia's operational regions and subsidiaries during the Reporting Year.

1.5 Reporting Principles

The preparation of this report follows the reporting principles for materiality, quantitative, balance and consistency.

(i) Materiality

The Group has conducted a materiality assessment survey to identify the material concerns of our stakeholders and to determine the factors that have material impacts on our sustainable growth. More on the materiality assessment process and outcomes is set out in the "MATERIALITY ASSESSMENT" section of this Report.

(ii) *Quantitative*

Key performance indicators ("**KPIs**") on our ESG performance are prepared and presented while ensuring that they will be measurable and comparable to historical data. All KPIs are provided with clear definitions, and the calculation method is clearly stated, with reference to the HKEX Code *(Appendix 2: Reporting Guidance on Environmental KPIs* and *Appendix 3: Reporting Guidance on Social KPIs)* and relevant internationally recognised methodologies.

(iii) *Consistency*

Consistent statistical methods have been used in this report to allow meaningful and consistent comparisons of relevant data over time.

(iv) *Balance*

The Group reports objectively on its environmental, social, and governance performance during the Reporting Year, disclosing the results achieved, challenges encountered, and areas for development in a responsible manner.

1.6 Stakeholder Engagement

The Company recognises and appreciates the valuable contributions made by stakeholders in advancing sustainable development. We highly value their feedback and opinions, which serve as guidance for shaping our management strategy on various sustainability issues. To ensure transparent and open communication with stakeholders, the Company has established whistleblowing channels as an essential component of its corporate governance and stakeholder engagement framework.

Besides, we have a Shareholders' Communication Policy in place and established multiple communication channels to facilitate effective engagement with a diverse range of stakeholders. These channels enable us to gain valuable insights into their expectations regarding the Company's long-term growth trajectory and foster meaningful dialogue.

The following table provides an overview of our ongoing communication activities with key stakeholders to identify and address their concerns:

Stakeholders	Major Communication Channels
Employees	• Intranet and E-mail • Channel for anonymous complaints and feedback • Surveys • Regular performance reviews • All staff townhall meetings
Suppliers	• Company's website and social media • Correspondence through email, letters and messaging applications • Regular meetings
Customers	• Company's website and social media • Customer opinion survey • Enquiry by E-mail • Product ratings
Communities	• Company's website and social media • ESG Reports
Shareholders	• Company's website • Annual reports, interim reports and circulars to shareholders • General meetings with shareholders • Investor meetings • Press releases and announcements

2 MATERIALITY ASSESSMENT

2.1 Methodology of Materiality Assessment

During the Reporting Year, our ESG working group ("**Working Group**") engaged an independent third-party consultant in the design and implementation of stakeholder engagement assessment on the topic of corporate sustainability. The consultant conducted industry research, compared our Company's performance with peers, and identified a range of sustainability issues related to our environmental and social impacts.

As we undergo materiality assessment, we engage directly with stakeholders to identify and prioritise the issues most relevant to the business, and that significantly impact our stakeholders. To ensure a representative sample of external stakeholders, we invited long-term partners such as customers and suppliers who significantly contribute to our annual revenue and operational success. Our internal stakeholders consist of staff members who demonstrate awareness of environmental and climate-related issues and have a good understanding of our core businesses and industry. We conducted an online survey for 4 weeks, ensuring stakeholders' anonymity and confidentiality. A total of 170 stakeholders, including the Board, employees, customers, suppliers/contractors and content creators, were invited to rate the importance of 18 sustainability topics to our overall business operations. Additionally, we sought feedback on how YesAsia's sustainability performance has influenced or will shape their business relationships with us.

The survey results are mapped onto a materiality matrix, reflecting the relative importance of each ESG topic identified, as well as the relevance to the success and operations of our business. Results show that external and internal stakeholders view all topics as material to the business and critical for disclosure.

Identify topics

- A total of 18 ESG topics relevant to our industry and macrotrend, in additional to those that are mandated by the Code were identified.
- Board members confirmed the relevance of these topics to sustainability performance management.

Prioritise topics

- Internal and external stakeholders were invited to participate in a questionnaire, rating the importance of 18 issues to the Group's business and themselves individually.

Materiality analysis

- Following the assessment of issues based on their importance, all 18 ESG issues were identified as material.

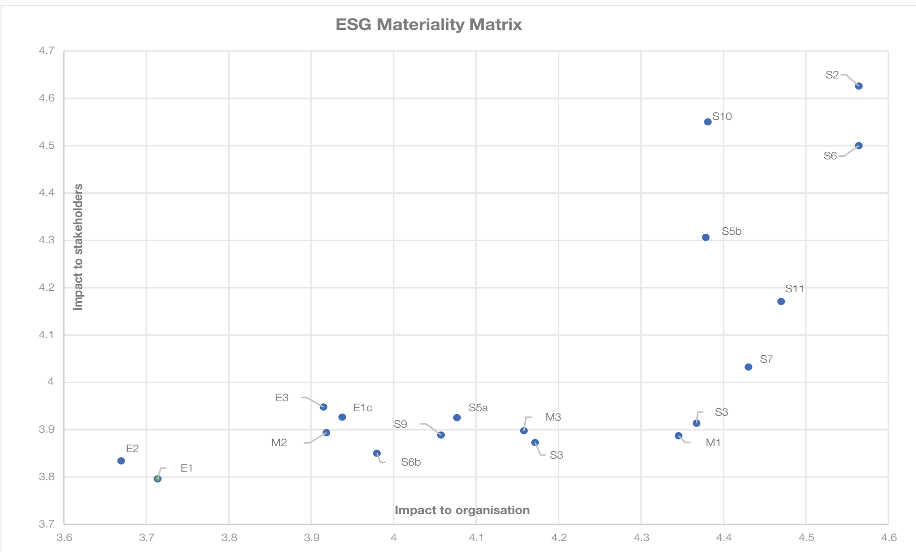
Validate

- The results of the materiality assessment had been reviewed and confirmed by the Board.

2.2 Materiality Matrix and Prioritisation of Material Topics

A materiality matrix graphically represents the engagement outcome. With all ESG topics having scores exceeding 3.6 in both "Impact to stakeholders" and "Impact from organisation", the results indicate that external and internal stakeholders view all these 18 topics as material to the business. The relative positions of each topic to one another provide insight into how we could better allocate resources to demonstrate the resilience of our commercial and operational activities in light of sustainable growth.

The materiality analysis result helps identify higher-priority ESG topics. Topics with average weighted score of 4.02 or above are identified as top material ESG topics. This prioritisation of ESG topics also serves as the foundation for future ESG strategy and risk management.



ESG Topics

E1	Energy Management
E2	Mitigation of Greenhouse Gas (GHG) Emissions and Climate Change
E3	Responsible production
E4	Solid Waste Treatment
S1	Anti-Competitive Practice
S2	Caring for the community
S3	Comprehensive training
S4	Corporate governance
S5	Customer Service
S6	Cybersecurity and personal data protection
S7	Employee Benefits and Welfare
S8	Procurement and Supply Chain Management
S9	Protection of intellectual property rights
S10	Quality First
S11	Safety First
M1	Digital Innovation
M2	Green Logistics
M3	Infectious disease response

Top 10 disclosure topics assessed by stakeholders as critical for disclosure

Ranks	ESG Topics		ESG Aspect
1	S7	Employee Benefits and Welfare	Social
2	S11	Safety First	Social
3	S6	Cybersecurity and personal data protection	Social
4	S10	Quality First	Social
5	S2	Caring for the community	Social
6	S1	Anti-Competitive Practice	Social
7	S8	Procurement and Supply Chain Management	Social
8	M3	Infectious disease response	Macrotrend
9	M2	Green Logistics	Macrotrend
10	S3	Comprehensive training	Social

Top material topics have been taken into consideration in our ESG policy development and the resource allocation in the ESG management approaches. Information in the report is organised and presented in relation to material topics, in response to the demands and expectations of stakeholders. The analysis (stakeholder engagement and materiality assessment) meets the requirements of the Stock Exchange and demonstrates the application of the four reporting principles towards the preparation of reporting content. To ensure consistency with the reporting structure and highlight our full compliance with the disclosure obligations, we present 18 identified topics in the table below, in association with the 11 Social and Environmental Aspects of Part C: "Comply or explain" Provisions and climate aspect of Part D: Climate-related Disclosures defined by the HKEx:

ESG Aspect	ESG Topics	HKEx Aspect
Environmental	Mitigation of Greenhouse Gas (GHG) Emissions and Climate Change	Part C: A1 Emission Part D: Climate-related Disclosures
	Solid Waste Treatment	Part C: A1 Emissions
	Energy Management	Part C: A2 Use of Resources
	Responsible Production	Part C: A2 Use of Resources Part C: A3 The Environment and Natural Resources
Social	Corporate Governance	Part C: B1 Employment
	Employee Benefits and Welfare	Part C: B1 Employment B4 Labour Standard
	Safety First	Part C: B2 Health and Safety
	Comprehensive Training	Part C: B3 Development and Training
	Procurement and Supply Chain Management	Part C: B5 Supply Chain Management
	Customer Service	Part C: B6 Product Responsibility
	Quality First	Part C: B6 Product Responsibility
	Cybersecurity and Personal Data Protection	Part C: B6 Product Responsibility
	Protection of Intellectual Property Rights	Part C: B6 Product Responsibility
	Anti-Competitive Practices	Part C: B7 Anti-Corruption
	Caring for the Community	Part C: B8 Community Investment
Macrotrend	Digital Innovation	Part C: A2 Use of Resources
	Green Logistics	Part C: A2 Use of Resources
	Infectious Disease Response	Part C: B2 Health and Safety

3 STATEMENT FROM THE BOARD – OUR APPROACH TO SUSTAINABILITY

Our Group aims to ensure accountability and transparency throughout our operations. We are dedicated to upholding high standards of corporate governance in line with the Corporate Governance Code. We are proud to report that in 2025, we fully complied with the provisions of the Corporate Governance Code, except for deviation from Code Provision D.2.5 regarding the establishment of an internal audit function.

3.1 Board Diversity

Our Group has implemented the Board Diversity Policy to ensure that our Board is diverse and effective in supporting our business strategy, and equipped with necessary skills, expertise, and perspectives to enhance the execution of our business strategy. We consider various factors, including skills, professional experience, educational background, knowledge, expertise, culture, independence, age, and gender, when appointing new Directors. To ensure the effective implementation of the Board Diversity Policy, our Nomination Committee will provide an annual report on our Board's composition and regularly review the policy's effectiveness. Any necessary revisions will be recommended to the Board for consideration and approval.

We believe that appointing Directors based on merit and contribution will enable us to serve our Shareholders and other stakeholders best. Our Board comprises 9 members, including a balanced mix of Executive, Non-executive, and Independent Non-executive Directors. Our Directors bring diverse experiences in management, strategic development, finance, and accounting. We maintain a good balance of new and experienced Directors who contribute valuable knowledge and insights to our Group.

We place importance on our commitment to diversity in gender, age, cultural and educational background, knowledge, and professional experience at all levels, including our Board. As of December 31, 2025, our Board consists of 8 male and 1 female member, equivalent to an 11% female representation, allowing a comprehensive oversight of YesAsia's ESG performance, management approach, and strategy.

3.2 Governance Structure

The Board of Directors is the Group's highest-level body responsible for climate-related risks and opportunities. It oversees the identification, assessment, management and disclosure of climate-related matters to ensure that climate considerations are fully integrated into the Group's long-term business strategy and sustainability objectives. The Board believes that considering climate change response in business operations and strategy is essential, as it prepares the ground for managing climate-related risks. The Board also continuously monitors broader ESG issues, ensuring that operations comply with applicable local laws and regulations, safeguard the interests of the Group and its stakeholders, and enhance corporate reputation and brand value. Annual review of corporate governance policies and compliance with the Corporate Governance Code is conducted, adhering to the "comply or explain" principle. Following listing, comprehensive reporting on these practices is provided in the Group's annual reports. The Board will regularly assess the applicability and feasibility of incorporating climate performance indicators into our compensation policies to enhance incentive effectiveness.

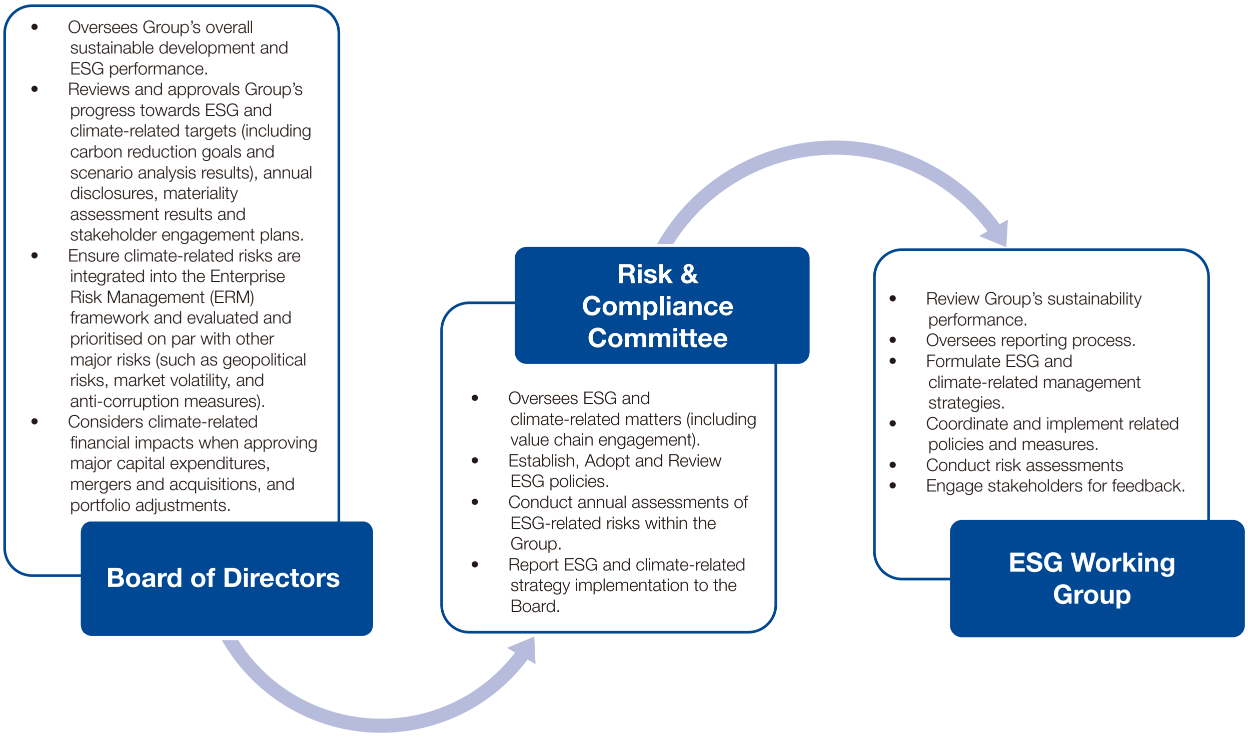
The Group have established several committees under the Board, including the Audit Committee, Nomination Committee, and Remuneration Committee. Additionally, we have established the Tax Committee and Risk and Compliance Committee to strengthen our corporate governance practices. These committees play a vital role in overseeing different aspects of corporate governance and ensuring compliance with relevant regulations. After reviewing the size, nature and complexity of the Group's business, the Board believes there is no immediate need to set up an internal audit function within the Group, and would be directly responsible for internal control of the Group and reviewing its effectiveness. Furthermore, we are pleased to report that no legal cases related to corrupt practices were launched or brought against our Group or employees during the Reporting Year.

The Board delegates responsibility to the Risk and Compliance Committee ("**Committee**"), which comprises Mr. Lau Kwok Chu, Ms. Chu Lai King, and Mr. Chu Kin Hang, all of whom are executive Directors, to review, monitor and manage the Group's ESG and climate-related issues and support the Board in overseeing relevant policies, strategies and risk management practices. To spearhead these efforts, the Working Group has been established under the Committee, comprised of management personnel from various teams within YesAsia, such as Product, Logistics & Warehouse, Human Resources (HR), Information Technology (IT) and Customer Service (CS) and Finance and Accounting (F&A). This Working Group serves as the primary task force responsible for reviewing the Group's sustainability performance and overseeing the reporting process.

