



HUAJIN INTERNATIONAL HOLDINGS LIMITED

華 津 國 際 控 股 有 限 公 司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2738)

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

2025

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ABOUT THIS REPORT

This Environmental, Social and Governance Report (the “Report”) sets out the organisational performance in fulfilling the environmental and social responsibilities of Huajin International Holdings Limited (the “Company”) and its subsidiaries (the “Group” or “we”), and is published on the website of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) (www.hkexnews.hk) and the Company’s website (www.huajin-hk.com).

REPORTING SCOPE

The Report presents the Environmental, Social, and Governance performance of the Group and the information related to climate performance, risks, opportunities and policies for the financial year from 1 January 2025 to 31 December 2025 (the “Year”). The Report covers the Group’s 7 operating venues/locations as follows,

- Jiangmen Huajin Metal Product Co., Ltd. (“Jiangmen Huajin”)
- Jiangmen Huamu Metal Products Co., Ltd. (“Jiangmen Huamu”)
- Guangdong Huajin Industrial Co., Ltd.
- Jiangmen Huajin Metal Trading Market Co., Ltd.
- Jiangmen Jinrun Environmental Protection Technology Co., Ltd.
- Jiangmen Jinhong Logistics Co., Ltd.
- Jiangmen Jinlian Environmental Protection Technology Co., Ltd.

Unless otherwise indicated, all figures are stated in absolute terms unless otherwise specified. Contractor personnel are not included in the Group’s employee statistics. Looking ahead, the Group will continue to review the scope of our report in a regular manner and progressively expand disclosure scope based on materiality to provide stakeholders with more comprehensive information.

REPORTING STANDARDS

The Report is prepared in accordance with the Environmental, Social and Governance (“ESG”) Reporting Code (the “Environmental, Social and Governance Reporting Code”) as set out in Appendix C2 to the Listing Rules of the Stock Exchange, and has been prepared in accordance with the four reporting principles of materiality, quantification, balance and consistency as a basis for the preparation of the Report. A complete index is appended to the last chapter of the Report for cross reference to the ESG Reporting Guide.

REPORTING PRINCIPLES

The Report follows the ESG Reporting Guide and applies the following principles:

Materiality: In order to identify and assess the material concerns of our stakeholders, the Group identifies the material environmental and social issues through interviews with management, questionnaire surveys targeted at internal and external stakeholders, as well as evaluating the impact of various environmental, social and governance issues on the operations of the Group. For further details, please refer to the section headed “Materiality Assessment”.

Quantitative: Quantitative information is recorded and estimated by the relevant departments of the Group and, where practicable, annual comparisons of performance will be made between appropriate quantitative information and, where appropriate, information on standards, methodologies, assumptions and/or calculations will be set out in the Report.

Balance: The information and cases in the Report are mainly derived from the statistical reports, relevant documents and internal communication documents of the Group in the current year . The Group undertakes that the Report does not contain any false statements or misleading representations, and provides fair disclosure of critical aspects of our performance, in terms of the progress made and continuing challenges that we are dealing with.

Consistency: We report in accordance with the Stock Exchange’s ESG Reporting Guide. In the future, any changes that may affect comparability with previous reports, the Group will add a note to the corresponding section of the Report.

FEEDBACK

The Group welcomes all stakeholders to provide feedback on our ESG approach and performance, please share your opinions with us through the following channels.

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ABOUT HUAJIN



Corporate culture

Corporate spirit	Unity & loyalty, pursuing excellence, pragmatic innovation, and being enterprising.
Business philosophy	Working hard, giving back to society, and growing bigger and stronger.
Corporate objective	Create a first-class brand.

Since its establishment in 2005, Huajin Group has developed steadily over 20 years and has grown into a leading steel processing and manufacturing enterprise in Guangdong Province. It was successfully listed on the Main Board of the Hong Kong Stock Exchange in 2016. Adhering to the core values of “unity & loyalty, pursuing excellence, pragmatic innovation, and being enterprising (團結忠誠、精益求精、務實創新、開拓進取)”, the Group is committed to promoting the high-quality development of the metal industry. Currently, Huajin Group has two major production bases in Jiangmen City, namely Jiangmen Huajin Metal Product Co., Ltd. and Jiangmen Huamu Metal Products Co., Ltd.. The total land area exceeds 620,000 square meters, with the plant floor area exceeding 260,000 square meters. Equipped with a 30,000-ton general terminal and supporting industrial park, it has formed a comprehensive operational model integrating research and development, production, processing, and distribution.

The Company's main business focuses on high-value-added products such as cold-rolled carbon steel coils, galvanized coils, and bright steel pipes. With an existing annual production capacity of over 2 million tons, relying on advanced technology and high production efficiency, it has become a leading high-tech enterprise in the field of cold-rolled carbon steel and galvanized coils in Guangdong Province. The Huajin Metal Industrial Park project located in Xinhui District, Jiangmen City further consolidates the Group's market position. This project makes full use of the advantages of water and land combined transportation to create a modern metal industrial park integrating functions such as spot trade, processing and manufacturing, warehousing and logistics, and supply chain finance. Through the advantages of water and land combined transportation in the port-related economy, the Group has significantly reduced logistics costs. For example, transporting cargoes via 10,000-ton seagoing vessels can save approximately 50% of marine transportation costs compared to traditional inland river cargo ships, which has significantly enhanced the market competitiveness of steel products. In particular, in the steel industry, freight costs are of crucial Materiality to costs and competitiveness due to the large volume of cargoes. With profound industry experience and strategic layout, Huajin Group is actively meeting the steel demand of the Guangdong-Hong Kong-Macao Greater Bay Area and is committed to becoming a model for the development of large-scale domestic metal industries.

As a responsible enterprise, Huajin always adheres to the business philosophy of "pursuing excellence, pragmatic innovation, and being enterprising (精益求精、務實創新、開拓進取)". It is committed to integrating the principles of Environment, Social and Governance (ESG) into its business operations. Through technological innovation and efficient operation, we actively address environmental challenges, reduce resource consumption and emissions. We also pay attention to the well-being of our employees and the development of the community. While creating economic value, we strive to make positive contributions to the sustainable development of society and the environment.

Board's Statement on Climate and Environmental, Social, and Governance (ESG)

The Board of Directors of the Company ("Board") believes that systematically integrating ESG and climate-related considerations into the Group's strategy, operations, and risk management will enhance corporate resilience, enable the capture of transformation opportunities, and create long-term value for shareholders and other stakeholders. The board of directors is responsible for the final supervision and decision-making regarding the ESG and climate-related matters of the group, including approving the climate strategy, major risk management, and target progress, ensuring that this report is prepared in accordance with Appendix C2 of the Hong Kong Stock Exchange Limited Securities Listing Rules, the Environmental, Social and

Governance Reporting Code, and relevant disclosure requirements, with content that is material, quantifiable, balanced and consistent.

Board of Directors Supervision and Governance Structure

As the highest decision-making body for ESG and climate governance within the Group, the Board is responsible for reviewing and approving ESG and climate-related strategies, major policies, and management guidelines; overseeing the identification, assessment and management of material risks and opportunities—including the identification, assessment, and management of climate-related risks and transformation opportunities; approving resource allocations related to sustainability; and regularly reviewing ESG and climate performance as well as progress toward targets. To ensure effective implementation, the Group has established an ESG Reporting Task Force ("Task Force") to coordinate daily operations, cross-departmental collaboration, data collection and analysis, and reporting to the Board. Management teams across business units are tasked with developing and executing specific action plans, implementing control measures, and conducting self-assessments within their respective functional scopes. The Board monitors the performance of the Task Force and management teams through regular reporting mechanisms, while providing guidance and making decisions on critical issues.

Materiality Assessment and Stakeholder Communication

The Board of Directors prioritizes stakeholder expectations and the impact of key ESG issues on the Group. This year, the Group engaged third-party consultants to conduct Materiality Assessments through management interviews and stakeholder surveys involving directors, investors, employees, customers, and suppliers. These efforts identified and prioritized ESG issues critical to the Group's operations and stakeholders, including environmental management, employment and labor practices, operational protocols, community investments, and climate change-related matters. The Board participated in the evaluation process as a stakeholder, reviewing and validating assessment methodologies and results. It also oversees the development of relevant policies, management measures, and disclosure frameworks for key issues, maintaining transparency through annual reports, ESG disclosures, corporate websites, meetings, and regular communication channels. Continuous feedback collection is employed to refine strategies and enhance performance outcomes.

Risk management and internal monitoring including climate-related risks

The Board oversees the Group's risk management and internal control systems, ensuring that ESG and climate-related risks are integrated into the corporate risk management framework for identification, assessment, monitoring, and reporting. The Group's climate risk management covers both physical risks (such as the impact of extreme weather, heavy rainfall, and high temperatures on production, logistics, asset safety, and employee welfare) and Transition Risks (including policy and regulatory changes, energy price volatility, low-carbon technology adoption, evolving customer demands, and shifting market preferences), extending to supply chain management, product quality, compliance, and reputation. Management teams and task forces monitor key risk indicators in daily operations and develop mitigation strategies, such as enhancing equipment efficiency, optimizing processes, strengthening pollution control and wastewater treatment systems, promoting green practices and resource recycling, and improving emergency management and safety training programs. They regularly report risk status and improvement progress to the Board. The Board also reviews major risk exposures and capital investments—including energy-saving upgrades, environmental protection facilities, and resource recovery initiatives—to strengthen operational resilience and compliance standards.

Including climate-related strategies, targets, and performance monitoring





The Board annually reviews the Group's ESG and climate-related objectives, key performance indicators, and progress across areas including emissions management, energy and water resource utilization, waste management, employee health and safety, supply chain management, anti-corruption initiatives, and community engagement. Management is required to submit improvement plans and timelines for areas where performance deviates from targets. Regarding climate-related matters, the Board ensures the Group adopts a balanced approach combining mitigation and adaptation strategies: On one hand, reducing greenhouse gas emissions at source through clean energy adoption, energy-saving technology upgrades, equipment modernization, and operational efficiency improvements; on the other hand, enhancing resilience against extreme weather and physical risks by strengthening facility resilience, improving emergency and safety management systems, and optimizing supply chain logistics. The report includes a dedicated "Climate Change" section disclosing the Group's climate strategy, risk management framework, and climate-related metrics and targets. The Board will continuously assess disclosure frameworks and data maturity levels to progressively improve the completeness and comparability of climate-related information.

Resource Allocation and Capacity Building

When approving annual budgets and major investments, the Board of Directors considers ESG and climate-related resource requirements to support initiatives such as energy conservation, emission reduction, pollution control, wastewater treatment, and resource recycling. It also drives data management capabilities enhancement in operational processes through digital systems to improve resource efficiency and monitoring capabilities, while strengthening compliance and sustainability awareness via employee training and awareness campaigns. The Board encourages management to collaborate with suppliers, customers, and partners on sustainable materials, green procurement, and low-carbon logistics to enhance supply chain sustainability and resilience.

Reporting, Accountability, and Continuous Improvement

The Board of Directors is responsible for reviewing and approving this report, as well as overseeing governance procedures for ESG and climate-related disclosures. Management and working groups have established internal processes for data collection, estimation methodologies, assumptions, and calculation parameters across operational locations to enhance data accuracy, traceability, and consistency. Should any significant changes that may affect comparability with previous reports occur, the Group will provide corresponding disclosures. Looking ahead, the Board will continue to elevate ESG and climate governance standards by refining methods for identifying and assessing climate risks and opportunities, strengthening target management and execution monitoring, and progressively expanding disclosure scope and indicator coverage where feasible to meet regulatory requirements and stakeholder expectations.

Our ESG Strategies	Corresponding SDGs	
<p>Responsible Operation</p> <p>Legal compliance — Ensure the Group’s corporate governance structure complies with applicable laws and regulations</p> <p>Code of ethics — Uphold the ethical standards of business integrity and foster a culture of compliance throughout the Company</p> <p>Product quality — Ensure that our products are in good quality and compliant with the highest safety standards</p> <p>Contribution to the society — Cooperate with local charities to support the underprivileged members and the needy</p>	 <p>Responsible Consumption and Production</p>  <p>Partnerships for the Goals</p>	 <p>Peace, Justice and Strong Institutions</p>  <p>No Poverty</p>
<p>Green Production</p> <p>Environmental management — Monitor various environmental parameters and review production plans regularly to minimize related environmental impacts</p> <p>Green production practice — Minimize the environmental impacts of the Group’s operations</p> <p>High-performance production chain — Improve our resource efficiency and productivity</p>	 <p>Partnerships for the Goals</p>	 <p>Responsible Consumption and Production</p>
<p>Employee Care</p> <p>Cultivating talents — Foster a continuous learning environment and encourage employees to develop and advance their careers in the enterprise</p> <p>Diverse and inclusive — Respect the labor and human rights of all our employees, and maintain a high ethical standard, with clearly defined human resources management policies, and promote an inclusive culture throughout the Company</p> <p>Working safely — provide a pleasant, supportive and healthy workplace for our employees, and foster a caring working environment</p>	 <p>Gender Equality</p>	 <p>Decent Work and Economic Growth</p>
	 <p>Reduced Inequality</p>	 <p>Good Health and Well-being</p>

STAKEHOLDER ENGAGEMENT AND MATERIALITY ASSESSMENT

Stakeholder Engagement

In order to strengthen the Group's business development and corporate social responsibility, we actively listen to the opinions of all stakeholders and continuously obtain an understanding of and respond to the concerns of different stakeholders, so as to build a relationship based on mutual trust and mutual benefit with our stakeholders to promote sustainable development. Below are the principal communication channels we used to communicate with our stakeholders. The communication modes between the Group and stakeholders are as follows:

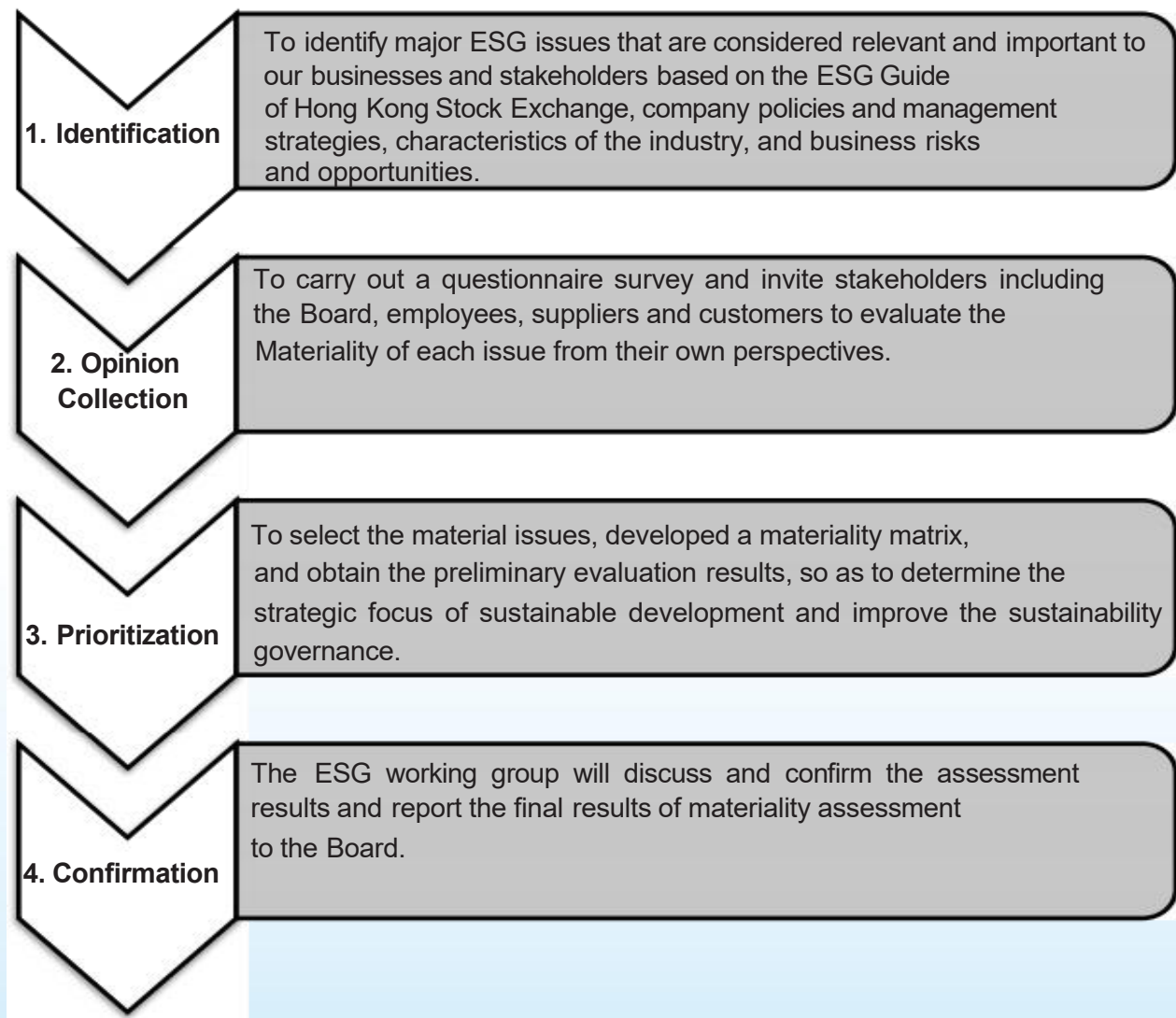
	Stakeholders	Focus Areas of ESG	Major Communication Channels
Internal	Employees	<ul style="list-style-type: none"> •Growth and win-win •Labour standards •Health and safety 	<ul style="list-style-type: none"> •Occupational health and safety training •Regular meetings •Internal publications/bulletin boards •Suggestion box/mailbox/email •Performance appraisal
	Management committee	<ul style="list-style-type: none"> •Pollution control •Efficient use of resources •Promoting green operations 	<ul style="list-style-type: none"> •Company website •Annual and interim reports •Annual general meeting and other shareholders' meetings •Press releases (if any), announcements, financial and other information about the Company and its business
External	Investors	<ul style="list-style-type: none"> •Pollution control •Efficient use of resources •Promoting green operations 	<ul style="list-style-type: none"> •Announcements •Annual and interim reports •Corporate website
	Customers	<ul style="list-style-type: none"> •Product responsibility •Supply chain management •Promoting green operations 	<ul style="list-style-type: none"> •Phone/email •Customer quality evaluation form •Customer visits or factory audits •Trade shows
	Suppliers	<ul style="list-style-type: none"> •Supply chain management •Promoting green operations 	<ul style="list-style-type: none"> •Phone/email •Field survey •Annual review of suppliers
	Government	<ul style="list-style-type: none"> •Pollution control •Efficient use of resources •Promoting green operations 	<ul style="list-style-type: none"> •Government websites •Official documents/meetings •Correspondences/visits •Supervision/inspection
	Environmental Organisations	<ul style="list-style-type: none"> • Pollution control • Efficient use of resources • Promoting green operations 	<ul style="list-style-type: none"> •Participation in community activities •Donation/sponsorship

Materiality assessment

During the year, the Group carried out interviews and questionnaires targeted at the management, the Group's internal and external stakeholders respectively to understand views on the Group's sustainability performance, and to identify ESG issues that are significant and influential for our operations and stakeholders. Their opinions help the Group to understand and assess our ESG performance and to develop relevant strategies.

In particular, the materiality assessments are carried out according to the Environmental, Social and Governance Reporting Guide issued by the Stock Exchange and the steps below. The Group invites internal and external stakeholders to rate different issues in the aspects of environmental protection, employment and labor practices, operating practices, and community investments through questionnaires, thereby understanding the extent of stakeholders' concern on each issue.