ESG information are collected through the above committees and the Working Group. These data are then consolidated, analysed and disclosed in the ESG report. At the Board's annual meetings, Directors reviews the performance metrics and climate-related risk and opportunities presented in the ESG report, assess their alignment with the Group's business strategy and regulatory compliance, and identify key sustainability issues material to the Group and its stakeholders, thereby informing appropriate decision-making and advises areas for improvement. If necessary, the Board and management periodically review and monitor internal control procedures to ensure their effectiveness and efficiency. The Board explicitly identifies and prioritises issues that have a material impact on the Group's financial position, operational resilience, and long-term value, including:

- Climate-related risks: physical risks (such as the impact of extreme weather on supply chains) and transition risks (such as the effects of carbon pricing policies on investment portfolios);

- Other material ESG risks: labour rights and employee well-being, anti-corruption and anti-money laundering, data privacy and cybersecurity, product responsibility, and customer service quality.



The Group's governance bodies takes into account climate risks and opportunities in our strategic oversight and risk management processes, and where applicable, the remuneration packages of the Board and senior executives and the Group's transaction decisions also take into account climate factors and indicators to strengthen governance incentives and ensure that each potential transaction related to risks and opportunities can be fully assessed.

3.3 Risk Management

The Group has established a comprehensive risk management framework to systematically identify, assess, monitor, and manage ESG and climate-related risks on a regular basis, based on our annual materiality assessment, stakeholder engagement, and climate risk analysis.

Climate-related risks are managed through established governance structure and cross-departmental collaboration, employing a combined qualitative and quantitative approach to ensure effective risk control and support sustainable business development. Identified climate risks are further evaluated based on their likelihood of occurrence and potential impact on the Group's business model, value chain, and financial position. Risks with higher probability and significant effects on the Group are classified as material risks. Those with lower probability and minimal impact are designated as low risks. Following assessment, risks are prioritised for management based on their materiality and relevance to the Group. Results are submitted to the Board and the Committee and Working Group for review and oversight, ensuring alignment between the Group's sustainability initiatives and long-term shareholder value.

Identify

- Referencing HKEx reporting standards and through industry research and peer analysis, we identified climate-related risks and opportunities relevant to the Group's business operations.

Assess

- Conduct scenario analysis to assess the impact of identified risks on the group's business model, value chain, and financial condition based on their likelihood of occurrence, and conduct further evaluation.

Prioritise

- Climate-related risks with high potential impact and expected to occur in the near term are prioritised and identified as significant risks for the Group.

Monitor

- Significant climate risks that have been identified have been incorporated into the Group's overall risk management framework in order to take appropriate risk response measures.

The Group will continue its established ESG policies to actively seize market and green transition opportunities while strictly controlling operating costs and strengthening its comprehensive ESG and climate risk management framework. The Board retains the final approval authority for decisions such as determining sustainability-linked executive compensation and benefits, selecting locations for company leased properties (e.g. offices and warehouses), and setting short- to long-term performance targets. Below is the Board's 2025 risk assessment results:

Risk Level	ESG Topic
High	Energy Management Mitigation of Greenhouse Gas (GHG) Emissions and Climate Change Procurement and Supply Chain Management Responsible production Solid Waste Treatment
Medium	Anti-Competitive Practice Caring for the community Comprehensive training Digital Innovation Green Logistics Infectious disease response Quality First
Low	Corporate governance Customer Service Cybersecurity and personal data protection Employee Benefits and Welfare Protection of intellectual property rights Safety First

3.4 Challenges and Opportunities

Our Directors regularly engage in professional development activities to enhance corporate governance practices, including participating in physical and e-learning programs. We leverage arrangements made by our legal counsel, attending seminars hosted by accounting regulatory bodies, and staying informed about updates to listing requirements on the HKEx and other applicable laws and regulations.

The Group will further strengthen its internal monitoring and training programmes, covering areas such as climate risk identification, IFRS S2 disclosure requirements, and anti-corruption compliance. These initiatives will ensure that employees possess the professional capabilities to address complex ESG and climate challenges.

Looking ahead, the Board anticipates that the Group's ESG and climate strategies will be shaped by the following key trends, with proactive measures already in place:

- Geopolitical factors: Economic volatility and supply chain restructuring will amplify climate transition risk. The Group will continue developing cross-regional revenue streams to mitigate geopolitical and trade risks on operational performance.

- Environment and Climate: Global net-zero regulations are intensifying. The Group has set carbon emission targets, committing to a 35% reduction in Scope 1–3 emissions by 2050 compared to 2025 levels. The Company currently discloses relevant information as required and is actively exploring the timeline and feasibility of full IFRS S2 climate-related financial disclosures, including quantified financial impacts under 1.5°C and 3°C scenarios.

Our overarching aim encompasses multiple objectives, including promoting environmental protection through corporate social responsibility, adherence to applicable laws and regulations, fostering shareholder diversity, and facilitating access to capital markets. These objectives require a continuous focus on enhancing corporate governance practices and ensuring timely reporting and assessment to drive progress towards their achievement.

To drive positive long-term value for our business and stakeholders and to ensure contributions from our management teams and executive members towards sustainability, the Group will closely monitor market trends and climate scenario analysis outcomes to dynamically adjust strategies. For instance, using scenario analysis to evaluate transition opportunities under a 1.5°C pathway. The Board will oversee these developments and disclose scenario analysis results and financial impact assessments in the 2025 annual report. For more details, please refer to the "7.1 Climate Strategy" and "7.2 Metrics and Targets" sections of this report.

3.5 Climate-related Capacity Building

The Board collectively possesses the requisite skills to effectively oversee the Group's climate-related risks and provide strategic guidance to capitalise on related opportunities. In addition to their established expertise, we recognise that continuous learning and development to enhance the Board's sustainability competencies are essential. To this end, the Board and management team engage in ongoing knowledge sharing on ESG matters, including the implications of climate-related risks.

To enhance professional knowledge and capabilities in climate change and sustainability across all levels of the Group, we are committed to delivering targeted training programmes. During the Reporting Year, we participated in training sessions organised by consultant, covered topics such as the HKEx's new climate disclosure requirements, to strengthen understanding, interpretation, and implementation of the updated climate standards; as well as Group-wide climate risk management training, to elevate awareness and comprehension among senior management and departmental teams.

This comprehensive approach, blending internal training with external collaboration, ensures that the Board and management can effectively guide the Group's sustainability strategies.

4 KEY ESG AWARDS

YesStyle.com Limited

Corporate Volunteer
– Certificate of Appreciation
Jun 2024
Awarded by HKFWS

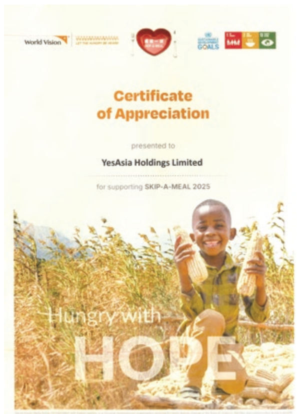
Happy Company 2025
March 2025
Awarded by Promoting Happiness Index Foundation & The Chinese Manufacturers' Association of Hong Kong

2025 CiE Thriving Channels Award
March 2025
Awarded by CiE

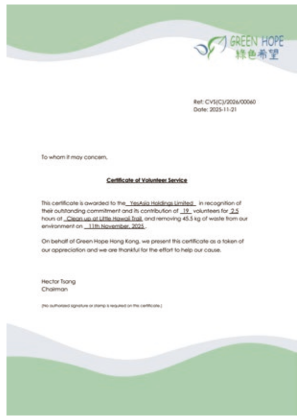
#SayYesToBreastfeeding
– Certificate of Appreciation
April 2025
Awarded by UNICEF Hong Kong

YesAsia Holdings Limited

Friendly Workplace at HROnline's Employee Experience Awards 2025 – Silver Award for Best Employee
June 2025
Awarded by Human Resources Online



Supporting SKIP-A-MEAL 2025 – Certificate of Appreciation
Sep 2025
Awarded by
World Vision Hong Kong



Good MPF Employer
Sep 2025 Awarded by Mandatory Provident Fund Schemes Authority

Certificate of Volunteer Service
Nov 2025
Awarded by Green Hope Hong Kong

Caring Company 2024/25
Dec 2025
Awarded by HKCSS

5 ENVIRONMENTAL

Our Group established an ESG policy with the primary objective of minimising our environmental impact. We identify and evaluate environmental risks based on relevant legal requirements and potential consequences. During the Reporting Year, we are pleased to report that we did not receive any complaints from our customers, business partners, or any other parties regarding any ESG issues. This indicates that our efforts to address environmental concerns were effective. Furthermore, we did not experience any significant environmental incidents originating from our operations. Our commitment to best practices and adherence to applicable laws and regulations ensured that our operations remained environmentally responsible.

Regarding compliance with environmental laws and regulations, we confirm that our Group did not engage in any significant non-compliance matters. This includes adherence to the Air Pollution Control Ordinance (Chapter 311 of the Laws of Hong Kong), the Waste Disposal Ordinance (Chapter 354 of the Laws of Hong Kong), the Water Pollution Control Ordinance (Chapter 358 of the Laws of Hong Kong), and related regulations in Hong Kong, South Korea, Japan, Germany and United Kingdom.

Given the nature of our business as a practitioner in the E-commerce industry, which does not involve manufacturing, our operations are not considered a major source of environmental pollution. As a result, we have not encountered any direct air emissions, wastewater emissions, noise emissions, or significant waste generation. Hence, we do not have emission targets in place for now but will continuously monitor the impact on the environment by our Group's business operation and establish emission targets as and when appropriate. We are not aware of any relevant environmental laws and regulations that would have a significant impact on our business. We complied with all applicable ESG-related regulations, ensuring our operations align with environmental standards. Additionally, we did not incur any direct ESG compliance costs, as there were no rectification expenses related to non-compliance matters.

5.1 Emissions

Associated Aspect with our ESG topics: *Solid Waste Treatment, Discharge Into Water and Land*
Connection with United Nations Sustainable Development Goals (UN SDGs):

We partner with external transportation fleets to deliver goods from suppliers to our warehouses and ultimately to consumers. The Group prioritises collaboration with logistics service providers who share our sustainability objectives and actively reduce the environmental impact of their operations. We select partners demonstrating strong environmental stewardship, particularly those employing measures to lower air pollution and direct GHG emissions from transportation fleets, including trucks transporting our inventory to and from warehouses. These providers utilise environmentally friendly commercial vehicles that emit lower levels of pollutants compared to conventional trucks and comply with standards approved by the Environmental Protection Department.

Besides, we are transitioning from LPG-powered forklifts to electronic forklift, resulting in a significant 68% reduction in NOx emission and contributing to a cleaner and safer working environment.

	2025	2024
Air pollutants		
NO_x (kg)	**56,819.93**	180,169.74
SO_x (kg)	**284.34**	900.97
PM (kg)	**0**	0

5.1.1 Solid Waste Treatment

The Group's business activities do not involve any product manufacturing processes and did not generate hazardous waste during the Reporting Year. Therefore, there were no discharges of wastewater to soil or water sources, and no hazardous waste generation data to report for the period. The Group will continue to monitor operational changes to ensure ongoing compliance with environmental standards and ESG expectations.

Packaging boxes received from our couriers are one of the non-hazardous wastes generated in our operations. We ensure these packaging boxes are delivered to nearby recycling companies or factories to minimise environmental and social impact. Given the relatively low impact of this waste compared to other material ESG topics, we have not set up an internal data collection system to monitor our performance in non-hazardous waste generation, including quantities disposed of at landfills and sent to recycling collection points. However, we are committed to tracking and disclosing available information relating to this waste management arrangement. Furthermore, we will establish relevant performance targets when the impact of non-hazardous waste generation becomes significant, as considered by our Board or stakeholders in the future.

5.1.2 Discharge Into Water and Land

The daily operation of the Group does not involve any product manufacturing process, there is no discharge of wastewater to soil and water sources during the Reporting Year.

5.2 Use of Resources

Associated Aspect with our ESG topics: *Energy Management, Responsible Production, Save Water, Digital Innovation*

Connection with United Nations Sustainable Development Goals (UN SDGs):

5.2.1 Energy Management

Our Group values resource conservation, as it not only benefits the ecosystem but also enhances our competitiveness in the market by reducing operational costs and improving resource usage efficiency. We believe that environmental responsibility is crucial and extends beyond project implementation to daily operations. To address energy management concerns, energy-saving signs are posted at operation sites to enhance employees' awareness in conserving energy and resources. Our employees are required to follow resource-saving initiatives and utilise certified energy-efficient appliances and equipment. Electronic appliances have to activate power-saving modes when idle and air-conditioned room temperatures are maintained between 20°C and 25.5°C.

Our Group strives to reduce carbon emissions and conserve energy and other resources. We adopt business practices that consider social and environmental needs for sustainability. We have implemented measures to improve energy efficiency in our operations, including transitioning to electric forklift truck from LPG ones and carefully planning the use of it at our Hong Kong warehouses to optimise energy usage. The data centres operated by third-party service providers are the main source of our indirect greenhouse gas emissions. While we have limited control over the energy usage in the data centres, we review the practices of our data centre operators periodically.

Electricity usage in our offices and warehouses, and IT servers operated by our third-party service providers, are the major source of energy consumption in our business. As our business operations do not involve significant manufacturing activities or the extensive use of machinery and vehicles, the Group has not set specific energy consumption or water efficiency targets for the current Reporting Year. We will continue to monitor our performance in this area and set relevant performance targets when its impact becomes significant, as considered by our Board or stakeholders in the future. We remain committed to continuously improving our energy management practices and exploring opportunities for further efficiency gains. The electricity consumption level of the Group during the Reporting Year was estimated as follows:

	Total consumption		Total intensity, by revenue (per USD)		Total intensity, by workforce (per headcount)	
	2025	2024	**2025**	2024	**2025**	2024
Total (MWh)	**2,694.09**	1,756.67	**$5.38x10^{-6}$**	$5.08x10^{-6}$	**4.35**	3.38
Indirect energy consumption						
Electricity purchased (MWh)	**2,513.47**	1,652.53	**$5.02x10^{-6}$**	$4.78x10^{-6}$	**4.06**	3.18
Direct energy consumption						
Diesel oil for Light Goods Vehicles (L)	**14,661.21**	7,604.57	**$2.93x10^{-5}$**	$2.20x10^{-5}$	**23.69**	14.65
Liquefied petroleum gas ("**LPG**") for Forklift (Kg)	**307.80**	976	**$6.15x10^{-7}$**	$2.82x10^{-6}$	**0.50**	1.88

The Group's electricity consumption during the Reporting Year (2,513,471.53 kWh) increased 52.10% compared to the preceding year (2024: 1,652,527.72 kWh), mainly due to the following reasons:

1) Lunched our second smart warehouse at Mapletree Logistics Hub, Tsing Yi. The additional autonomous mobile robots (AMR) increased the electricity consumption. For details of our second AMR warehouse, please refer to 5.2.4 Digital Innovation.

2) Established our new warehouse in South Korea.

3) Extended operating hours in warehouses to meet increased fulfilment demands due to substantial revenue growth in Hong Kong and our South Korea B2B business.

5.2.2 Responsible Production

The Group recognises the environmental risks associated with inventory management and their implications across our e-commerce operations. Factors including seasonality, new product launches, product lifecycle changes, pricing pressures, product defects, and evolving consumer spending patterns can significantly influence demand for our key products, thereby heightening the risk of inventory obsolescence, value declines, and potential write-downs or write-offs. To address these challenges, the Group has developed a robust business model centred on effective inventory control and optimised supply chain management.

Key elements of this approach include a just-in-time (JIT) inventory strategy, which ensures products are available precisely when required, thereby minimising excess stock and obsolescence risks. The Group maintains optimal inventory levels for high-demand items to meet customer needs promptly, avoiding stockouts or delivery delays, while leveraging sophisticated demand forecasting to inform procurement decisions and dynamically adjust stock levels. Upon order placement by customers, our automated order management system conducts real-time inventory checks; if items are unavailable in our Hong Kong warehouse, it seamlessly generates and transmits purchase orders to the relevant suppliers.

Suppliers then arrange delivery of products to our Hong Kong warehouse, local offices, or designated third-party transition centres, with all goods ultimately consolidated at the central warehouse for efficient distribution to retail and wholesale customers worldwide. This back-to-back procurement model, enabled by real-time inventory monitoring, further reduces working capital requirements and obsolescence exposure. Complementing these measures, the Group has implemented a digital document and paper management system to minimise paper waste in record-keeping, alongside JIT procurement to enhance resource efficiency and curb overstocking.