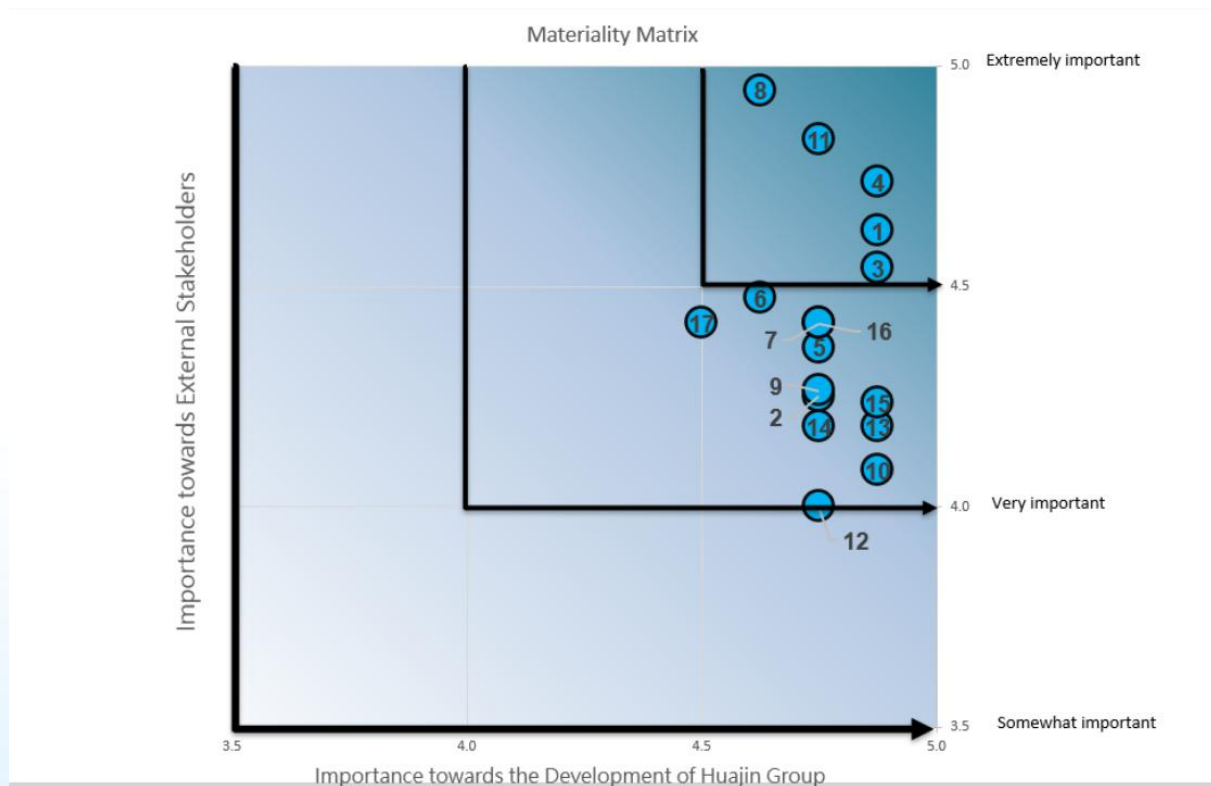
Materiality assessment procedure



The Group carried out an online stakeholder engagement survey, including directors, investors, senior management personnel, middle management employees and supervisors, ordinary employees, customers, and suppliers/contractors, were invited to participate in the survey. They rated the reporting issues specified in the ESG Guidelines based on their perception of the Materiality of these issues to the Group or the stakeholder groups they represented.

Then, the materiality of each reporting issue was determined by aggregating the levels of materiality given by all participants. The Materiality level of each stakeholder category was the average value of all the respondents within that stakeholder category. The overall materiality level across multiple stakeholder categories was the average value of the Materiality levels of each category.

To clearly illustrate the results, a materiality matrix will be presented below. It will include the materiality levels assigned to each issue by the Group (comprising directors, investors, and senior management personnel) and other stakeholders (including middle management employee and supervisors, ordinary employees, customers, and suppliers/contractors).



Note: All survey scores were above 3.5, in order to more clearly present the relative distribution of each issue, the blank part below 3.5 points is not shown in the above chart.

Indicate:

Environmental		Social		Governance	
1	Air pollutant management	10	Employment system	14	Supply chain management
2	Greenhouse gas management	11	Health and safety	15	Quality management
3	Waste management	12	Employee training	16	Anti-corruption
4	Wastewater management	13	Labor standards		
5	Energy management	17	Community engagement		
6	Water resource management				
7	Packaging material management				
8	Environmentally friendly production				
9	Climate change				

Wastewater management, health and safety, and environmentally friendly production were simultaneously identified as the most material issues in the stakeholder engagement and materiality assessment, while air pollutant management and waste management were considered the least material. However, all issues are above the critical line of materiality (that is, the materiality to both the Group and stakeholders is above 3.5 points). Therefore, they must be disclosed in the upcoming ESG report.

A.GREEN PRODUCTION



Climate Action



**Responsible Consumption
and Production**

The Group is committed to achieving the sustainable development of its business operations through systematic environmental management measures. We have implemented a series of environmental policies and measures, covering the management of emissions, the use of resources, the protection of the environment and natural resources, and the response to climate change, so as to reduce the negative impact on the environment and create long-term value for stakeholders. The following is the specific performance and progress of the Group in environmental management in 2025.

1.EMISSIONS MANAGEMENT

The Group believes that environmental protection is of utmost Materiality to the sustainable development of our business. Therefore, in the process of operational decision-making, from planning and procurement to production, the opinions of various departments, entities, and business partners are comprehensively considered. We adopt a series of measures to reduce the environmental impact, control the emissions of waste gas and greenhouse gases, the pollution of water and land, and reduce the generation of both hazardous and non-hazardous waste, so as to fulfill our continuous commitment to environmental protection.

The Group strictly complies with the Law of the “People’s Republic of China on Promoting Clean Production” (《中華人民共和國清潔生產促進法》), the “Environmental Protection Law of the People’s Republic of China” (《中華人民共和國環境保護法》), the “Atmospheric Pollution Prevention and Control Law of the People’s Republic of China” (《中華人民共和國大氣污染防治法》) and other relevant laws and regulations in the places where we operate our business.

Air Pollutant Management

The Group has formulated the “Waste Gas Management Policy” (《廢氣管理政策》) with the aim of controlling waste gas emissions and reducing the impact on the environment and surrounding communities. The specific measures taken in 2025 include:

Maintaining Compliant Emissions: The Group strictly implements the “Emission Standard of Air Pollutants for Boilers” (《鍋爐大氣污染物排放標準》) (DB 44/765-2019) and the secondary standard of the second time period in the “Emission Limits of Air Pollutants” (《大氣污染物排放限值》) (DB 44/27-2001) to ensure that the waste gas emissions meet the requirements of relevant laws and regulations.

Using Clean Energy: In order to better reduce emissions, the Group has stopped using biomass pellets and fully adopted natural gas as the combustion material to minimize the impact on the neighboring areas. Currently, natural gas is the only source of thermal energy for the Group, and there is no need for exhaust gas end-treatment devices.

Installing Emission Reduction Equipment: The Group has installed equipment to reduce waste gas emissions on appropriate machinery and machines. For example, a new wastewater treatment project has been added at the wharf, and the rain shelter and ground anti-corrosion projects in the loading area have been completed. These measures are taken to reduce the possible pipeline damage and environmental pollution accidents caused by factors such as high temperature and excessive pressure.

Regular Evaluation of Effectiveness: To reduce air pollutant emissions caused by vehicle usage, the Group has continuously implemented vehicle emission management measures during the reporting period, including strengthening vehicle usage management and promoting the transition to clean energy (such as replacing some fuel vehicles with electric vehicles), and conducting regular monitoring and review of emission performance. According to the Group's vehicle exhaust emission data, the emissions of several major pollutants in 2025 have significantly decreased compared to 2024, indicating that the relevant emission reduction measures have achieved substantial results.

The vehicle exhaust emission data of the Group was as follows:

		2024	2025
Pollutant	Unit	Emission of air pollutants	
Nitrogen oxides (NOx)	Kg	1891.48	164.95
Sulphur oxides (SOx)	Kg	4.57	4.04
Particulate matters (PM)	Kg	179.84	11.80

Note:
The calculation is based on the Reporting Guidance on Environmental KPIs published by the Stock Exchange

Waste management

The Group has formulated the “Waste Management Policy” (《廢棄物管理政策》) to ensure effective waste management through classified management, reduction of waste generation, and compliant disposal. The specific measures taken and the target achievement in 2025 are as follows:

Hazardous waste management

Classification and Identification: The Group refers to “National Catalogue of Hazardous Wastes (2017 edition)” (《國家危險廢物名錄 2017 版》) to identify hazardous waste. In accordance with regulations such as the “Law of the People’s Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste” (《中華人民共和國固體廢棄物環境污染防治法》) and the “Administrative Measures for Hazardous Waste Transfer Manifests” (《危險廢物轉移聯單管理辦法》), the Group engages qualified licensed facilities for proper disposal.

Centralized Collection and Temporary Storage: The Group requires factories to implement centralized collection and temporary storage management of hazardous waste to ensure compliance with national laws and regulations. For hazardous waste that cannot be immediately disposed of due to local limitations, it will be temporarily stored within the factories.

Technological Improvement: In 2025, the Group completed the reconstruction project for waste acid pretreatment of waste acid, largely achieved the intended objectives. Additionally, the Group carried out comprehensive planning and rectification for the comprehensive recycling and utilization of water used in the production site and wastewater. It will be able to handle approximately 50,000 tons of hazardous waste such as waste acid each year, which will help the Group achieve full recycling and zero liquid discharge (ZLD) of various types of wastewater.

Non-hazardous waste management

Classified Management and Recycling: In accordance with regulations such as the “Law on the Prevention and Control of Environmental Pollution by Solid Wastes” (《固體廢棄物污染環境防治法》) and the “Measures for the Management of Domestic Waste in Cities” (《城市生活垃圾管理辦法》), the Group conducts classified management of non-hazardous waste. It also contacts qualified producers for recycling. For example, waste paper is sold, oil drums are retrieved by suppliers, and raw material packaging materials are recycled.

Provision of Recycling Facilities: The Group provides waste sorting and recycling bins in the office to promote waste sorting practices. In addition, we also reuse the edge materials cut off during the finishing of cold-rolled products to make products such as packaging straps and packaging buckles. In the past year, our Group has recycled approximately 5,800 tons of scrap edge materials and sold waste paper around 21 tons, delivering significant cost savings.