In packaging and fulfilment, the Group prioritises waste reduction by maximising the utilisation of carton boxes, plastic containers, bags, paper tubes, wrapping, and cushioning materials, while selecting appropriately sized boxes for repacking to accommodate varying product dimensions. These initiatives collectively underscore the Group's commitment to sustainable inventory practices, aligning operational efficiency with environmental responsibility.

The table below shows the packaging material used during the Reporting Year. The significant increase in plastic and paper packing material is mainly due to the increased customer order.

	Total consumption		Total intensity, by revenue (per USD)	
	2025	2024	**2025**	2024
Plastic packaging material (metric tonnes)				
Total	**487.22**	337.70	**9.73×10^{-7}**	9.77×10^{-7}
Hong Kong offices and warehouses	**487.22**	337.61	**9.73×10^{-7}**	9.77×10^{-7}
Japan office	**0.03**	0.091	**5.69×10^{-12}**	2.63×10^{-10}
South Korea office	**0**	0	**0**	0
Paper packaging material (metric tonnes)				
Total	**449.74**	258.77	**8.98×10^{-7}**	7.49×10^{-7}
Hong Kong offices and warehouses	**449.74**	258.71	**8.98×10^{-7}**	7.48×10^{-7}
Japan office	**0.003**	0.056	**6.17×10^{-12}**	1.62×10^{-10}
South Korea office	**0**	0	**0**	0

5.2.3 Save Water

Given the nature of our daily business operations, which only involve small-scale domestic water usage by our employees, we consider our overall water consumption insignificant. Therefore, the Group has not set a specific energy efficiency target. However, we will continue to monitor our performance in this area and set relevant performance targets when its impact becomes significant, as considered by our Board or stakeholders in the future.

To prevent the generation of plastic waste from plastic water bottles, we have installed water dispensers that filter tap water for drinking purposes throughout our premises. Moreover, we have no difficulties in sourcing water that meets the requirements for office use.

During the Reporting Year, water consumption increased by 77.78% compared to 2024 (461.90 m^3). Such an increase was influenced by operational factors, including growing staff count, new operation warehouse and offices, and extended operating hours to meet rising customer demands.

	2025	2024
Water consumption (m^3)		
Total	**821.17**	461.90
Hong Kong offices and warehouses	**821.17**	461.90
Japan office	**0**	0
South Korea office	**0**	0
Water intensity by revenue (m^3/USD)	**$1.64x10^{-6}$**	$1.34x10^{-6}$
Water intensity by workforce (m^3/headcount)	**1.33**	0.89

5.2.4 Digital Innovation

Innovation and technology are crucial factors driving the growth and improvement of the logistics industry. By harnessing advanced technology, the Group adapts to evolving customer needs and builds resilient supply chains capable of addressing rapidly changing market dynamics. In addition, technology enables the streamlining of operational processes, optimisation of efficiency, and enhancement of overall performance throughout the logistics network. We recognise the importance of technology in providing sustainable solutions and taking a leading role in accelerating the transformation of the industry. Our group is ambitious in adopting new technologies and is committed to staying at the forefront of innovation to enhance our operations and deliver exceptional services to our customers.

Robotics & Automation

In 2022, the Group launched its first autonomous mobile robots (AMRs) smart warehouse at Goodman Interlink, Tsing Yi, deploying 161 AMRs equipped with voice-picking technology in a 24/7 operation. This facility enables seamless and precise item retrieval during order fulfilment, accommodating orders across diverse time zones with a 99.99% accuracy rate and 2.3 times higher daily throughput capacity since launch.

Building on this success, the Group introduced a second smart warehouse at Mapletree Logistics Hub, Tsing Yi, featuring 260 AMRs integrated with 930 intelligent shelving units in partnership with Geek+. These dual AMR-powered facilities establish one of Asia's most advanced e-commerce logistics networks, bolstering the Group's competitive position and growth across global markets, including the United States, Europe, Latin America, and the Middle East.

Furthermore, the AMRs autonomously transport goods to warehouse operators, driving an efficient and error-minimised fulfilment process that enhances overall productivity and order precision.

Digital innovation in supply chain optimisation

The Group has developed an AI-empowered operating system that transforms supply chain management within the online retailing sector. This advanced AI platform aggregates insights on consumer trends and product features from across the internet, leveraging sophisticated algorithms to deliver comprehensive market demand analyses that inform strategic decision-making.

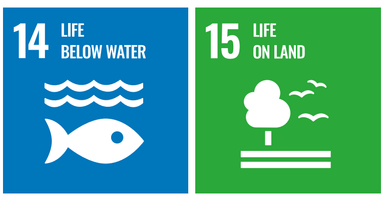
In addition to technological advancements, the Group actively engages influencers through diverse interactive channels to deepen insights into consumer preferences. These influencers communicate directly with their audiences, providing valuable real-time feedback on product demands, which is systematically shared across the organisation and integrated into supply chain decision-making for rapid design and development adjustments.

Once designs are refined based on this input, the supply chain swiftly responds by delivering prototypes to influencers for market testing, enabling early assessment of consumer reactions and implementation of necessary refinements prior to full-scale launch. Through strategic pre-sale arrangements, this approach minimises excess inventory requirements, mitigates risks of obsolescence and waste, and outperforms traditional online retailing models in responsiveness.

The Group's flexible supply chain thus facilitates accelerated launches of trend-aligned products, driving business expansion while advancing sustainable practices throughout the online retailing industry.

5.3 The Environment and Natural Resources

Associated Aspect with our ESG topics: *Responsible Production*
Connection with United Nations Sustainable Development Goals (UN SDGs):

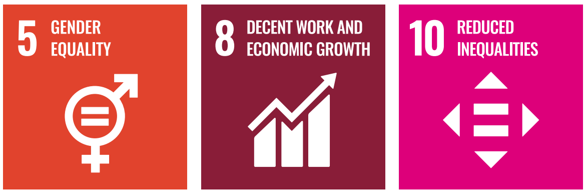


Given the nature of our business, we believe that our business operations have minimal direct impact on the environment and natural resources.

6 SOCIAL

6.1 Employment

Associated Aspect with our ESG topics: *Corporate Governance, Employee Benefits and Welfare*
Connection with United Nations Sustainable Development Goals (UN SDGs):



As part of our human resources strategy, we provide competitive remuneration packages that include basic wages, variable wages, bonuses, and other benefits based on our business performance. Employees are eligible for discretionary performance bonuses and medical insurance coverage after completing the probationary period. The company ensures compliance with the Mandatory Provident Fund Schemes Ordinance in Hong Kong by providing a defined contribution to the Mandatory Provident Fund for eligible employees, calculated based on a percentage of their basic salary, helping employees build their retirement savings.

The Group aims to create a fair and supportive work environment where employees are aware of their rights and entitlements. The Employee Handbook outlines our policies and procedures, including recruitment and dismissal processes, benefits and welfare, working hours, rest arrangements, equal opportunities, anti-discrimination measures, and other rights and benefits provided to employees.

We aim to attract and retain talented individuals who contribute to our overall success. We regularly review employees' performance and use these reviews as a basis for discretionary performance bonuses, salary reviews, and promotions. Our corporate culture reflects the values instilled by our founders. We understand that the future prosperity of our business relies heavily on the dedication of our key personnel, particularly our founders. To ensure continued growth, we focus on attracting, training, and retaining qualified individuals in management, technical, marketing, and other operational roles across different geographic locations.

To foster a positive work environment, our management has nurtured a customer-centric corporate culture that values respect, dignity, teamwork, innovation, and high-quality work. These core values, people development programs and incentive plans have greatly inspired and motivated our employees. We ensure all company events, activities, and policy updates are accessible to our employees. To promote team building and foster a positive work environment, we have organised various events such as Human Foosball Tournament, Nintendo Switch Overcooked tournament, celebrating the completion of our Hearts Buddy Program, joining Standard Chartered Hong Kong Marathon 2026, supporting the World Vision Skip-A-Meal, across our offices in Hong Kong. Many of our team members have chosen to stay with us for a long period, demonstrating their satisfaction and loyalty. As of 31 December 2025, the average length of employment for our senior management and our mid-level employees (of assistant manager rank or above) are 16 and 9 years respectively.

Afternoon party to celebrate the completion of YesStyle Hearts Buddy Program 2025

Chop Till You Drop – Nintendo Switch Overcooked tournament

Human Foosball Tournament

Standard Chartered Hong Kong Marathon 2026

World Vision Skip-A-Meal

We are dedicated to complying with all relevant employment laws and regulations relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare. Throughout the Reporting Year, we were not aware of any significant violations of these laws and regulations that could have had a significant impact on our Group, including but not limited to the Employment Ordinance, the Sex Discrimination Ordinance (SDO), the Disability Discrimination Ordinance (DDO), the Family Status Discrimination Ordinance (FSDO), the Race Discrimination Ordinance (RDO), and other applicable regulations in South Korea, Japan and Germany.

Business development team in South Korea

In addition to our local product teams in South Korea, Japan, and Hong Kong, we recognised the value and importance of supporting our operations and maintaining a strong presence in the South Korean market, and have established a business development unit under our Korean product team. This dedicated team is focused on enhancing the sourcing capacity of our Korean product team by building and nurturing positive relationships with both existing and potential suppliers, as well as gathering valuable feedback. The team members possess strong proficiency in the Korean language and have an in-depth understanding of the South Korean market. Their expertise allows us to effectively navigate the local business landscape and identify strategic opportunities for our Group. During the Reporting Year, we established a new local product team in China to support sales through Tmall. We will continue to invest in their professional development and provide them with the necessary resources to ensure their success in driving business growth.

The employee turnover rate and headcount as of 31 December 2025 are as follows:

	Number of people		**Turnover rate[1]**	
	2025	2024	**2025**	2024
Total	**619**	520	**11.3%**	13.3%
Gender				
Male	**178**	155	**10.1%**	11.6%
Female	**441**	365	**11.8%**	14.0%
Employment type				
Full-time	**606**	502	**9.4%**	10.0%
Part-time	**13**	17	**84.6%**	47.1%
Fixed term/contract	**0**	1	**N/A[2]**	200.0%[3]
Apprentices and Interns	**0**	0	**0%**	100.0%[4]
Age group				
16–24	**46**	55	**34.8%**	50.9%
25–34	**296**	226	**12.5%**	14.6%
35–44	**134**	114	**10.4%**	7.0%
45–54	**116**	102	**1.7%**	0%
55–64	**27**	23	**3.7%**	0%

1 Turnover rate = Number of employees resigned in sub-category / total number of employees in sub-category x 100%

2 There were no fixed term/contract employees at the end of 2025, but there was 1 resignation recorded.

3 There were 2 contract employees joined the Company but resigned before the end of 2024, thus the turnover rate is over 100%.

4 There were 8 interns joined the Company but resigned before the end of 2024.

	Number of people		Turnover rate[1]	
	2025	2024	**2025**	2024
Geographical region				
Hong Kong	**506**	473	**11.1%**	13.7%
Japan	**7**	6	**0%**	16.7%
South Korea	**76**	26	**15.8%**	7.7%
Germany	**12**	4	**16.7%**	0%
United Kingdom	**11**	9	**0%**	0%
China	**7**	2	**0%**	50.0%
Employee level				
Senior management	**38**	35	**0%**	0%
Middle management	**175**	135	**5.1%**	5.2%
General staff	**406**	350	**15.0%**	17.7%

6.2 Health and Safety

Associated Aspect with our ESG topics: *Safety First, Infectious Disease Response*
Connection with United Nations Sustainable Development Goals (UN SDGs):

6.2.1 Safety First

The Company prioritises the safety and well-being of our employees. Our commitment to safety and proactive approach to emergency preparedness reflects our dedication to protecting our employees and maintaining the continuity of our business operations. We are fully committed to complying with all health and safety statutory requirements and strive to exceed them whenever possible.

We acknowledge that unexpected events, such as natural disasters or unforeseen circumstances, can disrupt our operations. We have established a robust business continuity plan to prepare for contingencies and minimise the impact on our operations. Our teams at all company sites work diligently to implement preventive measures that help reduce the risks of injuries and operational disruptions. In the event of an emergency, we have established evacuation procedures, and designated personnel are responsible for assisting in the evacuation process. These personnel also conduct roll calls at designated assembly points to ensure the safety and accountability of our employees. Besides, regular fire drills ensure all employees are familiar with the evacuation procedures.

To maintain a safe and healthy work environment, we have implemented a strict no-smoking policy in all enclosed areas within our workplace, including private offices, conference rooms, warehouses, common areas, pantries, washrooms, and reception areas. We enforce this policy consistently across all our facilities to ensure the well-being of our employees.

We take our occupational safety and health measures very seriously. Our respective human resources, administration department and department heads, conduct periodic spot checks to ensure that safety protocols are implemented and followed consistently throughout the organisation. This demonstrates a top-down approach to safety management.

We are not aware of any substantial violations of laws and regulations related to workplace safety and employee protection against occupational hazards, including the Occupational Safety and Health Ordinance (Chapter 509 of the Laws of Hong Kong), throughout the Reporting Year.

Insurance policies

We have implemented the following insurance policies tailored to the needs of our headquarters and key operation sites in Hong Kong:

1) An employee's compensation insurance in compliance with the Employees' Compensation Ordinance (Chapter 282 of the Laws of Hong Kong) to cover compensation and costs liable by our Group for personal injuries to employees in Hong Kong in the course of employment with us;

2) A group life insurance that offers coverage for employees in Hong Kong in the event of death or disability during their employment with us;

3) A group medical and dental insurance that provides coverage for hospitalisation, surgical procedures, and clinical expenses for employees in Hong Kong throughout their employment with us;

4) A robust cyber security and privacy protection insurance policy that covers losses resulting from data privacy breaches, security and privacy liabilities, and cyber extortion threats;

5) A directors' and officers' liability insurance policy that provides coverage for legal actions brought against the directors and officers of our company;

6) An office insurance policy specifically designed to protect our office premises and office equipment in Hong Kong, covering primarily focuses on mitigating losses resulting from burglary, damages to insured property, and increased costs due to business interruptions;

7) An insurance for our warehouse to cover any damage or loss to our stocks and equipment in the warehouse; and

8) A product liability insurance for health and supplement products.

Our Company fully complies with labour insurance regulations in China, Germany, Japan, South Korea and the United Kingdom. In Japan, we fulfil our legal obligations by ensuring the payment of health, welfare, and labour insurance.

In the Reporting Year, it was unfortunate that an employee fell off from the loading dock while assisting in securing goods in the loading area, resulting in 17.5 injury-lost days. We have filed the case with the employee compensation insurer and compensated the personnel accordingly.

	2025	2024	2023
Number and rate of work-related fatalities	**0 (0%)**	0 (0%)	0 (0%)
Lost days due to work injury	**17.5**	10	92

6.2.2 Infectious Disease Response

To maintain basic hygienic standards in the workplace, we have issued hygiene guidelines for all employees to follow. Furthermore, we have installed air purification systems in our offices and warehouses to reduce volatile organic compounds that may pose health risks to our employees. We have also implemented transparent plastic dividers between individual workstations to create a physical barrier and reduce the transmission of airborne viruses.

6.3 Developing and Training

Associated Aspect with our ESG topics: *Comprehensive Training*
Connection with United Nations Sustainable Development Goals (UN SDGs):

Our Group prioritise employee continuous development to ensure effective job performance, increased efficiency, and overall employee loyalty and retention. We offer a range of training and development opportunities, including technical and operational on-the-job training, and occupational health and safety training to equip our employees with the necessary skills and knowledge for their roles. This approach allows our employees to gain practical experience while enhancing their expertise in specific areas.

In addition to on-the-job training, we have implemented development programs that focus on enhancing various skill sets and competencies, covering areas such as IT technical skills, information security, product knowledge, activity-based learning, performance management, corporate culture and buddy program training. Employees also attended environmental training to enhance their awareness of sustainability practices and promote eco-friendly initiatives. By providing these opportunities, we aim to support the development and personal growth of our employees, fostering their skills and potential.