Resource Utilisation of Hazardous Waste: In response to the national call for the reduction of hazardous waste, the Group has implemented the water purification project and the scrap steel project to convert hazardous waste into usable commodities by self-utilisation, reducing the post-processing costs of hazardous waste and lowering the impact on the environment, thus realising the dual objectives of resource recycling and environmental protection.

Objectives and evaluation

Based on the Group's established management targets for hazardous and non-hazardous waste, both categories are projected to experience a 1% reduction in waste intensity by 2026 comparing with the data of baseline year. However, this year's progress review reveals an unexpected increase in hazardous waste intensity, exceeding the target by 6.93%. Although the total amount of waste decreased in 2025 as production volume declined, the waste intensity per unit of production has shown a phased increase due to the shift in product structure towards high-precision and thin thickness (which led to an increase in processing steps) and fluctuations in capacity utilization. We have achieved the resource utilization of hazardous waste through the "Reconstruction Project for Waste Acid Pretreatment" and the "Water Purifying Agent Project", thereby minimizing the environmental impact. In the future, we will continuously optimize the process combination to tackle the challenge of waste reduction in the face of complex orders. Non-hazardous waste intensity also missed targets, increased by 32.06% against the target. These findings indicate room for improvement in current waste reduction measures. Comprehensive analysis shows that although total hazardous and non-hazardous waste generation in 2025 declined significantly compared to 2024, both densities (waste per 1,000 tons of production) showed upward trends: hazardous waste intensity increased from 20.15 to 20.93, and non-hazardous waste intensity rose from 0.31 to 0.40. This highlights the need for continuous monitoring and optimization of waste generation per unit output. Moving forward, the Group will persist in enhancing waste reduction effectiveness through process optimization, strengthened source reduction management, and promotion of circular economy initiatives to advance toward long-term emission reduction goals.

Waste Management Target

	Unit	5-Year target*	Progress in 2025
Hazardous waste intensity	tonne/kilotonne of production volume	Reduced by 1%	Increased by 6.93%
Non-hazardous waste intensity	tonne/kilotonne of production volume	Reduced by 1%	Increased by 32.06%
Note: * Baseline year (2021): 19.37 tonnes/kilotonne of production volume (hazardous waste intensity) and 0.255 tonnes/kilotonne of production volume (non-hazardous waste intensity).			

Waste Generated

		Waste generated	
Category of waste	Unit	2024	2025
Hazardous waste	Tonnes	30,133.08	12,544.86
Hazardous waste intensity	Tonnes/Kilotonne of production volume	20.15	20.93
Non-hazardous waste	Tonnes	466.78	237.51
Non-hazardous waste intensity	Tonnes/Kilotonne of production volume	0.31	0.40
Note: *intensity is calculated per kilotonne of production volume			

Wastewater management

The Group has taken a number of measures in the area of wastewater management to ensure compliant discharges and the recycling of resources. Specific measures taken in 2025 include:

Compliant Discharge: The Group's production processes generate liquid waste, industrial sewage, and urban sewage. The Group holds valid discharge permits in accordance with the requirements of the "Discharge Standard of Water Pollutants for Iron and Steel Industry" (《鋼鐵工業水污染物排放標準》) (GB13456-2012) to ensure that the wastewater discharge complies with the requirements of laws and regulations.

Wastewater Treatment and Reuse: The Group has a production wastewater treatment station within the plant area, which is divided into two systems: the acidic wastewater treatment unit and the alkaline wastewater treatment unit. Part of the treated wastewater enters the advanced treatment facilities for reuse for further treatment. After meeting the standards, it is used for degreasing and cleaning water, enabling wastewater recycling.

Engineering Improvements: In 2025, the Group added a new wastewater treatment project at the wharf and completed the reconstruction project for the pretreatment of waste acid. It also replanned and rectified the comprehensive recycling and utilization of water used and wastewater generated at the production site, basically achieving near-zero wastewater discharge.

2. USE OF RESOURCES

The Group has formulated the “Green Office Policy” (《綠色辦公政策》) and the “Packaging Material Control Policy” (《包裝物料控制政策》). Through the conservation of energy and water resources, as well as the optimization of the use of packaging materials, the efficient utilization of resources is achieved. The following are the specific policies and measures of the Group in various aspects of resource use in 2025.

Energy management

The Group reduces energy consumption and improves energy utilization efficiency by adopting clean energy, energy-saving technologies, and equipment upgrades. The Group has formulated the “14th Five- Year Plan for Energy Conservation”, under which a series of energy-saving technological transformation projects will be implemented within the next five years. Relevant implementation plans have also been formulated to effectively reduce energy consumption, improve resource utilization efficiency, and mitigate environmental impacts. Over the years, in order to effectively reduce energy consumption, enhance resource utilization efficiency, and minimize environmental impacts, the Group has carried out numerous technological transformation projects in the past, such as:

Technological transformation for the speed increase of the cold rolling production line: By improving the production line efficiency and energy utilization rate, the energy consumption per unit of output is reduced.

Replacement of the annealing furnace liner: New high-efficiency energy-saving materials are adopted to reduce energy consumption during the annealing process.

Technological transformation of the steam boiler heating system: Through optimizing the boiler operation mode and combustion control, efficient energy utilization is achieved.

Energy-saving transformation for waste heat recovery of the steam boiler: Utilizing waste heat recovery technology, the heat energy in flue gas is converted into useful energy, reducing energy waste.

Technological transformation of the cooling system: Advanced cooling technologies and equipment are adopted to reduce energy consumption during the cooling process.

The Specific Measures Taken In 2025 And The Status Of Achieving The Objectives Are As Follows:

Adoption of Clean Energy: The Group uses clean energy such as natural gas and solar energy to reduce the generation of waste gas pollutants from the source. The new solar energy project is still in progress, and the power generation capacity is expected to increase further.

Application of Energy-Saving Technologies: The Group is gradually replacing the lighting systems in workshops, offices, and warehouses with light-emitting diodes (LEDs) . Also, all machinery and equipment (including lights and exhaust fans in restrooms, etc.) are turned off during non-office hours to reduce energy waste.

Equipment and Environment Control: The Group purchases products with Energy Efficiency Labels (such as refrigerators, motors, water dispensers, etc.), and controls the air-conditioning system to maintain the indoor temperature of the office at 26°C to reduce energy consumption.

Terminal Project Transportation Optimisation: Although the terminal operation of the Huajin Metal Industrial Park project has increased electricity consumption, it has significantly reduced transport costs and reduced carbon dioxide emissions from transport vehicles by using shipping as the main mode of transport. Compared to traditional land transport, shipping effectively reduces the carbon footprint and provides a sustainable solution for low-carbon transport.

Objectives and Evaluation: In 2025, the Group's total energy consumption was 153,239.10MWh, representing a decrease of 58.2% compared with 366,865.19MWh in the previous year. This decrease was mainly affected by production volume and changes in operational requirements. However, the total energy consumption intensity was 255.62MWh/kilotonne of production volume, representing an increase of 4.2% compared with 245.32MWh/kilotonne of production volume in the previous year which reflects the energy consumption per unit output is still influenced by the product structure and the combination of processes and production scale.. According to the progress, the energy consumption intensity in this year increased by 0.8% compared with the data of baseline year (2021), i.e., 253.64 MWh/kilotonne of production volume. The main reason was that the newly added port project had officially started operation and the business volume had been continuously increasing. The group has designated the optimization of the port's energy efficiency as a key project for 2026. It is expected that as operational efficiency improves, the relevant intensity indicators will gradually improve.

Energy structure: The direct energy consumption (Scope 1) decreased from 168,923.31MWh to 66,926.54MWh (-60.4%), and the intensity decreased from 111.04MWh/kilotonne of production volume to 107.58MWh/kilotonne of production volume (-3.1%). The consumption intensity of diesel and gasoline increased from 0.69 to 2.2 and 1.23 to 1.86MWh/kilotonne of production volume respectively, showing the impact of changes in transportation and equipment operation modes on fuel consumption. The indirect energy consumption (Scope 2) decreased from 197,941.88MWh to 86,312.56MWh, the intensity increased from 132.36MWh/kilotonne of production volume to 143.98MWh/kilotonne of production volume (+8.7%). The Group will continue to enhance energy efficiency through various measures and operational management strategies, and explore alternative solutions such as renewable energy and low-carbon energy, in order to steadily reduce energy consumption intensity and consolidate the achievement of its goals.

The Group's Energy Management Objectives And Total Energy Consumption Are As Follows:

Energy Management Target

	Unit	5-Year target*	Progress in 2025
Total energy use intensity	kWh/Kilotonne of production volume	Reduced by 1%	Increased by 0.8%
Note: * Baseline year (2021): 253.64 MWh/Kilotonne of production volume.			

Total Energy Consumption

		2024	2025
Type of energy	Unit	Energy consumption	
Total energy consumption	MWh	366,865.19	153,239.10
Total energy consumption intensity	MWh/kilotonne of production volume	245.32	255.62
Direct energy consumption	MWh	168,923.31	66,926.54
Direct energy consumption intensity	MWh/kilotonne of production volume	112.96	111.64
Including:			
Diesel consumption	MWh	1,027.21	1,319.39
Diesel consumption intensity	MWh/kilotonne of production volume	0.69	2.20
Gasoline consumption	MWh	1,840.97	1,117.68
Gasoline consumption intensity	MWh/kilotonne of production volume	1.23	1.86
Natural gas consumption	MWh	166,055.13	64,489.47
Natural gas consumption intensity	MWh/kilotonne of production volume	111.04	107.58

Indirect energy consumption	MWh	197,941.88	86,312.56
Indirect energy consumption intensity	MWh/kilotonne of production volume	132.36	143.98
Including:			
Electricity energy consumption	MWh	197,941.88	86,312.56
Electricity energy consumption intensity	MWh/kilotonne of production volume	132.36	143.98

Note:

The energy data is converted into MWh with reference to the lower calorific value.

* intensity is calculated per kilotonne of production volume; gas includes natural gas;

Fuel consumption includes: fuel consumption of fleet vehicles, diesel consumption of generator sets.

Water resource management

The Group's water consumption mainly comes from municipal pipelines, and no difficulties in water intake or issues in finding suitable water sources have been identified. The Group is committed to reducing the use of water resources in its business operations. Through water conservation in daily operations, enhancing the recycling of water resources, and reducing water consumption, the Group achieves efficient management of water resources. There was no violation of laws and regulations in relation to using and discharging water during the Reporting Period. The specific measures taken and the target achievements in 2025 are as follows:

Wastewater Treatment and Reuse: The Group is dedicated to reducing the use of water resources in its business operations. By practicing water conservation in daily operations, strengthening the recycling of water resources, and reducing water consumption, the Group has established a production wastewater treatment station within the factory area. The treated wastewater is further reused in the production process to meet the requirements of production water, achieving the goals of emission reduction and conservation. The Group plans to invest in reclaimed water reuse equipment, with an expected recovery rate of 70%. The quality of the reclaimed water will meet the standards for production water. Meanwhile, the wastewater treated by the biochemical system will continue to meet the discharge standards stably, enabling efficient management of water resources.

Green Office Measures: The Group promotes water conservation measures in the office. For example, environmental protection signs are posted in prominent locations to remind employees to conserve resources.

Technological Improvement and Clean Production: In accordance with the guiding opinions of the "Opinions of Guangdong Province on Comprehensively Promoting Green Clean Production Work" (《廣東省

關於全面推進綠色清潔生產工作的意見》), the Group has added new equipment for the low-temperature drying system of surface sludge. This equipment can reduce the volume of surface treatment sludge by approximately 50–75%, effectively improving the management level of clean production and reducing the generation of wastewater.



Hong Kong - Guangdong Cleaner Production Partner (Jiangmen Huajin and Jiangmen Huamu)

Objectives and Evaluation: In 2025, the Group's water consumption was 394,397m³, a 45.3% decrease compared with 720,563m³ in the previous year, which was mainly affected by the reduction in production volume. However, the water consumption intensity was 657.90 m³ per kilotonne of production volume, representing an increase of 36.5% compared with 481.83m³/kilotonne of production volume in the previous year. According to the progress, the water consumption intensity in this year increased by 15.5% compared with the data of baseline year (2021), i.e., 569.64m³/kilotonne of production volume. The main reason was, a significant decrease in production this year, while the number of employees decreased relatively little, increasing the water consumption of each ton, causing the failure to meet the 15% reduction target set for the five-year period. The Group will review the efficiency and structure of each water usage process, strengthen water management, and strive to bring the water consumption intensity back to the target level. The Group's water resource management objectives and total water consumption are as follows:

Water Resource Management Targets

	Unit	5-Year Target*	2025 Progress
Water consumption intensity	m ³ /kilotonne of production volume	Decrease by 15%	Increase by 15.5%
Note: * Baseline Year (2021): 569.64 cubic meters per thousand tons of production			

Total water consumption

		2024	2025
	Unit	Water Consumption	
Water consumption	m ³	720,563.00	394,397.00
Water consumption intensity*	m ³ /kilotonne of production volume	481.83	657.90
Note: * Intensity is calculated per kilotonne of production volume			

Packaging material management

The Group attaches great Materiality to the comprehensive optimization of resource use. Besides focusing on electricity and water resources, it particularly emphasizes the streamlined management of packaging materials in the production process. Under the premise of meeting the quality requirements of brand customers, we actively explore ways to reduce resource consumption and are committed to minimizing the environmental impact of packaging materials. The Group accurately monitors the use of packaging materials through digital means and continuously improves the design with potential environmental burdens to enhance ecological benefits. In addition, based on the geographical differences of customers, flexible packaging strategies are adopted, such as using only single-layer film packaging, to achieve the dual goals of cost savings and environmental protection. The specific measures taken in 2025 include:

Identification of Key Packaging Materials: The Group uses a computer system to count the use of packaging materials for different products and improves the packaging design of products that are more harmful, which helps further improve the environment.

Product Design Improvement: The Group promotes the design of reducing packaging volume to decrease the total amount of waste packaging generated. For example, the use of cardboard, iron sheet, or plastic outer packaging is reduced, and the more harmful packaging designs are optimized.

Use of Environment-Friendly Packaging Materials: The Group strives to recycle packaging materials as much as possible. For example, for wooden frames, relevant quantities are registered to facilitate the implementation of recycling work and achieve repeated use.

Consumption of Packaging Materials: In 2025, the total amount of packaging materials used by the Group was 240.52 tonnes, representing a decrease of 67.2% compared with 732.55 tonnes in the previous year. The packaging material intensity was 0.40 tonnes per kilotonne of production volume, representing a decrease of approximately 18.1% compared with 0.49 tonnes/kilotonne of production volume in the previous year. According to material category, the usage of Paper, Plastic and Timber decreased from 263.71 tonnes, 162.81 tonnes and 225.76 tonnes to 87.09 tonnes, 56.91 tonnes and 23.09 tonnes respectively. The overall reduction in usage mainly reflected the changes in the structure of shipment and packaging demands this year. In the future, the Group will continuously review its packaging design and procurement strategies, promote packaging reduction and reuse, and prioritize the use of recyclable and more sustainable packaging materials to minimize the impact of packaging materials on non-hazardous waste.

Materials	Unit	2024	2025
Paper	tonne	263.71	87.90
Plastic	tonne	162.81	56.91
Metal	tonne	80.27	73.43
Timber	tonne	225.76	23.09
Total packaging materials	tonne	732.55	240.52
Packaging material intensity	tonne/kilotonne of production volume	0.49	0.40

3. ENVIRONMENT AND NATURAL RESOURCES

The Group has formulated the “Environmental Management System Policy” (《環境管理體系政策》) and the “Environmental Protection Education Policy” (《環保教育政策》). Through systematic environmental management and employee education, it aims to protect the environment and natural resources and reduce the impact of its business operations on the ecological environment. The following are the specific policies and measures of the Group in environmental and natural resource protection in 2025.

Environmental Management Committee: The Group has established an Environmental Management Committee, which is responsible for monitoring and managing the environmental protection

measures in the factory and office to reduce operational risks and continuously improve environmental performance.

Environmental Management System Certification: The Group has obtained the ISO 14001 Environmental Management System Certification Certificate. By implementing energy-saving technologies and management strategies, it has significantly reduced energy consumption and greenhouse gas emissions.



ISO14001:2015 Environmental Management System Certification of Jiangmen Huajin and Jiangmen Huamu

•Digital Transformation in Support of Environmental Management:

Application of Enterprise Resource Planning (ERP) System: The Group has fully implemented the ERP system, enabling end-to-end online operations across the entire chain, from raw material procurement, sales, production, inventory management to logistics. Through data integration and intelligent analysis, this system improves resource utilization efficiency. For example, at the production end, the production planning module integrates data on sales orders, raw material inventory and equipment capacity to scientifically guide production scheduling and reduce resource waste. At the inventory management end, it achieves real-time updates and accurate analysis, effectively reducing inventory costs and minimizing resource idleness caused by excessive inventory. In addition, the Group widely uses electronic communication methods such as telephone conferences and video conferences, breaking geographical limitations, reducing the carbon footprint from employee business trips, and enhancing work efficiency.

Electronic Systems and Digital Certification: The Group's two major factory areas have established a complete electronic production management system, achieving digital management of the entire

process from raw material procurement to logistics. This promotes the refinement of production plans, intelligent scheduling, and the integration of management systems, enhancing resource allocation efficiency and reducing energy consumption. The Group has become the first enterprise in the industry to obtain digital certification issued by TÜV NORD. By enabling data interaction among enterprises, workshops, systems, and equipment, it realizes the rational allocation of production resources, the automatic flow and intelligent analysis of product lifecycle data, and provides scientific guidance for equipment maintenance and fault early-warning, reducing downtime and resource waste. In addition, through the precipitation of knowledge base content, it provides digital support for employees' technical learning and experience accumulation, promoting talent cultivation and sustainable development.

Environmental Protection Education and Awareness Enhancement: The Group provides safety production and environmental protection knowledge training for newly-recruited and in-service employees. Through internal promotion and special training, the understanding of employees, including pollution prevention and control, resource conservation, and compliance requirements had been strengthened. At the same time, the Group encouraged employees to actively participate in the conception and optimization of energy-saving and emission-reduction plans, and promotes the implementation of energy-saving and emission-reduction measures in daily operations, in order to continuously enhance the overall environmental awareness and execution ability.

Internal and External Assessments: The Group regularly conducts internal environmental protection assessments to review and adjust the effectiveness of existing measures. In addition, the Group commissions environmental protection experts to conduct energy audits on some factories to seek more energy-saving opportunities. During the Reporting Period of this annual report, The Group also actively participated in various meetings and training sessions related to environmental protection and compliance, such as the meeting to promote the treatment of domestic sewage in industrial parks, the special training session for pollution discharge units on knowing the regulations and post-compliance management, as well as the training on electricity consumption and energy budget management. This enabled them to keep abreast of the latest regulatory trends and management requirements, and continuously improve their environmental management level.

•Greening and Ecological Protection:

Greening Measures: The Group plants a large number of trees around the factory buildings and potted plants in the offices to green the environment and enhance the corporate image.

Ecological Protection: The Group regularly inspects the impact of pollutants emitted by the factory on the surrounding flora and fauna and conducts environmental impact assessments. It reduces emissions or installs emission-reduction equipment to avoid significant impacts on the ecological environment.

Biodiversity Protection: The Group supports biodiversity protection, reduces its ecological footprint, and raises employees' awareness of climate change. Since its establishment, the Group has adhered to the commitment of "Saying No to Shark Fin" and provides free lunches for employees, advocating a vegetarian diet and the consumption of sustainable seafood.

Collaboration with Stakeholders: The Group actively participates in environmental protection meetings arranged by the government and invites government officials to provide guidance for internal training. In addition, the Group jointly organizes environmental protection activities with government organizations from time to time to publicize environmental protection messages to the public.

B.EMPLOYEE CARE



Gender Equality



Decent Work and Economic Growth



Reduced Inequality



Good Health and Well-being

Our employees are the Company's most valuable asset. We are committed to providing a fair, safe, diverse, and supportive working environment, and continuously enhancing the well-being and development opportunities of our employees. This chapter provides an overview of the Company's policies, measures, and performance in areas such as employment, health and safety, development and training, as well as labor standards, fully demonstrating our commitment to caring for our employees.