Throughout the year, 599 employees participated in our training programs, accumulating over 4,330 training hours. This reflects our commitment to investing in the growth and development of our employees. The table below shows the percentage of employees who attended training and the average training hours completed during the Reporting Year:

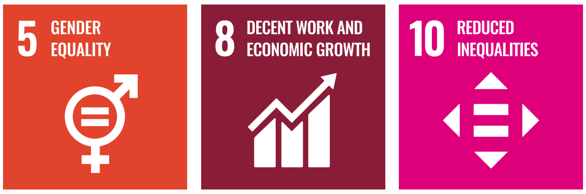
	Percentage of employees trained[5]		**Average training hours of employees**[6]	
	2025	2024	**2025**	2024
Total	**96.8%**	100%	**2.83 hrs**	2.07 hrs
Gender				
Male	**22.0%**	29.8%	**6.59 hrs**	2.95 hrs
Female	**78.0%**	70.2%	**7.41 hrs**	2.43 hrs
By employee category				
Senior management	**8.7%**	15.3%	**3.25 hrs**	3.02 hrs
Middle management	**30.7%**	26.5%	**3.29 hrs**	3.13 hrs
General staff	**60.6%**	58.2%	**2.54 hrs**	1.34 hrs

5 Number of trained employees in sub-category/Total number of trained employees x 100%

6 Total training hours of employees in sub-category/Total number of trained employees in sub-category

6.4 Labour Standards

Associated Aspect with our ESG topics: *Employee Benefits and Welfare, Fair Recruitment*
Connection with United Nations Sustainable Development Goals (UN SDGs):



Our Group's headquarters in Hong Kong, boasts a diverse and multicultural workforce. Our employees came from 20 different countries and regions, including Hong Kong SAR, China, South Korea, Japan, the United States, the United Kingdom, Canada, Netherlands, France, Germany, Guatemala, Indonesia, Italy, Jordan, Malaysia, Mexico, Morocco, Philippines, Russia, Singapore and Tunisia. The diversity within our employee base is a tremendous asset, as it brings valuable insights and knowledge about the local markets represented. This diversity enables us to understand and cater to the needs and preferences of our customers in different regions.

	2025	2024
Total employee headcount	**619**	520
Male	**178 (28.8%)**	155 (29.8%)
Female	**441 (71.2%)**	365 (70.2%)

Our Group upholds an inclusive policy, welcoming individuals of all ages, genders, and aspirations with equality. We are committed to employing a fair and performance-based approach when recruiting talented individuals. Through our transparent and rigorous hiring procedures, we evaluate applicants based on their experience, attitude, and potential. We highly value the skills and knowledge of senior staff, as well as the energy and adaptability of younger candidates.

We strongly condemn unfair or unjust termination practices and prohibit such actions within our Group. Employment terminations only occur when there is concrete evidence of criminal misconduct, severe misbehaviour, unethical or corrupted practices, or similar violations. Terminations are carried out based on reasonable and legitimate grounds, and employees are provided with written notification of the termination of their employment contract.

Our procedures and policies prioritise the protection of human rights and explicitly state the elimination of all forms of child labour and forced labour within our operations. These principles are communicated to our staff members through induction programs and our staff handbook. We perform annual employment practice review to ensure compliance, including due diligence to identify child or forced labour instances. If any such malpractices are discovered, we take immediate action to rectify the situation and implement systematic improvements. We guarantee that no employee is coerced into working against their will or subjected to forced labour or work-related coercion. Recruitment of child labour or forced labour is strictly prohibited, and immediate dismissal of any employees involved is enforced upon discovery.

During the Reporting Year, the Group complied with relevant laws and regulations relating to preventing child and forced labour. We were not aware of any major violations of laws and regulations relating to preventing child and forced labour that may have a significant impact on the Group, including but not limited to the Employment Ordinance (Chapter 57 of the Laws of Hong Kong) and relevant regulations in South Korea, Japan and Germany.

6.5 Supply Chain Management

Associated Aspect with our ESG topics: *Procurement and Supply Chain Management*
Connection with United Nations Sustainable Development Goals (UN SDGs):

As a Hong Kong-based company, which serves as a prominent logistics hub worldwide, our Group maintains high levels of efficiency for our warehousing, fulfilment, and delivery functions. We have established local product teams in South Korea, Japan, Germany and Hong Kong, responsible for sourcing suppliers and products to align with our customers' needs.

Our suppliers are categorised into two groups: product suppliers and other suppliers. Product suppliers primarily provide fashion, lifestyle, beauty, and entertainment products, while other suppliers offer logistics, payment gateway, and online advertising services. To deliver our products, we collaborate with major local and international courier companies and utilise third-party couriers.

Maintaining strong relationships with existing and new suppliers is a priority for our Group. We seek suppliers who can adapt to rapidly changing consumer preferences and offer attractive products. When selecting new suppliers, we rely on our industry knowledge, market research, and feedback from current customers about brands and products. We also conduct thorough inspections to ensure suppliers meet our quality, safety, occupational health, training, and anti-corruption standards. Additionally, our product support team conducts random sample checks on new suppliers to ensure consistent quality.

To ensure stability of our supply chain system, the Group conducts annual review to evaluate the quality, cost, delivery and service standard of the suppliers in meeting our requirements. Additionally, we have incorporated environmental and social performance as one of our evaluation criteria, which emphasises reducing plastic consumption, minimising paper usage, increasing the use of recycled content in packaging materials, and promoting other environmentally preferable practices. This reflects our commitment to working with suppliers and business partners who prioritise social and environmental risks. For beauty products that may involve the use of chemicals, we require testing reports or certificates from our product suppliers to ensure the products we sell do not contain harmful chemicals. Specifically, for beauty products sourced from South Korea, we ensure that they have not undergone any animal testing during their production processes. Suppliers who consistently fail to pass our yearly evaluation are required to take corrective action or they may face suspension or removal from our approved vendor list. In extreme cases, we may even consider blacklisting the supplier.

Our Group follows a strategic approach that minimises dependence on any specific product or service supplier, enabling us to maintain flexibility and adaptability in our operations. We can easily adjust or terminate agreements with short notice if necessary and respond swiftly to changing business needs or unforeseen circumstances. We establish service agreements with a range of third-party providers to meet our various business needs. These providers include technology service providers, couriers, goods transition centres, contact centres, outsourced labour for our Hong Kong warehouses, and payment gateway service providers. This diversified approach allows us to minimise the risk of and impact from business disruption and ensure business continuity in the event if any provider failed to serve.

Suppliers[7] by geographic region and category

In 2025, we sourced our products mainly from brand owners and resellers in Asia and North America, directly or through third-party e-commerce platforms. Our primary product suppliers were located in Japan, South Korea and the People's Republic of China ("**PRC**"). The number of suppliers by geographical region and number of suppliers where the practices relating to engaging suppliers are implemented during the Reporting Year are as follows:

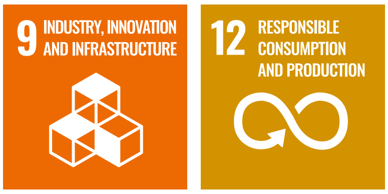
	2025	2024
Total	**25,089**	17,380
Geographic region		
Hong Kong	**150**	126
Japan	**147**	103
South Korea	**475**	354
PRC	**24,243**	16,755
Asia (except regions mentioned above)	**54**	35
Americas	**11**	6
Europe	**9**	1
Assessment criteria		
New suppliers	**7,281**	7,422
New suppliers assessed	**7,281**	7,422
Existing suppliers assessed	**17,808**	9,958

7 For the purpose of KPI B5.1, B5.2, only product suppliers have been considered.

6.6 Product Responsibility

Associated Aspect with our ESG topics: *Customer Service, Quality First, Cybersecurity and Personal Data Protection, Protection of Intellectual Property Rights*

Connection with United Nations Sustainable Development Goals (UN SDGs):



6.6.1 Quality First

Quality control of products

The Group maintains stringent product quality standards to ensure customer satisfaction and minimise operational disruptions. A rigorous vendor selection process evaluates suppliers based on comprehensive market data, customer feedback, and independent reviews to confirm their reputation, reliability, and brand integrity.

Our suppliers are fully responsible for ensuring the quality of the products they provide. If defective products are received, we reserve the right, at our discretion, to return them, minimising potential losses on our end. Within the permissible bounds of relevant laws and regulations in Hong Kong, we generally do not offer warranties on the products we sell, including warranties of merchantability or fitness for a specific purpose. However, if our suppliers provide warranties for defects in materials or workmanship, we may, at our discretion, assist customers in shipping the products to the relevant suppliers for repair or exchange.

The product support and operations team collaborates closely with suppliers to promptly address any quality concerns. Upon receipt of goods, thorough inspections are conducted, including random sampling, to identify defects or damage and verify compliance with established standards. Each item is tagged with barcodes and connected to our inventory management system.

Prior to customer delivery, the logistics team meticulously verifies each package against order records in the system, with every product scanned to confirm specifications and quantities align precisely with customer requirements, thereby upholding operational accuracy and reliability.

Health and safety matters related to products and services provided

Our upstream suppliers are required to ensure their products comply with the European Union's Registration, Evaluation, Authorisation, and Restriction of Chemicals (REACH) regulations. The Group's fashion, lifestyle, and entertainment products typically do not feature specific expiry dates or defined product lifecycles. Beauty products with designated expiry dates generally maintain a shelf life of two to three years from the manufacturing date, supporting effective inventory management and product freshness assurance. We request testing reports or certificates from our suppliers to guarantee the safety of products containing chemicals. In cases where such documentation is unavailable, we thoroughly assess the product's ingredients to ensure they are free from harmful chemicals before making them available on our platforms.

Throughout the Reporting Year, we maintained a great record of product quality, with no significant issues or recalls related to health and safety concerns. We remained compliant with applicable laws and regulations, including the Consumer Goods Safety Ordinance in Hong Kong, the Four Product Safety Acts in Japan, the Product Liability Act in Korea and the EU General Product Safety Regulations (GPSR) in the European market. Our company diligently monitors and addresses potential violations to uphold our commitment to the highest health and safety standards. We immediately initiate product recalls in the rare event of potential safety or quality issues with our products.

	2025	2024
Percentage of total products sold subject to recalls for safety and health reasons	**0%**	0%

Inventory management

The Group's inventory management approach effectively mitigates the risk of obsolescence through proactive monitoring and controls. The operations team conducts annual stock-takes, while the inventory control team generates monthly reports to maintain optimal stock levels across all categories.

Besides, the inventory control and marketing teams collaborate to identify slow-moving items that remain unsold beyond specified timeframes, determining targeted discounts to accelerate their sale and minimise holding costs. These discounted items are prominently featured during our clearance sales campaigns or in a dedicated discount section. This disciplined process ensures efficient inventory turnover and aligns with the Group's commitment to resource optimisation and sustainable operations. Regarding our inventory turnover, the days to sell and replenish our inventory in 2025 and 2024 are approximately 89 and 84 days, respectively.

To minimise the need for inventory write-offs, the operations support team conducts regular assessments of products exhibiting poor packaging conditions or approaching expiration, where applicable. Before initiating write-off requests, we explore the potential for product exchanges with our suppliers. Also, our inventory control team may request write-offs for slow-moving products that cannot be effectively sold through clearance sales or discounts. Considering the shelf life of most beauty products, typically around two to three years, the bulk purchases made in or before 2025 are still within their appropriate usage period and have not encountered any material issues related to expiration.

Labelling

During the Reporting Year, our Company engaged multiple suppliers based in Asia, Europe and North America to procure our products. We rely on the product descriptions, claims, and labelling these suppliers provide. However, some products received from our suppliers may have defects, substandard quality, or insufficient descriptions, warnings, or labels.

We have implemented robust content monitoring processes to ensure product safety. Besides, we maintain product liability insurance to provide additional protection in the event of any incidents or claims. To address potential incidents and claims related to product descriptions and warnings, we have taken proactive measures to enhance our internal control measures. These additional controls aim to prevent the recurrence of similar incidents in the future and uphold the highest standards of product quality and safety:

1) As advised by our US legal advisor, we have implemented measures to comply with the requirements of Proposition 65 in California. For customers intending to purchase products from our E-commerce platforms that contain chemicals falling within the scope regulated by Proposition 65, we have ensured that requisite compliant warnings are displayed. Additionally, we have provided clear guidance to our employees on the application of appropriate warning labels on certain products when necessary, under the laws of California;

2) Regarding product labelling and warning instructions, our product team reviews updated product safety and consumer protection legislation annually. In response to any modifications or new requirements, we promptly update our internal control policies and operation protocols;

3) To provide accurate and reliable product information, we only publish information obtained from official sources and trusted suppliers;

4) We have implemented a vendor acknowledgement letter system to strengthen our legal protection regarding product information provided by our suppliers and displayed on our website. We have been and will continue to request our key product suppliers to sign these acknowledgement letters; and

5) We recognise the importance of ensuring compliance with our obligations on product description and warning under our commercial arrangements with product suppliers and customers. We engage legal advisers to review these obligations thoroughly to strengthen our compliance efforts.

Throughout the Reporting Year, we did not encounter any significant claims related to product liability, product description, warnings or labelling, nor did we experience any material adverse impacts resulting from such claims. Additionally, our company remained unaware of any major violations of product responsibility laws and regulations related to labelling, including but not limited to the Fair Packaging and Labelling Act (FPLA) in the United States, the General Product Safety Directive 2001/95/EC (GPSD) in the European Union, Advertising Act in Korea and the Trade Descriptions Ordinance in Hong Kong, which could have had a substantial impact on our operations.

6.6.2 Customer Service

Our e-commerce platform caters to a diverse customer base mainly consisting of individual end-users and small-scale business owners. Our customers discover our websites and mobile apps through search engines, third-party social media platforms, or advertisements on other websites. We are grateful to have gathered a diverse customer base, showcasing the wide reach and appeal of our products/services.

In response to the challenges posed by escalating food and fuel inflation and to ensure our sustained competitiveness, the Group strongly emphasises cost savings and operational efficiency to maintain our competitive position. We have partnered with our strategic logistics service provider, CN Logistics International Holdings Limited, to optimise the delivery of our products to overseas markets more effectively than other providers. We are also exploring partnerships with other logistics companies to further reduce freight costs from Hong Kong and South Korea to overseas markets.

Besides, our two smart warehouses reduce fulfilment labour costs and expand capacity in anticipation of the growth in our online business. For more details, please refer to 'USE OF RESOURCES – Digital Innovation' section.

Marketing and advertising

By leveraging social media platforms, the Group has established direct connections with customers, enabling the receipt of instant feedback on products and services, which in turn informs targeted marketing and promotion strategies and supports ongoing adjustments to the product portfolio in line with evolving consumer preferences. The Group maintains an extensive social media presence, with approximately 5.27 million followers across platforms such as Instagram, Facebook, Pinterest, Twitter, and YouTube, providing continuous and comprehensive exposure to its customer base and facilitating seamless access to the Group's websites and mobile application for an enhanced browsing experience.

Media tools have been integrated into a comprehensive digital marketing strategy to maximise exposure to target consumers, supported by internal control policies that govern uploaded content on social media channels to ensure alignment with platform requirements and corporate standards. Feedback collection, regular assessment of market trends and industry dynamics, and active monitoring of emerging consumer preferences enable the Group to curate a well-balanced assortment of products that aligns with customer demand and strengthens market responsiveness.

In addition to social media marketing, the Group has adopted performance marketing, retention marketing, and influencer marketing initiatives to deepen customer engagement and drive sales. Through a loyalty programme for YesStyle influencers launched in May 2022, the Group has introduced additional programmes and incentives to motivate influencer performance, leveraging the extensive follower bases of key opinion leaders (KOLs) and influencers to broaden brand exposure, enhance customer interaction, and better understand consumer needs. As of 31 December 2025, approximately 2,000 KOLs and 502,000 influencers worldwide had joined the Group's influencer network, contributing to the strong performance of its influencer marketing campaigns and supporting the creation of engaging videos and posts across various social media platforms to reach a wider audience and boost sales. Brand perception is significantly shaped by this extensive influencer and KOL network, and the Group takes a structured approach to sourcing partners by considering follower base, historical content, product categories, market trends, and target audience, complemented by affiliate marketing programmes operated through a US-based affiliate marketing network for commission-based collaborators.

Stringent selection and management policies ensure that relationships with KOLs and influencers are effectively nurtured, brand consistency is maintained, and promotional activities remain aligned with core brand values. By collaborating with partners who share the Group's brand ethos and target audience, the Group has successfully expanded its reach and strengthened its brand image, and remains committed to harnessing the influence of influencers and KOLs to promote its products while upholding a cohesive brand identity and its fundamental values.

During the Reporting Year, the Group complied with relevant laws and regulations relating to advertising. We were not aware of any major violations of laws and regulations relating to advertising that may have a significant impact on the Group, including but not limited to the Trade Descriptions Ordinance (Cap. 362) and relevant regulations in South Korea, Japan and Germany.