1. EMPLOYMENT SYSTEM

Human capital is the driving force for the development of an enterprise. The Group adheres to fair, transparent, and competitive employment policies and complies with the "Employment Ordinance of Hong Kong" (香港《僱傭條例》) and other relevant laws and regulations. We are committed to offering attractive compensation and benefits, fair recruitment and promotion opportunities, reasonable working hours and vacation arrangements. Moreover, we actively promote a culture of equal opportunities, diversity, and anti-

discrimination. The Group strictly complies with relevant laws and regulations relating to compensation and dismissal, recruitment and promotion, working hours, holidays, equal opportunity, diversity, anti-discrimination and other benefits and welfare, such as the “Labor Law of the People’s Republic of China” (《中華人民共和國勞動法》) and “Labor Contract Law of the People’s Republic of China” (《中華人民共和國勞動合同法》). The Group has not identified or received any material violations or complaints about discrimination or recruitment during the Reporting Period.

Compensation and Benefits: The Group carries out regular annual salary reviews to ensure that employees’ salaries remain competitive in comparison with the market levels, and provides performance bonuses based on employees’ performance. Meanwhile, we have extended medical insurance coverage, including mental health support services, to enhance employees’ well-being.

Dismissal Policy: The Company strictly complies with the labor laws and regulations of Hong Kong and China to ensure that the dismissal procedures are fair and transparent. It also provides reasonable compensation and support to employees who leave the Company, including career transition counseling.

Recruitment and Promotion: We adopt a structured recruitment process to ensure that all job applications are evaluated based on capabilities. In terms of promotion, we have implemented a transparent internal promotion evaluation mechanism to ensure that employees have fair opportunities for career development.

Working Hours and Leave: The Group pays all statutory social insurance premiums for all its current employees. Employees are entitled to paid leave, sick leave, work-related injury leave, maternity leave, etc. in accordance with the law. The Group specifies the employment terms regarding compensation, dismissal, recruitment, promotion, working hours, leave, etc. in the “Employee Handbook” (《僱員手冊》), enabling employees to have a full understanding of their rights and benefits.

Equal Opportunity, Diversity, and Anti-Discrimination: We are committed to eliminating discrimination in policy and practice, and promoting multiculturalism in the workplace, and adopting a zero-tolerance policy towards any form of discrimination.. The Group undertakes to ensure that all employees will not be harassed, discriminated against, or harmed during their employment due to their gender, pregnancy status, family responsibilities, race, or disability. In addition, employees can anonymously report any discriminatory behavior, which will be independently investigated and followed up on. No relevant complaints were recorded in 2025.

As of the end of 2025, in total, there were 995 employees at the Group’s operating locations covered in this Report. The gender ratio of the Company’s employees was 77% male to 23% female. Except for one

employee, all employees were employed on a full-time basis. The average employee turnover rate (monthly) of Mainland China for this year was 6.75%.

The Following Chart Shows An Overview Of The Group's Employee Distribution:

Category	Total number of employees (person)	
	2024	2025
By gender		
Male	1,176	762
Female	316	233
By Employment Type		
Full-time	1,492	994
Part-time	–	1
By Age Group		
Under 25	162	44
25 to 34	503	286
35 to 44	517	385
45 to 54	226	196
55 to 64	78	80
65 or above	6	4
By Region		
Mainland China	1,485	992
Hong Kong	4	0
Others	3	3
Note:		
Calculations are based on the Reporting Guide for Social Key Performance Indicators issued by the Stock Exchange.		

The Employee Turnover Rate Of The Group By Category (Monthly Average) Is As Follows:

Category	Employee turnover rate (%)	
	2024	2025
By Gender		
Male	2.71	7.08
Female	2.24	5.01
By Age Group		
Under 25	5.14	27.46
25 to 34	2.77	7.98
35 to 44	2.14	5.37
45 to 54	1.70	3.74
55 to 64	1.92	3.02
65 or above	5.56	6.25
By Region		
Mainland China	2.61	6.57
Hong Kong	–	–
Others	–	2.78
Note:		
Calculations are based on the Reporting Guide for Social Key Performance Indicators issued by the Stock Exchange. The calculation method is used as follows: Annual employee turnover/12 months/employee in this category x 100%.		

2. HEALTH AND SAFETY

The Group is committed to providing a safe working environment. The policies on occupational health and safety are clearly stated in the “Employee Handbook” (《僱員手冊》) and the “Health and Safety Management Procedures” (《健康安全管理程序》) to protect employees from occupational hazards. We comply with the “Occupational Safety and Health Ordinance of Hong Kong” (《職業安全及健康條例》), the “Work Safety Law of the People’s Republic of China” (《中華人民共和國安全生產法》), the “Law of the People’s Republic of China on the Prevention and Treatment of Occupational Diseases” (《中華人民共和國職業病防治法》), the “Fire Control Law of the People’s Republic of China” (《中華人民共和國消防法》), etc., and adopt comprehensive health and safety management measures to ensure the physical and mental health of employees.

Dedicated Safety Management Entity: The Group has established a safety office to plan occupational health and safety risk assessments for each project before execution, conduct daily inspections and monitor safety implementation. It has formulated and updated policies and procedures related to occupational safety and health, including the “Occupational Disease Prevention Archives and Related Emergency Management Mechanism”, the “Measures for the Management of Safety Production Accountability” and the “Measures for the Management of Labor Protection Articles”.

Safe Working Environment: In 2025, the Group carried out a comprehensive safety risk assessment of all office premises and upgraded the fire-fighting equipment and emergency evacuation facilities. We also introduced a smart monitoring system to carry out real-time monitoring of the safety conditions of the office environment.

Occupational Health and Safety Measures: We have partnered with external medical institutions to provide employees with health check-ups and mental health counseling services. The Group will improve the production equipment throughout the factory in accordance with the relevant recommendations from third-party occupational health institutions in their safety evaluations and current situation assessments. We also provide employees with relevant personal protective equipment and gear, and supply corresponding labor protection items in accordance with relevant national policies.

Implementation and Monitoring: The Group has established a Health and Safety Committee, which is responsible for regularly reviewing the effectiveness of safety policies and measures. In 2025, we carried out quarterly safety drills and required all newly hired employees to complete mandatory safety training. Meanwhile, we also utilize internal audits and employee opinion surveys to monitor the implementation of health and safety measures.

During the reporting period, no work-related fatalities were recorded this year, an improvement compared to 1 in the previous year. Over the past three years (2023 to 2025), a total of 1 related fatal accident was recorded. The number of lost workdays due to work-related injuries this year was 907.7, a decrease of 68.1% compared to 2,847.7 in the previous year, and a decrease of 55.8% compared to 2,055.1 in 2023. This reflects the effectiveness of the Group in continuously strengthening occupational safety management. Nevertheless, the Group will still set zero fatalities as its ultimate goal and continue to advance risk assessment and control of high-risk operations, strengthen safety training and supervision for contractors and during the initial operation of new facilities, improve equipment maintenance and work permit systems, and cooperate with more rigorous on-site safety inspections and accident investigations to improve closed-

loop management, in order to further reduce the number of lost workdays due to work-related injuries and related risk exposure.

The Group’s Work-Related Injury Statistics For The Last Three Years Are As Follows:

	2023	2024	2025
Work-related fatality	0	1	0
Percentage (%)	0	<0.1%	0
Lost workdays due to work-related injury	2,055.1	2,847.7	907.7

3. EMPLOYEE TRAINING

We attach great Materiality to the professional development of our employees and are committed to enhancing the knowledge and skills they need to perform their duties . Through systematic training arrangements, we provide employees with opportunities for continuous learning and growth.

The Group has formulated and implemented development and training policies. The personnel department and relevant departments plan and carry out training based on work requirements, covering new employee orientation training, on-the-job training and skills improvement, etc. This helps to enhance employees' knowledge, skills and management experience, and comprehensively improve their overall quality.

New Employee Training: Every newly hired employee is required to undergo onboarding training to understand the company's background, facilities, and basic norms (including the employee handbook and corporate social responsibility, etc.). Additionally, the Group implements an employee mentoring program, pairing new employees with experienced technicians or senior employees for on-the-job guidance, to assist them in adapting to the work environment more quickly and mastering the necessary operational skills.

Vocational Skills Training: For positions that require certification for operation, the Group will arrange relevant personnel to receive training and obtain certifications; at the same time, it will provide professional and on-the-job training according to the needs of different positions, and arrange refresher training regularly to enhance employees' professional skills and improve their safety awareness.

The proportion of male employees among the trained employees decreased slightly from 79.66% in 2024 to 76.81% in 2025, while the proportion of female employees increased from 20.34% to 23.19%. This change is consistent with the change in the gender structure of employees. The proportion of general employees receiving training remains consistently high, indicating that the Group has made relatively large investments in improving the skills of grassroots employees. The Group will continue to optimize its training programs,

especially in terms of training investments for female employees and senior management, to ensure that employees maintain their competitiveness in the rapidly changing business environment.

The Percentage Of Trained Employees And Average Training Hours Per Employee Of The Group By Category During The Year Are As Follows:

Category	Percentage of employees trained (%) ¹		Average training hours completed per employee (hour) ²	
	2024	2025	2024	2025
By Gender				
Male	79.66%	76.81%	24.33	12.00
Female	20.34%	23.19%	23.27	12.00
By Employee Category				
Senior management	1.17%	1.31%	9.23	12.00
Middle management	3.17%	5.04%	17.69	11.76
Supervisor	3.66%	4.54%	21.76	12.00
General employee	92.00%	89.11%	24.70	11.97
Notes:				
1: The percentage of the trained employees is calculated based on Reporting Guidance on Social KPIs published by the StockExchange, and is calculated as: number of trainees in that category/total number of trained employees x 100%				
2: The average training hours per employee is calculated as: number of training hours completed in that category/ number of employees in that category				

In 2025, we optimised our training system, shifting from "emphasizing hours" to "emphasizing effectiveness". By introducing digital learning platforms (E-Learning) and on-the-job practical training (OJT), we reduced the time cost of traditional classroom training while ensuring the efficiency of imparting key skills (such as digital operations and safety regulations). In the future, we will place greater emphasis on in-depth training of advanced management and digital skills.

4. LABOR STANDARDS

The Group strictly complies with the "Labor Law of the People's Republic of China" (《中華人民共和國勞動法》), the "Employment Ordinance" of Hong Kong (香港《僱傭條例》), or the "Employment Act" of Singapore (《新加坡僱傭法》), and has a zero-tolerance policy towards child labour and forced labour. We have formulated the "Labor Standards Policy" (《勞工準則政策》), and through regular reviews and monitoring, we ensure that recruitment and labor practices meet the relevant requirements.

Policy on Prevention of Child Labor and Forced Labor: Strict identity verification procedures are implemented during the recruitment process to ensure that all employees have reached the legal working age. Our labor contracts clearly stipulate the working conditions and ensure that employees participate in labor voluntarily.

Review of Recruitment Practices: In 2025, a comprehensive audit was carried out on all recruitment processes, and the Supplier Code of Conduct was updated, requiring suppliers to also comply with the principles of opposing child labor and forced labor. We also carried out on-site inspections of suppliers to ensure that there are no violations. For details, please refer to the section on “Supply Chain Management”.

Handling of Violations: An internal reporting mechanism has been established, allowing employees and suppliers to anonymously report any potential violations. Once a violation is detected, we will immediately launch an investigation and take corrective measures, including terminating cooperation with the non-compliant suppliers. In 2025, no incidents of child labour or forced labour were identified during the year.

C. RESPONSIBLE OPERATION



Responsible Consumption and Production



Peace, Justice and Strong Institutions



Partnerships for the Goals



No Poverty

We are committed to upholding the highest standards of responsibility in our operations to ensure that our business activities meet the requirements of environmental, social, and governance (ESG). This chapter provides an overview of the Company’s policies, measures, and performance in supply chain management, product responsibility, and anti-corruption, fully demonstrating our commitment to responsible operations.

1. SUPPLY CHAIN MANAGEMENT

We recognize the Materiality of supply chain management for sustainable development and have formulated the “Supply Chain Management Policy” (《供應鍊管理政策》) with the aim of effectively identifying and managing environmental and social risks in the supply chain. We are committed to collaborating with suppliers who meet environmental and social responsibility standards and actively promoting green procurement.

Practice and Monitoring of the Engagement of Suppliers: We have an effective supplier management system that covers procedures for evaluating, screening and monitoring suppliers, in which, all suppliers and subcontractors will be treated fairly and have equal opportunities. Prior to onboarding, suppliers undergo comprehensive audits covering quality, environment and safety. Only qualified suppliers are approved to ensure environmental and social risks related to the supply chain are minimized.

Identify Environmental and Social Risks: The Group conducts audits and risk ratings for all suppliers every year. Furthermore, the Group performs on-site audits according to the risk assessment of suppliers. If any supplier is in violation of its contractual obligations and operating procedures, the cooperation relationship will be terminated. In the Year, the Company has completed the relevant review of all suppliers in accordance with this policy and all suppliers included in this report passed the assessment. The relevant review content includes, but is not limited to, product and service quality, business ethics, environment, labor practices and safety, and other requirements to ensure that the sustainable performance of the supply chain is in line with the Group's policy. The results of the review confirm that all suppliers have implemented the supplier practices specified by the Group.

Promoting the Increased Use of Environmentally Friendly Products and Services: When selecting suppliers, the Company gives priority to local suppliers that offer environmentally friendly products and services, and clearly requires suppliers to comply with standards such as environmental protection, labor rights and interests, and anti-corruption. We have adopted a supplier evaluation system to carry out qualification reviews of all new suppliers, including their environmental management certifications (such as ISO 14001) and labor conditions. Existing suppliers are required to submit self-assessment reports annually and undergo irregular on-site audits by the Group.

In 2025, the Group had 147 suppliers, a decrease of 67.8% from 456 in 2024 to 147 in 2025. To enhance supply chain resilience and ESG performance, our group implemented a strict supplier selection and integration strategy this year. Although the number of suppliers was adjusted to 147, this reflects our shift from "quantity expansion" to "quality priority" in management, ensuring that all remaining partners meet our environmental and social responsibility standards. Geographically, all suppliers remained located in mainland China (2024:456; 2025:147). The Group will continue to monitor suppliers' environmental, social, and governance (ESG) performance through supplier evaluations, document audits, and regular communication to ensure supply chain alignment with sustainability standards. Moving forward, the Group

will refine supplier management mechanisms and progressively enhance ESG oversight and tracking of key suppliers to strengthen supply chain resilience and mitigate potential environmental and social risks.

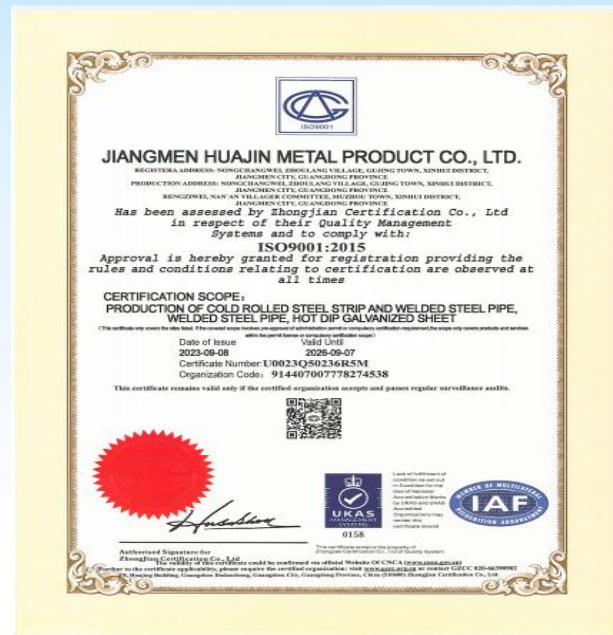
As of 31 December 2025, The number of suppliers of the Group by region is as follows:

Region	Number of suppliers	
	2024	2025
Mainland China	456	147

2. QUALITY MANAGEMENT

We are committed to providing products and services that are safe, reliable and in line with ethical standards, and to protecting the rights, interests and privacy of our customers. We have formulated the “Product Liability Policy” (《產品責任政策》), which covers areas such as health and safety, advertising, labeling, privacy protection and intellectual property rights. We also promise to provide customers with effective complaint handling and remedies. The Group strictly complies with relevant laws and regulations, including the “Trade Descriptions Ordinance” (《商品說明條例》) in Hong Kong, the “Personal Data (Privacy) Ordinance” (《個人資料(私隱)條例》) in Hong Kong, the “Product Quality Law of the People’s Republic of China” (《中華人民共和國產品質量法》), and the “Personal Information Protection Law of the People’s Republic of China” (《中華人民共和國個人信息保護法》), etc., to ensure that our products and services meet local and international standards. In 2025, no material regulatory violations were recorded.

Health and Safety: All products of the Group have passed strict quality tests to ensure compliance with Hong Kong and international safety standards (such as ISO 9001). To ensure the provision of products and services of the highest standards throughout the operation process, we adopt exclusive systems and procedures and strictly abide by local and national regulations. In terms of supply chain management, we conduct sampling inspections of suppliers’ products to ensure that they meet our production requirements. During the processing, the production department monitors the product manufacturing qualification rate and the achievement rate of the production plan on a monthly basis to ensure stable quality. In addition, the Group hires third-party certification bodies to carry out quality inspections of products and establishes an internal laboratory to evaluate products in accordance with national standards, so as to achieve quality assurance and environmental sustainability.



ISO9001:2015 Quality Management System Certification of Jiangmen Huajin and Jiangmen Huamu

Quality Inspection and Product Recall: The Group implements a full-process quality inspection procedure, covering from the procurement of raw materials to the delivery of final products, to ensure the stability of product quality. If any problems are found in the products, we will carry out inspections on them, and provide compensation or initiate the recall procedure according to the specific situation. For non-compliant services, we will immediately terminate the relevant services, carry out a thorough investigation into the service process, and formulate relevant guidelines to prevent the recurrence of similar incidents. In 2025, there were no products recalled by the Group due to safety and health reasons.

Advertising and Labeling: All advertisements and product labels of the Group comply with the “Trade Descriptions Ordinance” (《商品說明條例》) in Hong Kong to ensure that the information is true and transparent. All retail advertisements and promotional activities are reviewed and checked to ensure the accuracy of the descriptions, helping customers make informed decisions when making purchases. Product labels are produced in accordance with industry standards, and the labels of exported products are all provided with instructions in both Chinese and English. In addition, we irregularly organize the study, training, and assessment of new laws, regulations, and standards to ensure the effective implementation of relevant regulations within the Group.

Complaint Handling: Customer satisfaction has always been the key to the success of our Group. We have set up a customer service hotline and an online complaint platform to ensure that customer complaints are handled in a timely manner. The managers of the business department, quality department, and production department communicate closely. Based on the customers’ feedback on product quality issues, they will decide whether to arrange personnel to handle the problems on the customer site. The handling results and the on-site situation at the customer’s end will be reported to the General Manager’s Office to improve the

efficiency of after-sales service and the quality of products. In addition, we have established a systematic management model to track the progress of complaint handling and the implementation effectiveness to ensure that constructive customers' feedback is effectively translated into actionable improvements. In 2025, no material customer complaints were received, which demonstrates the continuous stability of the quality of our products and services.

Intellectual Property Protection: The Group recognizes that registered trademarks and patents are important intangible assets, which are of great significance to business operations. As of 2025, Jiangmen Huajin and Jiangmen Huamu under the Group have submitted patent applications and registrations to the National Intellectual Property Administration, covering approximately 98 production equipment and technology patents created by employees. We strictly abide by relevant laws and regulations such as patent and trademark laws. Through agreements on research and development concluded with employees, employees are prohibited from using or manufacturing products that involve customers' intellectual property without authorization. During the procurement process, procurement personnel only purchase from reputable suppliers and review whether the purchased products are attached with genuine labels to ensure that the products are genuine. In addition, any third party must sign a "Confidentiality Agreement" (《保密協議書》) when receiving confidential information to maintain the confidentiality of relevant information. In 2025, the Group did not discover any intellectual property infringement incidents.