Customer retention

Ensuring the quality and efficiency of our customer service and operations is paramount to maintaining customer loyalty. The Group has designated in-house personnel and carefully selected external service providers to manage customer service activities, including an outsourced customer service centre located in Manila, to ensure service quality and operational efficiency. However, outsourcing could pose challenges in maintaining consistent standards across all processes. We have implemented a rigorous selection process to carefully assess, and closely monitor the performance of our providers. This ensures that we uphold high customer service standards we have set across all operations.

Customer engagement

We highly value the opinions and feedback of our customers and encourage them to share their thoughts on our websites, mobile app, and social media platforms. Product reviews on our e-commerce platforms are actively monitored to capture customer experiences and pinpoint opportunities for enhancement, ensuring continuous improvement in service delivery. We continuously improve our product selections based on the valuable market insights from customers and regularly share them with our suppliers and brand partners.

To maintain a positive and constructive environment, we have implemented internal control measures to monitor and address inappropriate, false, or hostile product reviews before reviews are published on our websites and mobile app. We have implemented an internal word filter to identify text-based reviews based on predefined criteria. Reviews flagged by this automated system are subjected to further detailed analysis by the editorial team to ensure accuracy, compliance, and quality standards. Furthermore, our content team thoroughly examined of all customer reviews, including any attached photos and videos. This additional review process enables thorough assessment of content suitability for publication, ensuring full alignment with established standards and guidelines prior to release.

To cater for our diverse international audience, our content is available in 9 major global languages: Arabic, Chinese, Dutch, English, French, German, Italian, Polish and Spanish. This multilingual approach ensures that we can effectively communicate with customers from different regions and provide them with a seamless experience in their preferred language.

Enquiries handling

We offer multiple communication channels, including chatbots, phone calls, email support, our official social media platforms and direct access to the CEO, enable customers to raise product-related inquiries or concerns. In our key revenue countries, such as the United States and Canada, we partnered with service providers to offer return merchandise authorisation services, customer relationship management, and customer contact management solutions. Our customer service team and service providers thoroughly records, scrutinises, and evaluates all inquiries related to our products and delivery services, responding swiftly in accordance with established procedures. Staffs conduct daily follow-ups through original communication channels to ensure resolution and satisfaction, while utilising individual login accounts to manage enquiries, facilitating performance tracking, identification of improvement areas, and targeted support to enhance productivity and service quality.

The team also collaborate closely with reliable suppliers, conducting thorough investigations to verify adherence to specified quality standards. Should a legitimate issue be confirmed, suppliers are held accountable through refunds or replacements, reinforcing the Group’s commitment to operational integrity and customer trust.

- We review customer comments and gather detailed facts to understand the issues.

- Our quality team investigates our operating procedures and extends to our suppliers and manufacturers to understand their processes if necessary.
- We seek to identify inaccuracies, oversights, or errors during the production or quality assurance process.

- Based on the findings, we take appropriate measures, e.g. repair, replacement, offering discount to address the complaint.
- We ensure our customers are satisfied with the solution provided.

Throughout the Reporting Year, our Group received 224,699 product and service-related inquiries, all resolved satisfactorily. We are pleased to report no complaints significantly affect our business. Likewise, the Group did not make any material compensation to customers due to product liability claims or customer complaints.

	Number of enquiries		Number of cases resolved satisfactorily	
	2025	2024	**2025**	2024
Product and service-related enquiries received[8]	**224,699**	168,989	**224,699**	168,989

Return and exchange policies

We value our customer's experience. Clear return policies and streamlined procedures are prominently displayed on our platforms to facilitate customer satisfaction.

We are pleased to report that there were no significant order cancellations requested by our valued customers during the Reporting Year. Our flexible return and exchange policies across its platforms and product categories, including a 14-day guarantee without the need for explanation, subject to product type and specific conditions. These arrangements are designed to enhance customer satisfaction and ease concerns when shopping on the Group's websites and mobile application. Details of the policies are listed below:

YesStyle

- Covers specific fashion, accessories, lifestyle, beauty, personal hygiene, and grooming products.
- Customers can return unwanted items, replace defective products, or exchange for a different size, within the prescribed time periods.
- Return and exchange period is generally 14 days from the date of order receipt, varying based on the product type.
- Size exchanges are available for eligible fashion and lifestyle items within 14 days.
- Returned items must be in their original packaging and in mint, unused condition.
- Incomplete returns may not be accepted.

YesAsia's E-commerce platform

- Applies to video, music, selected TV shows, concerts, music videos, anime, collectibles, and toys.
- Offers a 14-day return period.
- Defective items are eligible for exchange, except for selected game items and TV set-top boxes.

AsianBeauty Wholesale

- Returns or exchanges are primarily accepted for defective items.
- We offer free shipping for replacement items sent to customers, regardless of whether the original product is defective or requested for exchange.
- Customers are typically responsible for covering the shipping expenses when returning a product to us, except in cases where the return or exchange is due to a defective item.

8 Our customer service team defines and considers "enquires" as all emails and enquiries received in relation to product exchange or refund.

Customer relationship management (CRM) and Loyalty program

We ensure customers' satisfaction and foster loyalty to our brand by harnessing data and insights to create a highly customised user experience. The Group integrate a sophisticated customer relationship management (CRM) system that leverages advanced conversational artificial intelligence (AI) technology to provide exceptional customer service. The AI technology in our CRM system allows us to offer exceptional customer service while maximising our business revenue. It enables us to automatically analyse and extract data, intent, and tasks from comprehensive customer interactions on a 24/7 basis, ensuring prompt and efficient assistance for our customers.

Beyond delivering high-quality customer service, our CRM system enables us to create personalised user experiences based on their behaviours. We monitor customer entry points, product preferences and track the rate of their repeat orders, acquiring valuable insights into the most effective revenue-generating channels. This can optimise our communication strategy, effectively targeting our marketing efforts and maximising revenue.

As part of our retention marketing strategy, we have introduced the YesStyle Elite Club, a robust loyalty program designed to incentivise repeat purchases and cultivate customer loyalty. We currently receive over 20.2 million members for support as of 31 December 2025. This program operates on a four-tier membership structure – Regular, Bronze, Silver, and Gold – with each tier offering exclusive membership discounts, coupons, and special promotions, including personalised birthday offers. Members can advance to higher tiers by accumulating program tokens by purchasing, writing product reviews, and downloading applications. We continuously review and enhance this program to ensure it delivers exceptional value and rewards to our esteemed members.

6.6.3 Cybersecurity and Personal Data Protection

The Company places great importance on the protection of electronic information. We have stringent measures to safeguard electronic data confidentiality, integrity, and availability, including developing our own software, systems, and technical tools, and partnering with reputable third-party technology service providers when necessary. Our IT infrastructure comprises a range of in-house developed technologies that support our front-end, back-end, catalogue, and data-mining systems.

Ensuring the secure transmission of confidential information over public networks is our top priority. We are fully committed to maintaining the highest level of security and protection for all electronic information under our care and have implemented strict policies. We have partnered with a trusted third-party service provider to manage our servers, ensuring our operations remain consistent and without interruption. In the case of system breakdowns, we have insurance coverage that protects us from any additional costs brought on by business interruptions in the event of system failures.

We also strongly emphasise implementing robust physical and logical access control management to enhance data security. Access to sensitive areas is strictly restricted to authorised personnel equipped with identity badges or access cards, particularly in locations where personal data is stored or processed. In addition, comprehensive surveillance systems are deployed to continuously monitor and control entry to all facilities. Regarding logical access control, we employ secure browsing and electronic data transfer configurations, such as implementing secure protocols, encryption, and firewalls to protect data during transmission and prevent unauthorised access. Only authorised personnel are granted logical access to systems containing sensitive data and access logs are kept. We regularly update these configurations to address emerging threats and maintain security.

During the Reporting Year, we engaged an external consultant to review our IT systems and internal control policies, enhancing our data protection measures and ensured compliance with data privacy laws and regulations. The reviewer assesses our readiness and identifies any gaps in compliance with the General Data Protection Regulation (GDPR) in the European Union. If gaps are identified, they suggest remediation efforts and conducting a re-assessment of key business process areas.

Ensuring a secure environment for accepting, processing, storing, or transmitting credit card information from customers is a top priority for us. In 2025, a penetration test was carried out to evaluate the security of our systems in accordance with the Payment Card Industry Data Security Standard (PCI DSS). After addressing the fixes and improvements of the risks identified in the test findings, a verification test (re-test) was conducted to ensure that the required security measures were properly implemented. Besides, our services have been migrated to cloud data centres. Major systems are now hosted on the Cloud platform, providing enhanced reliability and extensibility.

We take great pride in keeping our websites and mobile app up to date, ensuring a seamless and enjoyable experience for our customers while reinforcing our professional brand image. The launch of our integrated YesStyle mobile app and Web journeys offers a range of exciting new features like image-based product search and location-based personalisation, adding convenience and personalisation options for our customers. During the year ended 31 December 2025, there had been over 4.8 million downloads of our YesStyle mobile app. To accommodate the increasing real-time traffic and orders on our websites and mobile app, we have replaced the load balancers of our websites to support higher website traffic. Intrusion Detection System (IDS) has also been set up in our cloud platform to detect security issues. In the near future, we will implement more cybersecurity measures such as Distributed Denial of Service (DDoS) protection and Web Application Firewalls (WAF) to ensure the safety and privacy of our customers' data.

Product orders and transactions

To ensure convenience for our customers, we provide a wide array of payment methods, including bank transfers, credit cards, and third-party online platforms like PayPal, Apple Pay, Credit card, Sofort, iDeal, Google Pay and cryptos. However, we are aware of the potential risk that may arise from third-party payment processing. We aim to instil confidence in our customers when visiting and making purchases on our platforms. Therefore, ensuring the complete security of the transmission of confidential information during transactions, such as credit card information, personal details, billing and delivery addresses is important. We collaborate with payment gateway companies that diligently monitor our merchant accounts to ensure a smooth and safe transaction. Furthermore, we have deployed a fraud detection system that identifies suspicious transactions and carefully scrutinises them on a case-by-case basis with our dedicated online credit team. During the Reporting Year, the Group did not experience any significant incidents of payment fraud that had a substantial or adverse impact on its operations or financial position. Furthermore, no claims were received in relation to breaches of confidential information arising from platform vulnerabilities or confidentiality violations by the Group or its third-party service providers (such as courier companies), nor did the Group suffer any material adverse impact in this regard during the Reporting Year. The Group also complies with various regulatory and non-regulatory rules, regulations, and requirements governing electronic funds transfers.

Privacy and personal data protection

The security of customer data remains a top priority for the Group. Personal, transactional, and behavioural data collected via the online sales platform, newsletter subscriptions, influencer programmes, and other marketing campaigns are securely stored and retained in our system only for the duration specified by applicable laws and regulations. Upon expiry of these retention periods, such data is securely deleted in accordance with established protocols. Internal policies have been established to ensure that all staff members handling personal data adhere to stringent security and compliance standards.

Prior to collecting personal data, we obtain explicit consent from data subjects, with customer empowered to easily opt out of their consent at any time. Organisation-wide privacy policy, terms of use, and IT security policy govern all personal data processing activities, and are prominently available on our websites and mobile app, allowing customers to understand how their personal information is collected, used, and their corresponding rights. Customers are strongly encouraged to review and familiarise themselves with these policies upon account registration to ensure full transparency and informed participation.

Our internal control functions for personal data protection have been independently reviewed by IT consultant, ensuring the adequacy and effectiveness of our data protection policy with no significant control deficiencies identified. We strive to comply with the major provisions of the European Union's General Data Protection Regulation, which applies globally irrespective of the business's registered location. Robust measures have been implemented to safeguard the personal information of visitors and customers, reinforcing trust in the Group's data governance framework.

To ensure the secure transmission of customer information, we employ a Secure Sockets Layer (SSL) technology secure server that encrypts all data input by customers, protected against unauthorised access and stored in our encrypted database. We collect personal data primarily for procurement, promotional, and customer service purposes. We only share this data within our Group and, if necessary for normal business operations, with key service providers such as shipping vendors, billing and refund vendors, and payment processors. Data processing activities within our Group are registered and maintained with defined data classification, legal justification, and retention schedules. Our data protection officer approves data protection impact assessments conducted for each registered data processing activity. Customers can also contact us to have their personal information removed from our database.

Security and readiness enhancement

We strive to foster security awareness and readiness throughout our organisation. Employees who handle personally identifiable information are required to attend comprehensive training on data-related matters and privacy practices annually. These training sessions are designed to equip our employees with the knowledge and skills necessary to navigate any potential risks that may arise during our day-to-day operations. This year, 427 employees attended our compulsory annual data privacy training. Our dedicated team seek to provide engaging training materials, informative seminars, and challenging email quizzes to ensure they remain well-informed and prepared.

Furthermore, our IT team is exploring new software features and advancements to enhance our security measures. We prioritise providing ongoing training to our employees on utilising these technologies. We recognise the significance of keeping abreast of the ever-evolving e-commerce industry and offer specialised training that centres on technological advancements and consumer trends. By doing so, we strive to maintain a knowledgeable and skilled workforce that can effectively address security challenges and adapt to industry changes.

Code of conduct

We expect all our employees to have high standards of conduct in handling personal data, and adhere to the business principles and ethical responsibilities outlined in our employee handbook. The employee handbook serves as a comprehensive guide that communicates our policies and expectations regarding data privacy and confidentiality to all employees. Any updates to the employee handbook are shared via email, and they are expected to review and understand the updated provisions. Besides, all employees are expected to sign a general non-disclosure agreement statement upon employment to foster a strong commitment to data privacy and maintain compliance with relevant laws and regulations throughout our organisation.

Regulations and compliance

During the Reporting Year, the Company has been in compliance with the relevant Data Privacy Laws and Regulations in the operation of the business, and with no non-compliance cases observed.

6.6.4 Protection of Intellectual Property Rights

As a Company that offers products produced by third-party manufacturers, we acknowledge the possibility that some of our products may infringe on the intellectual property rights of third parties if no proper authorisation is obtained. To address this concern, we have implemented measures to minimise potential infringements. One of our key practices is incorporating relevant terms and conditions in our supplier agreements, which outline the requirement for our suppliers to ensure proper authorisation and compliance with intellectual property rights. Additionally, we conduct thorough background checks on new suppliers and review their track records for the past 3 years, focusing on brand owners and authorised distributors. When entering into agreements with our brand partners or suppliers, they usually grant us licenses that permit us to use their intellectual property to sell and promote their products. These licenses have expiration dates that align with the duration of the respective supplier agreements.

To address the intellectual property claims in 2019 and prevent similar incidents from occurring in the future, we have implemented the following additional internal control measures:

1) **Prompt Removal of Alleged Products:** Upon internal investigation, we promptly remove the alleged products and any similar products from our websites. This ensures that potentially infringing products are no longer available for sale.

2) **Strengthened Control Measures for Product Information:** We have enhanced our internal control measures over product information displayed on our websites and mobile app. Suppliers are required to provide product descriptions and photos, which undergo a thorough review by our product team and content team before being published on our E-commerce platforms and mobile app.

3) **Regular Checks for Copyright and Trademark Infringements:** We regularly verify product information and images displayed on our E-commerce platforms and mobile app. These checks involve comparing the information against our internal database to identify any potential copyright or trademark infringements.

4) **Vendor Acknowledgement Letters:** We have implemented and will continue to request the signing of vendor acknowledgement letters with our key product suppliers. These letters enhance our legal protection by ensuring that our suppliers acknowledge and take responsibility for the accuracy and legality of the product information they provide. This, in turn, strengthens our position in terms of product information displayed on our websites and mobile app.

During the Reporting Year, we were not involved in any material disputes or claims, regarding infringement of intellectual property rights with third parties. We also did not receive any intellectual property claims or make any such claims.

	2025	2024
Material disputes or claims, regarding infringement of intellectual property rights with third parties	**0**	0

Content monitoring

The Group strives to deliver high-quality content across its websites, mobile application, and social media platforms. Content is created using original photos and videos produced by the in-house team, supplemented exclusively by materials from trusted suppliers, ensuring authenticity, reliability.

To mitigate potential legal claims, the Group requires suppliers of key products to sign vendor acknowledgement letters. This process indemnifies the Group against liabilities arising from product promotion or sales, including third-party intellectual property infringements, non-compliance with applicable laws and regulations, or issues related to product labelling and safety.

In addition, our platform allows registered users to upload various types of content, including user profiles and product reviews. However, before registration, we require users to confirm that their content complies with relevant laws and regulations and does not infringe upon the legal rights of others, including copyright. We have also established a specialised content monitoring team that actively identifies and prevents the public release of inappropriate or illegal content.

Insurance policies

To minimise the potential impact of intellectual property rights infringement, we have secured a cyber insurance policy, which provides comprehensive coverage against a range of legal issues related to intellectual property, including copyright, trademark, and domain name infringement. It also offers protection against liabilities associated with invasion of privacy, plagiarism, false light, and other media-related issues. This coverage offers financial support and protection if such issues arise, enabling us to effectively handle any claims or liabilities.

6.7 Anti-corruption

Associated Aspect with our ESG topics: *Corporate Governance, Anti-Competitive Practices*
Connection with United Nations Sustainable Development Goals (UN SDGs):

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

As a brand-neutral E-commerce platform, we source products from various brands and suppliers. Our business model makes us an attractive option for popular brands and their distributors, especially new and emerging Korean beauty brands, and suppliers looking to expand their reach in the international market.

Our innovative marketing approach and strong presence on social media allow us to offer a comprehensive one-stop service for these brands and suppliers. We provide various benefits, including free brand promotion, product marketing, customer-generated content, and relevant data analysis. This comprehensive package helps us build strong relationships with our suppliers and enables us to control the risk of supplier disintermediation.

While we occasionally receive complimentary product samples from our suppliers for brand and product promotions, we do not receive any form of compensation, monetary or otherwise, from these arrangements. Our focus is on providing a platform that benefits our customers and suppliers without bias or conflict of interest. In the Reporting Year, the five largest product suppliers and the five largest other suppliers we worked with were independent third parties. To the best of our knowledge and belief, none of our Directors or their close associates, or shareholders with beneficial ownership of more than 5% of the shares had any interest in these suppliers. Additionally, none of our five largest product suppliers or the five largest other suppliers (excluding product suppliers) were our customers during the Reporting Year.

Corruption preventive measures

Our Group places great importance on corporate governance and operational integrity. To ensure that all employees, contractors, and subcontractors are aware of our expectations and guidelines, we distribute an employee handbook to everyone within the organisation. The handbook outlines various expectations, including the prohibition of engaging in corruption and bribery and provides information on our whistle-blowing procedures, which should be followed in case any violations are discovered.

Whistle-blowing procedures

We have established a comprehensive internal control manual that clearly outlines the procedures to be followed in case of suspected corruption or misconduct. It stipulates that team members should report directly and anonymously to our Audit Committee through dedicated whistleblowing channels. We take the confidentiality of whistleblower information seriously. Any information provided by whistleblowers is treated with the utmost confidentiality and handled with care. Our Group ensures that the identities of whistleblowers are protected throughout the investigation process. We conduct investigations into reported incidents with a fair and zero-tolerance attitude towards all violations, including bribery, fraud, corruption, and money laundering. These investigations are carried out diligently and impartially, ensuring that all parties are treated fairly. As part of our commitment to protecting whistleblowers, we ensure them against unfair dismissal and unwarranted disciplinary action.

Anti-bribery briefing sections

Training includes orientation training and anti-bribery briefing sessions for new joiners as part of our commitment to ensure that all employees are well-informed about their responsibilities in upholding ethical conduct and preventing corruption. During the sessions, we explained the anti-corruption policy listed in our employee handbook. By providing knowledge and tools for preventing and addressing corrupt practices to our employees, we hope to raise awareness about the importance of anti-corruption and to create a transparent, integrity and compliance culture throughout our organisation. Directors also participate in anti-corruption training during the Year to further strengthen their awareness of ethical conduct, reinforce compliance with relevant laws and regulations, and uphold the Group's zero-tolerance stance on corruption and bribery.

During the Reporting Year, our Group did not receive any cases related to corruption or whistle-blowing issues. This applies to all departments, including our HR & Admin Departments and the Audit Committee. Furthermore, we are not aware of any major violations of anti-corruption laws and regulations such as bribery, extortion, fraud, and money laundering that could have had a significant impact on the Group, including but not limited to the Prevention of Bribery Ordinance (Chapter 201 of the Laws of Hong Kong) as well as relevant regulations in South Korea, Japan, Germany and United Kingdom. Additionally, there were no concluded or ongoing legal cases regarding corruption practices brought against the Group or its employees during the Reporting Year.

	2025	2024
Number of cases related to corruption or whistle-blowing issues received	**0**	0
Number of major violations of anti-corruption laws and regulations	**0**	0
Number of concluded or ongoing legal cases regarding corrupt practices brought against the Group or its employees	**0**	0

6.8 Community Investment

Associated Aspect with our ESG topics: *Caring for The Community*
Connection with United Nations Sustainable Development Goals (UN SDGs):

The Group is dedicated to corporate social responsibility and actively engages in initiatives that benefit the surrounding communities. We encourage our employees to participate in volunteer services and community projects. Going forward, we remain dedicated to continuing our participation in various community projects and generating positive impacts on society.

We take great pride in the recognition we have received for our efforts in promoting corporate social responsibility. For 19 consecutive years, from 2007 to 2025, we have been honoured with the 'Caring Company' award by the Hong Kong Council of Social Service (HKCSS).

During the Reporting Year, we have contributed 256 hours of community service and environmental volunteering. We donated over HKD594,000 to the community, including our products, clothing, mooncakes and financial support to local organisations that align with our social and environmental responsibility commitments.


2025
HKCSS CARING COMPANY

新尚网有限公司

YesStyle.com Limited

持續實踐及推動關愛文化4年
2024/25年度表現獲嘉許為
Consistently dedicated to fostering a caring culture for 4 year(s).
The accomplishment for 2024/25 was recognised as

高於平均水平
Above-average Performance

香港社會服務聯會主席 管浩鳴議員, SBS, JP
Revd Canon Hon Peter Douglas KOON Ho-ming, SBS, JP
Chairperson
The Hong Kong Council of Social Service

香港社會服務聯會行政總裁 陳文宜
CHAN Man Yee, Grace
Chief Executive
The Hong Kong Council of Social Service

HKCSS 社聯
CARING COMPANY

Cert No.: Y02649
2025.12.23

Caring for the needs

Donating mooncakes in supporting the 'Surplus Mooncake Donation' held by Food Grace for distribution to underprivileged families

Participated in 'Standard Chartered Hong Kong Marathon 2026'

Donated HKD500,000 to the Hong Kong SAR Government's 'Support Fund for Wang Fuk Court in Tai Po' and 500 essential clothing and footwear items in supporting affected families

Supporting Sustainability

Partnered with the Hong Kong Family Welfare Society and their centre volunteers to organise the "Smart Little Cash-Keepers" Student Financial Workshop at Ng Wah Catholic Primary School

Participated in and donated cash to the 'Skip-A-MEAL 2025' Campaign held by World Vision Hong Kong to improving livelihoods in Africa, Latin America, and Southeast Asia

Environmental protection

Partnered with Green Hope Hong Kong to clean up Little Hawaii Trail and Wilson Trail in Tseung Kwan O

7 CLIMATE

7.1 Climate Strategy

The Group regards climate change as a critical issue with potential short-term, medium-term, and long-term impacts on business operations, value chains, strategic decision-making, and financial performance. We are therefore committed to conducting scenario analyses across different time horizons to identify and assess climate-related physical risks, monitor and evaluate their potential effects on the Group, and develop and implement specific mitigation, adaptation measures, and strategies to minimise adverse impacts.

The Group has undertaken climate-related scenario analyses based on two scenarios and three time horizons to determine physical risks, and transition risks. Physical risks encompass acute risks, which arise immediately from extreme weather events, and chronic risks, which manifest over time due to gradual climate shifts affecting our operations. Transition risks stem from stringent climate policies and regulations, encompassing regulatory, technological, market, and reputational challenges.

7.1.1 Time Horizon

The three time horizons have been selected based on the industry's inherent characteristics and the Group's climate objectives. These horizons are used to assess climate-related risks, set targets, and inform strategic decision-making, ensuring alignment with our comprehensive climate adaptation measures and direction. The time horizons are defined as follows:

Time Horizon: Short term

- Time Period: Current to 2030
- Based on current asset lifespans and policy change cycles

Time Horizon: Medium term

- Time Period: 2030-2050
- Incorporates government net-zero policy targets

Time Horizon: Long term

- Time Period: 2050-2100
- Aligns with long-term trends in climate physical risks

7.1.2 Climate Scenario Analysis

The Group has conducted climate scenario analysis in accordance with the reporting framework of the HKEx, in order to assess potential impacts on its value chain, business model, financial performance, and cash flows over the short, medium, and long term. Drawing on international standards and extensive peer benchmarking, we carried out scenario analysis under two climate scenarios and three time horizons to evaluate both physical and transition risks. Building on this foundation, we assessed the implications of each risk type, taking into account the Group's business profile and development strategy, as well as the priorities of internal and external stakeholders.

The Group follows the Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report on Shared Socio-Economic Pathways (SSP), and the International Energy Agency's (IEA) Global Energy and Climate Model (GEC Model) to perform physical risk and transition risk analyses, respectively, to assess the Group's climate resilience. Scenario analyses assess the Group's climate adaptability and help understand how climate change could alter the Group's financial condition and business, enabling us to identify our climate vulnerabilities and develop contingency measures and strategies to enhance the resilience of our business model and value chain.

Conduct Climate Scenario Analysis	**Assess the Timing and Extent of Climate Change Impact on Company's Operations**
• Define two climate scenarios – low emissions and high emissions • Conduct analysis using publicly available scenario models • Obtain quantitative/qualitative parameters for both scenarios	• Based on the scenario analysis results, and considering the business characteristics and geographical locations of the Group, assess the short-, medium-, and long-term impacts of climate-related risks and opportunities

Scenario Analysis Principles

To accurately assess climate-related physical and transitional risks, the Group employs a multi-scenario analysis framework to prospectively assess potential risks in its main operating areas under global warming scenario of 1.5°C and 3°C, covering the short-term (2030), medium-term (2050), and long-term (2100) horizons.

Regarding physical risk assessment, we selected representative IPCC Shared Socio-Economic Paths (SSPs):

- SSP1-2.6: Represents a sustainable development path with active emission reductions, highly consistent with the Paris Agreement's 1.5°C temperature control target;

- SSP3-7.0: Represents scenarios of intensified regional competition and high greenhouse gas emissions, corresponding to severe physical risks under higher temperature rise (approaching 3°C or above).

In assessing transition risks, we primarily refer to two core scenarios in the International Energy Agency's (IEA) Global Energy and Climate Outlook:

- Net Zero Emissions by 2050 Scenario (NZE): This scenario outlines the possible pathways to achieving net-zero emissions globally by 2050 and its profound impacts on energy, finance, and industry, aligning closely with the Group's climate transition plan and carbon reduction commitments;

- Stated Policies Scenario (STEPS): This scenario reflects the actual implementation results of currently implemented and announced policies, used to examine the potential exposure to transition risks under the Group's existing policy environment and business conditions.

The selection of the above scenarios ensures that the risk assessment results are highly consistent with the Group's business plans, strategic direction, climate transition plan, and publicly announced medium – and long-term carbon reduction targets, providing a scientific and robust analytical basis for the subsequent development of targeted climate adaptation and mitigation strategies.

	Low Emission Scenario	High Emission Scenario
Scenario Definition	Ambitious climate action limits global warming to 1.5°C or well below 2°C, achieving carbon neutrality (net-zero emissions) by 2050.	Global climate policy nearly stalled, economies are heavily reliant on fossil fuels, clean technology development lags far behind, greenhouse gas emissions remain high, and global warming is projected to exceed 3°C by the end of this century.
Scenario Description	The world has recognised the severity of climate change, and countries are intensifying their climate action efforts, immediately implementing stringent policies to reduce emissions in an effort to limit global warming to 1.5°C or well below 2°C by the end of this century. Technological advancements and increased awareness are driving a transition to low-carbon, low-energy consumption, while markets are shifting towards more climate-friendly production and consumption. Pressure from society and consumers on businesses' climate action is also increasing.	The international climate agreement has expired, leading to the resumption of coal, oil and gas extraction in various countries, and the repeal of carbon pricing and emission reduction policies. Technological innovation has deviated from the low-carbon path, while population and resource demands have surged. Frequent extreme weather events, sea-level rise, and ecological collapse pose significant physical risks to the Group's operations.

	Low Emission Scenario	High Emission Scenario
Selection Reason	Achieving net-zero greenhouse gas emissions by 2050 and limiting global warming to well below 1.5°C above pre-industrial levels by 2100. This scenario was chosen to assess the impact of ambitious climate actions aimed at achieving the Paris Agreement's 1.5°C or well below 2°C target, where we will focus more on transition risks.	Maintain stable greenhouse gas emissions levels by 2050, reduce emissions by 2100, and limit temperature rise to more than 3°C. As a worst-case stress test, this assesses the maximum impact of extreme physical risks on the supply chain, and operating locations should international cooperation collapse or transformation stall, ensuring the Group remains resilient under the most challenging conditions.
Main Reference	**IPCC SSP1-2.6:** Achieve global temperature targets of 1.5°C or well below 2°C through strong climate policies and technological innovation, primarily driven by clean energy. **IEA NZE:** Rapid decarbonisation of energy systems, relying on renewable energy, electrification, and technological breakthroughs, and requiring strong international policy support. Global carbon neutrality to be achieved by 2050.	**IPCC SSP3-7.0:** Climate policy is nearly stagnant. The economy is highly dependent on fossil fuels, greenhouse gas emissions remain high, and warming is expected to exceed 3°C by the end of this century. The risks of extreme weather events, sea-level rise, and ecosystem collapse are extremely high. **IEA STEPS:** New climate policies are introduced, with emissions levels maintained or slightly reduced by 2050, but far from the net-zero target. Global warming is trending towards 3°C or higher, exacerbating physical risks.

7.1.3 Risk and Opportunity Identification

Climate-related risks are categorised into two principal types: those associated with the transition to a low-carbon economy, and those stemming from the physical impacts of climate change, as outlined below:

Transition Risks	Physical Risks
• Regulatory • Technological • Market • Reputational	• Acute • Chronic

Transition risks arise from the implementation of stringent climate regulations and market shifts towards net-zero development, encompassing policy, technological, market, and reputational challenges. Physical risks include acute risks, which immediately impact the Group's operations from extreme weather events, and chronic risks, which exert long-term effects due to gradual climate changes.

Overall, no material climate-related risks (either transition or physical risks) were identified as having potentially significant impacts on the business. The Group considers climate scenario analysis, transition plan and opportunity-related information disclosed under immaterial risk conditions is non-material to stakeholders. Thus, we have focused on disclosing key scenario analysis outcomes. Identified climate-related risks are concentrated primarily in supply chain, operations and downstream distribution due to shifting customer demands for low-carbon products. For details please refer to the table show in "7.1.4 Resilience to Climate Change" section below.

7.1.4 Resilience to Climate Change

To enhance the Group's resilience to climate change, we focus our climate adaptation strategy on minimising the adverse impacts of climate-related risks and maximising climate-related opportunities.

The Group's management identifies and prioritises climate-related risks through questionnaire-based assessments under selected scenario analyses, evaluating their potential impacts across short (1–3 years), medium (3–5 years), and long-term (5–10 years) horizons. Regular climate scenario analysis helps assess major risks and their effects on operations, enabling us to design and implement targeted adaptation and mitigation measures that reduce potential impacts to the greatest extent possible. This process also allows timely adjustments to our strategies and business model. The table below summarises the climate scenario analysis findings with specific risk adaptation and mitigation measures. The discrepancies in survey results may stem from differing levels of climate awareness and professional judgment standards among management personnel. To address this issue, the Group will continue strengthening climate awareness for management and employees.

We ensure that existing financial resources remain flexible to address scenario-identified impacts, including deploying, repurposing, upgrading, or retiring existing assets as needed. In addition, we actively invest in climate mitigation and adaptation initiatives to strengthen resilience. These efforts not only safeguard current operations but also position the Group to capture opportunities in the transition to a low-carbon economy.

In addition, the Group has established a decarbonisation strategy targeting a 35% carbon reduction by 2050. We consider achieving energy efficiency in operations as the primary pathway to reducing carbon emissions. To advance and enhance energy efficiency, we collaborate with key stakeholders including suppliers and customers, ensuring that major processes across the value chain incorporate energy-efficient practices supported by innovative technologies.

Climate – related risk

Risk Type	Risk	Scenario	Time Horizons Short	 Medium	 Long	Potential Financial Impact	Measures already taken/planned
Transition Risks							
Market	Customer behaviour changes	1.5°C 3°C	Low Low	Low Low	Low Low	The availability of green products/services does not meet growing consumer preferences for low-climate-impact options (e.g. natural, sustainable products, avoiding fossil fuel), potentially leading to sudden energy price spikes, diminished brand value, and higher sourcing costs across value chain, thus reduced Group profitability.	• Promote sustainable practices in business operations, communicate climate action regularly with investors and customers to enhance ESG brand appeal and effectively reduce customer churn. • Partnership with high environmental awareness and sustainable transportation flee suppliers. • Diversity suppliers to build resilient supply chain. • Actively consider launching sustainable product lines.
Reputation	shifts in consumer preferences	1.5°C 3°C	Low Low	Low Low	Low Low	Company brands fail to align with low carbon economy, decreases demand for goods and reduces revenue.	• Promote sustainable practices in business operations. • Communicate climate action regularly with investors and customers to enhance ESG brand appeal and effectively reduce customer churn.
	Increased stakeholder concern or negative stakeholder feedback	1.5°C 3°C	Low Low	Low Low	Low Low	Company failing to align with the transition to a low-carbon economy could result in reduced revenue, as the Group may struggle to meet growing stakeholders interest in sustainability.	• Track and disclose climate performance, optimise reporting processes and outsource professional consultants to ensure accuracy. • Communicate regularly with stakeholders to avoid divestment.

Risk Type	Risk	Scenario	Time Horizons: Short	Time Horizons: Medium	Time Horizons: Long	Potential Financial Impact	Measures already taken/planned
Transition Risks							
Physical Risks							
Acute	Extreme weather events (e.g. typhoons, floods, heat wave)	1.5°C 3°C	Low Low	Low Low	Low Low	Interruptions to the supply chain/operations could lead to lost sales opportunities.	• Set up robust contingency plan, conduct regular evacuation drills, diversify supplier networks, and agile operational protocols. • Conduct scheduled and ad-hoc inspections and maintenance of warehouse facilities and servers to prevent and mitigate flood-related impacts. • Proactively contacts customers regarding any impacted deliveries, providing timely updates to maintain transparency and trust.
Chronic	Precipitation patterns and extreme variability in weather patterns	1.5°C 3°C	Low Low	Low Low	Low Low	Chronic changes in weather patterns pose risks to our physical assets and could hinder service delivery to customers during extreme weather events, thereby disrupting operations.	• Adaptive logistic planning, diversify suppliers. • Proactively contacts customers regarding any impacted deliveries, providing timely updates to maintain transparency and trust.
	Rise in mean temperatures	1.5°C 3°C	Low Low	Low Low	Low Low	Rising mean temperatures, heatwaves, and an increase in extreme hot days elevate the operational and energy costs while heightening the risk of supply chain disruptions.	• Integrate climate risks into financial planning, stress testing and scenario analysis. • Conduct vulnerability assessments of geographical locations. • Adaptive logistic planning, diversify suppliers.

Limitation

During the Reporting Year, the Group developed its climate disclosure framework by referencing the HKEx ESG Code and IFRS S2 requirements, while integrating industry best practices, and the latest scientific research. However, scenario analyses have inherent limitations and cannot fully encompass all potential climate risks and opportunities, with results influenced by data quality, assumption accuracy, and technical constraints. We will continue monitoring emerging risks, refining our analytical processes, and welcoming valuable stakeholder feedback to enhance the precision and reliability of future disclosures.

In conducting scenario analysis, we carefully consider various sources of uncertainty, including the complexity of climate systems, future climate policies, the effectiveness of planned adaptation measures, economic conditions, and potential regulatory changes. Recognising these uncertainties, we adopt a flexible and adaptive approach to strengthen our assessment and response capabilities to potential climate-related impacts.

Future improvements

The Group is in the early stages of climate-related disclosures, and this report does not yet provide quantitative assessments of the financial impacts from climate risks (such as typhoon disruptions or carbon tax burdens) and opportunities (such as solar industry expansion) across short-term, medium-term, and long-term horizons. Looking ahead, we will enhance our scenario analysis capabilities by progressively introducing quantitative models to evaluate the scale and probability of potential financial impacts. Additionally, we will assess the flexibility of our financial resources and develop targeted response strategies for key impacts identified through these analyses. On this foundation, we will formulate a comprehensive climate transition plan to bolster the Group's climate adaptation and resilience, ensuring sustainable business continuity.

7.1.5 Financial Impact

Our scenario analysis results have not yet been converted into sensitivity analyses for economic factors to assess the anticipated financial impact of climate change on our business operations. Given the ongoing evolution of these assessment models, we consider it premature to conduct anticipated financial impact analyses at this stage.

Current financial impact

During the Reporting Year, the Group's total energy consumption and Scope 1–3 GHG emissions increased by 52.1% and 302,150% respectively compared to the preceding year. However, as we have expanded the coverage of our Scope 3 GHG emission calculation this year, the significant increase does not fully reflect the Group's decarbonisation efforts. When compare our 2025 performance using the same calculation boundary as in previous years, total GHG emissions increased by 60%, primarily driven by business structure expansion, and the fulfilment of revenue growth, rather than direct climate-related events. This increase did not trigger asset impairments, additional capital expenditures, or revenue fluctuations.

The Group recorded no significant asset losses from extreme weather events, nor did it realise material gains in the Reporting Year from green technology or sustainable investment initiatives. We will continue closely monitoring the influence of climate factors on financial performance and commit to progressively introducing more granular quantitative disclosures in future reports. Any material financial impacts will be disclosed promptly in accordance with regulatory requirements.

Expected financial impact

The Group has conducted multi-scenario analyses and made preliminary attempts to map physical and transition risks to financial impacts. However, due to uncertainties in external scenario parameters (including policy pathways, technology cost curves, and variability in regional climate projections), limitations in internal data granularity, and the current maturity of modelling capabilities, we consider it premature to provide specific quantitative forecasts or range estimates of future financial impacts at this stage.

The Group will adopt a prudent and progressive approach, with ongoing improvements focused on:

- Enhancing benchmarking of models with international peers and professional institutions;

- Systematically introducing quantitative results once internal and external conditions mature and uncertainties in key assumptions are significantly reduced.

We are committed to upholding the highest standards of transparency and prudence. Once a reliable and verifiable quantitative foundation is established, we will disclose the relevant projected financial impacts in subsequent reports as appropriate. At this stage, our focus remains on qualitative analysis, treating climate-related uncertainties as a key consideration in strategic planning and risk management.

7.2 Metrics and Targets

The Group has established comprehensive climate metrics and targets for GHG emissions to effectively track the performance against climate-related risks and opportunities, while facilitating ongoing monitoring of progress in their management. This structured framework supports the Group's compliance with international climate objectives and its contribution to the broader transition toward a low-carbon economy.

7.2.1 Metrics

Carbon emission performance

The Group quantifies and reports absolute carbon emissions to evaluate the effectiveness of its decarbonisation strategies and pathways. Emissions are calculated in accordance with the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard (2004). This approach employs activity data, emission factors, and global warming potentials for precise results, chosen for its international recognition, alignment with HKEx requirements, and ability to ensure data comparability across years.

In line with enhanced ESG reporting requirements and the Group's environmental responsibility commitments, greenhouse gas accounting has been expanded to include Scope 3 emissions across the full value chain, alongside Scope 1 direct emissions and Scope 2 energy indirect emissions (calculated via the location-based method using grid-average emission factors tied to electricity consumption locations, per GHG Protocol Scope 2 Guidance). This comprehensive scope was achieved through substantial data collection efforts from upstream suppliers and downstream activities, coupled with extensive partner engagement.

The operational control approach defines the boundaries for carbon emissions reporting, fully aligned with this report's overall reporting scope. Our carbon emissions are detailed as follows:

	2025	2024
Scope 1 – Direct[9]		
Stationary combustion (tCo_2e)	**0**	2.94
Mobile combustion (tCo_2e)	**41.31**	20.97
Scope 2 – Energy indirect[10]		
Purchased electricity (tCo_2e)	**976.65**	634.59
Scope 3 – Other indirect[11]		
Category 1 – Purchased goods and services(tCo_2e)	**2,125.40**	N/A
Category 2 – Capital goods (tCo_2e)	**2,194.60**	N/A
Category 3 – Fuel and energy-related activities (tCo_2e)	**9.21**	N/A
Category 4 – Upstream transportation and distribution	**56,366.53**	N/A
Category 5 – Waste generated in operations (tCo_2e)	**77.96**	54.59
Category 6 – Business travel (tCo_2e)	**63.92**	9.80
Total GHG emissions[12]	**61,855.58**	722.89
GHG emissions intensity by revenue (tCO_2/USD)	**1.23×10^{-4}**	2.09×10^{-6}
GHG emissions intensity by workforce (tCO_2/headcount)	**99.93**	1.39

9 The direct GHG sources are emissions from vehicle gasoline and diesel consumption, and the calculation method is based on the Intergovernmental Panel on Climate Change (IPCC) National Greenhouse Gas Inventory Guide published in 2006.

10 The indirect GHG sources are emissions from electricity purchased. We referred to the Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong (2010 edition). Emission factors for Hong Kong-based operations referenced the emission intensity published by CLP Power Hong Kong Limited in 2024, emission factors for Japan-based operations referenced 電氣事業者別排出係數 (2025) published by Ministry of the Environment, Government of Japan and emissions factors for Korea-based operations referenced the Carbon Database Initiative in 2025.

11 The calculation for each category in Scope 3 are conducted according to the Greenhouse Gas Accounting System Enterprise Value Chain (Scope 3) accounting and reporting standards. Category 1 (Purchased goods and services) utilises spend-based methods, while Category 6 (Business travel) covers business air travel using the International Civil Aviation Organization's (ICAO) carbon emissions calculator. The data collection system is newly setup in 2025, thus category 1-4 data in 2024 are not available.

12 The Global Warming Potential (GWP) used in greenhouse gas calculations is based on the figures published in the Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report (AR6). No changes were made to the approach and assumptions from the prior year. Electricity emission factors have been updated to 2025 grid data due to new data availability.

The Group's business activities result in insignificant Scope 1 greenhouse gas (GHG) emissions due to their nature. The primary source of direct GHG emissions arises from gasoline and diesel consumption by external transportation fleets delivering goods from suppliers to our warehouses and ultimately to consumers.

During the Reporting Year, the Group emitted 61,855.58 tonnes of CO2 equivalent (tCO2e) of greenhouse gases. There is a tremendous increase compared to 2024 (722.89 tCO2e), mainly resulting from the extended Scope 3 calculation. The Group will continue to monitor energy use and carbon emissions, and will reduce the environmental impact of its business operations by improving energy efficiency and promoting energy-saving measures.

Assets that are vulnerable to climate-related transitions and physical risks

We have conducted climate vulnerable assessment at both group and reporting site level in the Reporting Year, there are no material vulnerable assets identified in terms of percentage or asset value.

Business activities involving climate-related opportunities

The Group regularly assesses the applicability of using revenue as a metric to classify its products into green and general categories for calculating green product revenue. For the Reporting Year, the assessment is not currently applicable.

Internal Carbon Pricing

The Group is actively exploring the application of an internal carbon pricing mechanism to support the financial assessment of climate-related risks and opportunities and to promote the transition to a low-carbon economy.

Remuneration

The Group is actively considering incorporating climate-related performance into its compensation policy to incentivise management and employees to drive sustainable development goals.

Industry-based metrics

During the Reporting Year, the Group reported on its climate performance in accordance with the HKEx climate-related disclosure requirements, without reference to the IFRS S2 Industry-based Guidance or other industry benchmarks.

7.2.2 Targets

We collaboratively set targets with our Working Group and external consultants, demonstrating our commitment to environmental protection and mitigating climate change. We carefully reviewed and assessed the proposed targets, making necessary amendments to align them with our specific needs and objectives. Before finalising the targets, we sought review and input from our top executives – the Chief Financial Officer and Chief Executive Officer. The approved targets were then presented to the Board for their final approval, ensuring that the targets were endorsed by our top decision-making body and provided a clear mandate for their implementation.

In 2021, our Working Group established a set of measurable environmental targets, primarily focusing on reducing paper consumption within our operations. Building on this foundation, a new and comprehensive carbon reduction target was introduced during the Reporting Year to further enhance the Group's sustainability strategy across all operational sites.

GHG Emission Target

The Group is committed to achieving the Paris Agreement goal to limit global warming to well below 1.5°C. We have established gross carbon reduction targets to be achieved by fiscal year 2050 or earlier, with fiscal year 2025 designated as the baseline year and the scope aligned with the emissions disclosed in this report.

Over the short- to long-term horizons, we plan to reduce Scope 1–3 emissions intensity by 15% by 2030 (short-term target year), 20% by 2035 (medium-target year) and 35% by 2050 (long-term target year), measured against the 2025 baseline year.

The target was set internally benchmarking against e-commence peers and the 1.5°C pathway. The Board and the ESG Working Group will review the target annually, incorporating updated emission factors and business growth scenarios. Progress will be monitored via internal KPIs, and we are actively exploring the feasibility of third-party verification in the future. Corresponding management strategies have been formulated to progress toward these targets, reflecting a structured and disciplined approach to emissions management across relevant operational boundaries. This commitment demonstrates the Group's determination to transition toward a low-carbon economy through the phased reduction of greenhouse gas emissions, in support of global efforts to limit the rise in average temperature to below 1.5°C. As 2025 is the established baseline year, no performance progress is reported in this report, and will be disclosed in future reports.

	Units	**5 years target (by 2030)**	**10 years target (by 2035)**	**25 years target (by 2050)**	**2025 progress**
GHG emission intensity by revenue	tCO_2/USD	Reduce 15%	Reduce 20%	Reduce 35%	2025 is the baseline year*

* *Baseline year (year 2025): 1.23×10^{-4} tCO_2/USD*

Paper Usage Target

The papermaking process at an industrial level is known for its high water consumption. Additionally, the significant consumption of paper contributes to deforestation and results in a substantial portion of landfill waste when used paper is not recycled. In 2021, the Group initiated systematic data collection on paper usage, which led to the recognition of the need to establish targets for paper recycling and waste reduction. These targets were subsequently set against 2021 as the baseline year and to be achieved by 2025 (i.e. the Reporting Year), and applied to the entire Group, encompassing all our business operations and sites, underscoring a proactive commitment to resource efficiency and environmental performance.

	Units	**5 years target (by 2025)**	**2025 progress**
Total paper usage intensity by revenue	ton/USD	Reduce 10%*	Achieved; Reduced 71.40%
Total paper usage intensity by workforce	ton/headcount	Reduce 10%#	Achieved; Reduced 14.49%

Remarks:

* *Baseline year (year 2021): 1.15×10^{-7} ton/headcount*

\# *Baseline year (year 2021): 0.03 ton/USD*

We are pleased to report that we have successfully achieved our paper usage reduction target. The table below outlines our progress in 2025. Compared with the 2021 baseline, the entire group's total paper usage has decreased by approximately 12%. The paper consumption intensity by revenue and workforce has been reduced by more than 71% and 14%, respectively. Such a significant reduction in paper consumption thanks to our two Autonomous Mobile Robotics warehouse, reducing the need to printing documentation during the fulfilment process and transformed into electronic data processing. This achievement reflects our commitment to responsible resource management and sustainability.

	2025	2024	2021 baseline
Total paper usage (ton)	**16.41**	11.37	18.57
Hong Kong offices and warehouses	**16.14**	11.21	17.90
Japan office	**0.19**	0.08	0.21
South Korea office	**0.08**	0.08	0.46
Total paper usage intensity by revenue (ton/USD)	**3.28×10^{-8}**	3.29×10^{-8}	1.15×10^{-7}
Total paper usage intensity by workforce (ton/headcount)	**0.027**	0.022	0.03

8 FEEDBACK

If you have any suggestions or comments on the content of this Report, please email ir@yesasiaholdings.com to enable us to further improvement on our overall performance and maintain the quality of the Report up to date with the times.

THE STOCK EXCHANGE OF HONG KONG LIMITED: ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING CODE CONTENT INDEX TABLE

Description		Chapter
Part C: 'Comply or Explain' Provisions		
A. Environmental		
Aspect A1: Emissions		
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.	• Solid Waste Treatment • Discharges into water and land
KPI A1.1	The types of emissions and respective emissions data.	• Solid Waste Treatment • Discharges into water and land
KPI A1.2	Deleted on 1 January 2025	
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	The business operations do not produce hazardous waste.
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	• Solid Waste Treatment
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	• Environmental
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.	• Solid Waste Treatment
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	• Save Water • Energy Management • Digital Innovation
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in'000s) and intensity (e.g. per unit of production volume, per facility).	• Energy Management
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	• Save Water
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	• Energy Management

	Description	Chapter
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.	• Save Water
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	• Responsible Production
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	• Responsible Production
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	• Responsible Production
B. Social		
Employment and Labour Practices		
Aspect B1: Employment		
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.	• Employment & Benefits • Corporate Governance
KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	• Employment & Benefits
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	• Employment & Benefits
Aspect B2: Health and Safety		
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.	• Safety First • Infectious Disease Response
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	• Safety First
KPI B2.2	Lost days due to work injury.	• Safety First

	Description	Chapter
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	• Safety First • Infectious Disease Response
Aspect B3: Developing and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	• Comprehensive Training
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	• Comprehensive Training
KPI B3.2	The average training hours completed per employee by gender and employee category.	• Comprehensive Training
Aspect B4: Labour Standards		
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.	• Employment and Benefit • Fair Recruitment
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	• Fair Recruitment
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	• Fair Recruitment
Operating Practices		
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	• Procurement and Supply Chain Management
KPI B5.1	Number of suppliers by geographical region.	• Procurement and Supply Chain Management
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.	• Procurement and Supply Chain Management
KPI 5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	• Procurement and Supply Chain Management
KPI 5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	• Procurement and Supply Chain Management

	Description	Chapter
Aspect B6: Product Responsibility		
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.	• Customer Service • Quality First • Cybersecurity and Personal Data Protection • Protection of Intellectual Property Rights
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	• Quality First
KPI B6.2	Number of products and service-related complaints received and how they are dealt with.	• Customer Service
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	• Protection of Intellectual Property Rights
KPI B6.4	Description of quality assurance process and recall procedures.	• Quality First
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	• Cybersecurity and Personal Data Protection

	Description	Chapter
Part D: Climate-related disclosures		
(I) Governance		
19	The issuer must disclose information regarding the following:	3.2 Governance Structure 3.4 Challenges and Opportunities 3.5 Climate-related Capacity Building.
	(a) Information on the governance body (which may include the board, committee, or other equivalent governance body) or individual responsible for overseeing climate-related risks and opportunities. Specifically, issuers must identify the relevant body or individual and disclose the following information: (i) How the body or individual determines whether they have the appropriate skills and competencies to oversee strategies related to climate-related risks and opportunities. (ii) How and how often the body or individual is informed about climate-related risks and opportunities. (iii) How the institution or individual considers climate-related risks and opportunities into account in overseeing the issuer's strategies, significant transaction decisions, and risk management processes, including whether the body or individual considers trade-offs associated with climate-related risks and opportunities. (iv) How the body or individual oversees the setting of targets related to climate-related risks and opportunities and monitors progress toward those targets (see paragraphs 37–40), including whether and how relevant performance indicators are incorporated into compensation policies (see paragraph 35).	
	(b) The role of management in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities, including: (i) Whether this role is entrusted to specific management personnel or a management-level committee and how that individual or committee is supervised; and (ii) Whether and how management uses controls and procedures to assist in overseeing climate-related risks and opportunities, and how these are integrated with other internal functions.	

	Description	Chapter
(II) Strategy		
Climate-related risks and opportunities		
20	Issuers must disclose information to make it clear what climate-related risks and opportunities they reasonably anticipate could affect their cash flows, access to financing, or cost of capital in the short, medium, or long term. Specifically, issuers must:	7.1 Climate Strategy
	(a) Describe the climate-related risks and opportunities that are reasonably expected to impact the issuer's cash flows, financing channels, or capital costs in the short, medium, or long term.	
	(b) Explain whether the identified climate-related risks are physical risks or transition risks.	
	(c) Provide specifics on the reasonable expectations regarding the time horizon (short, medium, or long term) for each identified climate-related risk and opportunity.	
	(d) Explain how the issuer defines short-term, medium-term, and long-term, and how these definitions are linked to the scope of its strategic decisions.	
Business model and value chain		
21	Issuers must disclose information that helps understand the current and expected impacts of climate-related risks and opportunities on their business model and value chain. Specifically, issuers must disclose	7.1 Climate Strategy
	(a) Describe the current and expected impacts of climate-related risks and opportunities on the issuer's business model and value chain; and	
	(b) Describe where climate-related risks and opportunities are concentrated in the issuer's business model and value chain (e.g., geographic regions, facilities and asset types).	

	Description	Chapter
Strategy and Decision making		
22	Issuers must disclose information that enables them to understand the impact of climate-related risks and opportunities on their strategies and decisions. Specifically, issuers must disclose:	7.1 Climate Strategy Since there are no material climate risks or quantifiable financial impact identified, the Group consider transition plan related information for immaterial risks to be non-material to stakeholders.
	(a) Information regarding how the issuer plans to address climate-related risks and opportunities in their strategies and decision-making, including how the issuer plans to achieve any climate-related targets set and any legally or regulatory mandated targets. Specifically, issuers must disclose the following information: (i) Changes to the issuer's business model (including resource allocation) in response to climate-related risks and opportunities, both now and in the future. (ii) Any adaptation or mitigation work that has been or is expected to be carried out (directly or indirectly). (iii) Any climate-related transition plans of the issuer (including information on the key assumptions used in developing the transition plans and the factors on which the plans are based), or, if the issuer does not have such plans, an appropriate negative statement. (iv) How the issuer plans to achieve any climate-related targets described in paragraphs 37 to 40 (including any greenhouse gas emission targets, if any).	
	(b) Information on how the issuer plans to provide resources for actions disclosed under paragraph 22(a).	
23	The issuer must disclose the progress of the plans disclosed in paragraph 22(a) for each previous reporting period.	

<table>
<tr><th></th><th>Description</th><th>Chapter</th></tr>
<tr><td colspan="3">Financial Condition, Financial Performance, and Cash Flow</td></tr>
<tr><td colspan="3">Current Financial Impact</td></tr>
<tr><td>24</td><td>The issuer must disclose the following qualitative and quantitative information:</td><td rowspan="3">There were no significant expenses incurred due to extreme weather, nor were there any substantial fines for violating climate-related laws and regulations. In terms of financing, the Group has not issued green bonds to raise funds for climate project investments.</td></tr>
<tr><td rowspan="2"></td><td>(a) How climate-related risks and opportunities affected the issuer’s financial position, financial performance and cash flows during the reporting period.</td></tr>
<tr><td>(b) Information regarding the climate-related risks and opportunities identified in paragraph 24(a) when there is a significant risk that would lead to a material adjustment of the carrying amounts of assets and liabilities in the relevant financial statements for the next reporting year.</td></tr>
<tr><td colspan="3">Expected Financial Impact</td></tr>
<tr><td>25</td><td>The issuer must disclose the following qualitative and quantitative information:</td><td rowspan="2">Given the ongoing evolution of assessment models, we consider it premature to conduct anticipated financial impact analyses at this stage.</td></tr>
<tr><td></td><td>(a) After considering their strategies for managing climate-related risks and opportunities, and considering the following, how the issuer expects its financial condition to change in the short, medium, and long term:
(i) its investment and disposal plans; and
(ii) its planned sources of funding for implementing the strategy; and</td></tr>
</table>

	Description	Chapter
Climate Resilience		
26	After considering the climate-related risks and opportunities identified by the issuer, the issuer must disclose information to enable others to understand the resilience of its strategies and business model to climate-related changes, developments, or uncertainties. The issuer must use climate-related scenario analysis to assess its climate resilience in a manner appropriate to its circumstances. When providing quantitative information, the issuer may disclose a single amount or a range. Specifically, the issuer must disclose:	
	(a) The issuer's assessment of its climate resilience as of the reporting date, which aids to understand: (i) The impact of the analysis results on the issuer's strategy and business model, including how the issuer will respond to the impacts identified in climate-related scenario analyses. (ii) The scope of significant uncertainties considered in the issuer's assessment of climate resilience; and (iii) The issuer's ability to adjust its short, medium, and long-term strategies and business model based on climate developments.	7.1 Climate Strategy
	(b) How and when climate-related scenario analysis is to be conducted, including: (i) The input data used includes: (1) Climate-related scenarios and their sources used in the analysis by the issuer. (2) Whether the analysis covers multiple different climate-related scenarios. (3) Whether the climate-related scenarios used in the analysis relate to climate-related transition risks or climate-related physical risks. (4) Whether the issuer has used scenarios that align with the latest international agreements on climate change in its analysis. (5) Why the issuer considers the selected climate-related scenarios as relevant to assessing resilience against climate-related changes, developments, or uncertainties. (6) The time frame used in the analysis by the issuer; and (7) The scope of operations covered in the analysis (e.g., the locations and business units involved in the analysis). (ii) Key assumptions made by the issuer in the analysis (iii) The reporting period for conducting climate-related scenario analysis.	7.1 Climate Strategy

	Description	Chapter
(III) Risk Management		
27.	Issuer must disclose the following information:	3.3 Risk Management
	(a) The processes and related policies used by the issuer to identify and assess climate-related risks, prioritize them, and maintain monitoring, including information regarding: (i) The data and parameters used by the issuer (e.g., sources of data and the scope of operations covered by the processes). (ii) How the issuer can and does use climate-related scenario analysis to identify climate-related risks. (iii) How the issuer assesses the nature, likelihood, and extent of the impacts associated with such risks (e.g., whether the issuer considers qualitative factors, quantitative thresholds, or other standards used). (iv) How the issuer monitors its climate-related risks. (v) How the issuer can and does change its processes compared to the previous reporting period.	
	(b) The processes used by the issuer to identify, assess climate-related opportunities, and prioritize and maintain monitoring, including information on how the issuer can and does use climate-related scenario analysis to determine climate-related opportunities.	
	(c) How the process of identifying, assessing, prioritizing, and monitoring climate-related risks and opportunities is integrated into the issuer's overall risk management process, and to what extent.	
(IV) Metrics and Targets		
Greenhouse Gas Emissions		
28	Issuers must disclose the absolute total greenhouse gas emissions during the reporting period (in tons of CO_2 equivalent), categorised as:	7.2 Metrics and Targets
	(a) Scope 1 greenhouse gas emissions (b) Scope 2 greenhouse gas emissions (c) Scope 3 greenhouse gas emissions	

	Description	Chapter
29.	Issuer must:	
	(a) Unless required otherwise by regulatory authorities or another exchange where the issuer is listed, issuers must quantify their greenhouse gas emissions in accordance with the "Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004)."	
	(b) Disclose the methods used for measuring greenhouse gas emissions, including: (i) The measurement methods, input data, and assumptions used by the issuer to quantify its greenhouse gas emissions. (ii) Why the issuer chose this measurement method, the input data, and the assumptions made for measuring greenhouse gas emissions. (iii) Any changes made to the measurement methods, input data, and assumptions during the reporting period, including reasons for the changes.	
	(c) For Scope 2 greenhouse gas emissions disclosed under paragraph 28(b), disclose the issuer's Scope 2 greenhouse gas emissions on a geographical basis, along with any necessary contractual documents to understand that emissions.	
	(d) For Scope 3 greenhouse gas emissions disclosed under paragraph 28(c), disclose the categories included in the quantification of Scope 3 greenhouse gas emissions according to the "Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011)."	
Climate-related Transition Risks		
30	Issuers must disclose the amount and percentage of assets or business activities that are vulnerable to climate-related transition risks.	No material vulnerable assets were identified in terms of percentage or asset value.
Climate-related Physical Risks		
31	Issuers must disclose the amount and percentage of assets or business activities that are susceptible to climate-related physical risks.	No material vulnerable assets were identified in terms of percentage or asset value.

	Description	Chapter
Climate-related Opportunities		
32	Issuers must disclose the amount and percentage of assets or business activities related to climate-related opportunities.	The use of revenue as a metric to classify our products into green and general categories for calculating green product revenue is currently not applicable. We will regularly assess the applicability.
Capital Expenditure		
33	Issuers must disclose the capital expenditures, financing, or investment amounts related to climate-related risks and opportunities.	The expenditure related to climate-related risks were disclosed in 7.2 Metrics and Targets. Yet, no financing amounts were imported by the Group.
Internal Carbon Pricing		
34	Issuer must disclose the following:	We have not yet incorporated internal carbon pricing into our decision-making process. We will explore the use of internal carbon pricing in the future.
	(a) Explanation of how the issuer may apply carbon pricing in decision-making (e.g., investment decisions, transfer pricing, and scenario analysis). (b) The pricing of greenhouse gas emissions for evaluating its cost per ton of greenhouse gas emissions.	
Compensation		
35	Issuers must disclose how climate-related considerations may be incorporated into compensation policies or provide an appropriate disclaimer. This may form part of the disclosures required under paragraph 19(a)(iv).	We will explore the feasibility of incorporating climate-related indicators into the compensation considerations for senior management.

	Description	Chapter
Industry Indicators		
36	The exchange encourages issuers to disclose industry indicators related to one or more specific business models and activities or to indicators that are commonly related to relevant industry characteristics. In deciding which industry indicators to disclose, the exchange encourages issuers to refer to the "Industry Disclosure Guide" of the "International Financial Reporting Standards Sustainability Disclosure Standards (S2)" and other industry disclosure requirements in international environmental, social, and governance reporting frameworks, considering their applicability.	We have not yet incorporated IFRS S2 Industry-based Guidance and other industry disclosure requirement. We will explore the use of industry indicators in the future.
Climate-related Targets		
37	Issuers must disclose (a) the qualitative and quantitative targets set to monitor progress toward achieving their strategic targets related to climate; and (b) any targets mandated by law or regulation, including greenhouse gas emissions targets. Issuers must disclose the following information for each target:	We have established a 25-year greenhouse gas emissions target and a 5-year paper usage target. As we move forward, we will consider having a third party verify our targets. We have achieved our paper usage target in the Reporting Year, we will consider setting new targets for the future.
	(a) Indicators used to set goals.	
	(b) The purpose of the target (e.g., mitigation, adaptation, or science-based initiatives).	
	(c) Scope of the target (e.g., whether the target applies to the entire group of issuers or only to specific business units or geographic areas).	
	(d) The applicable period of the target.	
	(e) The baseline period for measuring progress.	
	(f) Any interim or mid-term targets (if any).	
	(g) If it is a quantitative target, whether it is an absolute target or an intensity target.	
	(h) How the latest international climate change agreements (including any legal commitments arising from those agreements) assist the issuer in setting targets.	
38	Issuers must disclose the methods for setting and reviewing each target, and how they monitor progress toward achieving targets, including:	
	(a) Whether the objective itself and the method of setting the objective have been verified by a third party.	
	(b) The issuer's processes for reviewing targets.	
	(c) Indicators used to monitor progress toward achieving targets.	
	(d) Any amendments to the targets and the reasons.	

	Description	Chapter
39	The issuer must disclose information on the performance of each climate-related objective and an analysis of trends or changes in the issuer's performance.	
40	For each greenhouse gas emission target disclosed in paragraphs 37 to 39, the issuer must disclose:	7.2 Metrics and Targets We will explore the feasibility of purchasing carbon credits to offset greenhouse gas emissions generated during operations.
	(a) Which greenhouse gases are covered by the target.	
	(b) Whether the target covers Scope 1, Scope 2, or Scope 3 greenhouse gas emissions.	
	(c) Whether this target is a total greenhouse gas emissions target or a net greenhouse gas emissions target; if it is a net target, the issuer must also disclose the relevant total greenhouse gas emissions targets.	
	(d) Whether the target was developed using industry decarbonization approaches.	
	(e) How the issuer plans to use carbon credits to offset greenhouse gas emissions to achieve any net greenhouse gas emissions target. Regarding the use of carbon credits, issuers must disclose: (i) The extent and manner to which carbon credits are relied upon to achieve any net greenhouse gas emissions targets; (ii) Which third-party programs will verify or certify the carbon credits; (iii) The type of carbon credits, including whether the associated offsets are based on natural or technological carbon removal, and whether the associated offsets are achieved through emission reductions or carbon removal; and (iv) Any other important factors necessary to make people understand the credibility and integrity of the carbon credits that the issuer plans to use (e.g., assumptions about the carbon offsetting effect).	
Applicability of Cross-industry Indicators and Industry Indicators		
41	In preparing disclosure content to comply with the provisions set out in paragraphs 21 to 26 and 37 to 38, issuers must reference (i) cross-industry indicators (see paragraphs 28 to 35) and (ii) industry indicators (see paragraph 36), considering their applicability.	We have not yet incorporated cross-industry indicators or industry disclosure requirement. We will explore the applicability in the future.