Protection of Consumers' Data and Privacy: The Group complies with relevant laws and regulations such as the "Personal Data (Privacy) Ordinance" (《個人資料(私隱)條例》) in Hong Kong and the "Personal Information Protection Law of the People's Republic of China" (《中華人民共和國個人信息保護法》). It also promises not to use the collected customer data for other purposes without the customers' consent. As the Group gradually digitizes its business processes, we have enhanced the security of the customer data management system. We have adopted a higher level of data encryption technology, and the Information Technology Department is responsible for monitoring the compliance and security of the data processing procedures. In 2025, there were no incidents of customer data leakage.

	Result	
	2024	2025
Percentage of products recalled for safety or health reasons	0	0
Number of complaints about products and services received by the Company	0	0

This year, we were awarded the designation of a "Specialized, Refinement, Differential, Innovation (SRDI)" by the Guangdong Provincial Department of Industry and Information Technology, as well as the "High-tech Enterprise" certificate jointly issued by the Guangdong Provincial Science and Technology Department, the Guangdong Provincial Finance Department, and the Guangdong Taxation Bureau of the State Administration of Taxation. This indicates that the company has received full recognition from the relevant authorities in terms of core technology research and development, product innovation capabilities, meticulous management, and market competitiveness. This recognition not only enhances the company's brand credibility and industry influence, but also lays a more solid foundation for subsequent continuous investment in key areas, deepening of industry-university-research cooperation, and market expansion.

In the future, the company will be guided by the development direction of "Specialized, Refinement, Differential, Innovation (SRDI)", and continue to focus on its main business and core capability building. It will improve the R&D system and intellectual property layout, strengthen product quality and delivery capabilities, and promote digitalization and intelligence upgrades. This will further enhance the company's operational resilience and sustainable development capabilities, creating higher value for customers and contributing to the high-quality development of the industry.



"Specialized, Refinement, Differential, Innovation (SRDI)" designation of Jiangmen Huajin and Jiangmen Huamu



"High-tech Enterprise" certificate of Jiangmen Huajin and Jiangmen Huamu

3.ANTI-CORRUPTION

The Group: adopts a zero-tolerance approach to all forms of corruption (including bribery, extortion, fraud and money laundering). To build a sound corporate atmosphere and maintain normal operation and management order, we are committed to guiding and regulating daily work behavior of our employees. The Group has established various policies and systems, such as the “Anti-Fraud Management System” (《反舞弊管理制度》), “Whistleblowing Procedures” (《舉報程序及管道》) and the “Conflict of Interest Policy” (《利益衝突政策》), so as to ensure its business procedures are in compliance with the “Prevention of Bribery Ordinance of Hong Kong” (香港《防止賄賂條例》) and applicable local and international laws on prevention of bribery, extortion, fraud and money laundering.

As the highest governing body of the Group, the Board is responsible for formulating, reviewing and supervising the corporate governance policies and routines, ensuring their compliance with relevant laws and regulations. We are committed to upholding the highest standards of business ethics and strictly prohibit and oppose any form of bribery, extortion, fraud or corruption in business operations. The board strictly forbids all employees from directly or indirectly soliciting or accepting any gifts, rewards or benefits from any business partners.

• PREVENTIVE MEASURES:

Regulatory Anti-corruption System: The Group effectively conducts integrity construction work, establishes and improves internal audit regulations and internal control systems, and strengthens internal supervision, risk control, and anti-corruption management. In 2025, we further improved the “Anti-bribery Policy” (《防止賄賂政策》), explicitly requiring regular reviews of operational processes and guidelines, and strengthening internal control and compliance reviews.

Corruption Risk Management: The Group has appointed a Chief Auditor who is fully responsible for internal audit supervision and the construction of the internal control system. We also have an internal audit department, which supervises the Group’s financial revenues and expenditures, financial budgets, financial final accounts, asset quality, operating performance, and other related economic activities, as well as internal investment projects such as infrastructure projects and major technological transformations, so as to reduce operational risks. The internal audit department regularly assesses corruption risk management and formulates long-term improvement measures for each corruption case.

Corporate Governance Supervision: The Group’s Corporate Governance Committee is composed of three independent non-executive directors, who are responsible for formulating, reviewing, and monitoring corporate governance policies and practices to ensure compliance with laws and regulations.

Employee Code of Conduct: The Group regulates employees' behaviors through the "Code of Conduct Policy for Business Activities" (《商務活動行為規範政策》). In particular, for employees within the procurement system, acts of corruption and fraud are explicitly prohibited through the "Integrity Statement" (《廉潔聲明書》) and the "Commitment Letter of Integrity and Self-discipline" (《廉潔自律承諾書》). Any employee in the procurement system who engages in disciplinary violations will be punished in accordance with the Group's regulations, depending on the extent of the impact of their actions. If the behavior violates the law, it will be handed over to the judicial authorities for handling in accordance with the law, and no leniency will be shown. In addition, the Group strictly prohibits employees who are involved in business operations and represent the Group's professional image from obtaining personal benefits or advantages by taking advantage of business opportunities. Employees are also reminded from time to time that they should not accept any form of gifts from suppliers.

Supplier Management: For suppliers collaborating on raw materials, the Group signs the "Supplier Quality Assurance Certificate" (《供應商品質保證書》) and the "Integrity Statement" (《廉潔聲明書》) in accordance with the specified procedures, ensuring that all employees, business partners, and agents are aware of the Group's anti-corruption policies.

Reporting Procedures: The Group has adopted a reporting policy, enabling employees and other stakeholders to report any suspected improper or illegal behaviors within the Group in a confidential manner, ensuring that whistle blowers will not be subject to retaliation or harassment. We have established an independently operated internal audit department and set up an audit mechanism. We also provide public complaint and reporting channels, including a reporting mailbox and a telephone hotline. We actively investigate and handle internal corruption reporting information and firmly resist the occurrence of events such as corruption and fraud. For the investigation results of fraud involving non-senior management personnel, the internal audit department will report to the management. For the investigation results of fraud involving senior management personnel, the internal audit department will report to the board of directors and the audit committee.

Anti-corruption Training: The Group continuously strengthens the construction of a clean and honest work environment, constantly improves the organizational discipline and the awareness of integrity and self-discipline among leading cadres at all levels and employees, and enhances moral cultivation. Everyone is required to always respect themselves, reflect on themselves, alert themselves, and encourage themselves, firmly establishing an ideological and moral defense line against corruption and degeneration. We provide anti-corruption training for directors and employees. For detailed content, please refer to the "Requirements and Usage Guidelines of the Anti-bribery Management System" (《反賄賂管理體系要求及使用指南》).

Implementation and Monitoring: The Group's Audit Committee is responsible for supervising the implementation of the anti-corruption policy. Independent auditors are hired to audit the internal finances to ensure financial transparency and compliance. The internal audit department regularly assesses corruption risk management and puts forward improvement suggestions for the problems discovered.

D.COMMUNITY ENGAGEMENT



Partnerships for the Goals



No Poverty

1. COMMUNITY ENGAGEMENT

The Group has always been committed to community investment and promoting sustainable development. We have formulated the “Community Group Cooperation Policy” (《社區團體合作政策》), aiming to understand the needs of the communities where our operations are located through community participation and ensure that community interests are fully considered in our business activities. We maintain smooth communication channels with community groups such as the government agencies of Muzhou Town, Xinhui District, Jiangmen City, the Nan’an Village Committee of Muzhou Town, Xinhui District, Jiangmen City, the Party-Mass Service Center of Nan’an Village, Muzhou Town, Xinhui District, Jiangmen City, the Caihong Social Work Comprehensive Service Center (Volunteer Federation) of Xinhui District, Jiangmen City, the Vocational Education Federation of Jiangmen City, and the Education Promotion Association of Gujing Town, Xinhui District, Jiangmen City. We maintain close communication during festivals and emergencies and provide appropriate assistance. We believe that through active investment in the community, we can promote the development in the fields of education, health, social welfare, and environmental protection, and jointly create a more prosperous, healthy, and sustainable community.

Holding Charity Activities with Community Organizations: In 2025, the Group actively participated in community charity activities through the Huajin Labor Union and the Huamu Labor Union. The two Labor Unions jointly organized 21 events, covering activities such as labor model application, Spring Festival decoration, tree planting, investigation of disadvantaged employees, female employee training, fun sports games, summer cooling relief, volunteer cleaning, blood donation, Spring Festival warmth delivery, mental health lectures, first aid training, labor skills competition and sending Spring Festival couplets. These activities aim to enhance employee participation, while also giving back to the community, promoting community unity and sustainable development.

Holding Charity Activities with Poverty Alleviation Organizations: This year, the group collaborated with organizations such as communities, townships, labor unions and party branches, and jointly held 6 activities to visit impoverished families. Through on-site care and support, they provided appropriate assistance to the disadvantaged groups and alleviated their living pressures, continuously giving back to the community.

Holding Charity Activities with Environmental Protection Organizations: This year, the Group has jointly held a total of 10 environmental protection education/speaking events with environmental protection-related organizations. The focus was on the interpretation and implementation of national environmental protection policies. This was done to enhance the awareness of environmental protection among employees and the community, and to promote the effective implementation of relevant requirements in daily operations and at the community level.

Community care activities: The group has continuously visited impoverished families and sick employees, and regularly organizes visits to injured employees who are hospitalized every month, demonstrating care for employees and community residents.

Implementing Community Improvement Plans: This year, our group has continued to promote community greening and environmental improvement efforts, by participating in numerous tree-planting activities to support community revitalization and community development.

Donation Projects: No cash donations were made during the reporting period.

Volunteer Services: During the Reporting Period, total volunteer service hours amounted to 303 , which fully demonstrates our sense of social responsibility.

Photos of Charity Activities



Spring Festival Warmth Delivery



Tree Planting



Mosquito Control Awareness Campaign



Volunteer Cleaning



Sending Spring Festival Couplets



The leaders of the town government carried out the work of comforting and supporting enterprises.

E.ADDRESSING CLIMATE CHANGE



CLIMATE ACTION

1.CLIMATE ACTION

According to the World Economic Forum Global Risks Report, climate change is one of the major risks the businesses faced in recent years. The Group recognizes that greenhouse gases are a primary cause of climate change. The Group would allocate budgets where appropriate to improve facilities or technologies to reduce greenhouse gas or pollution emissions.

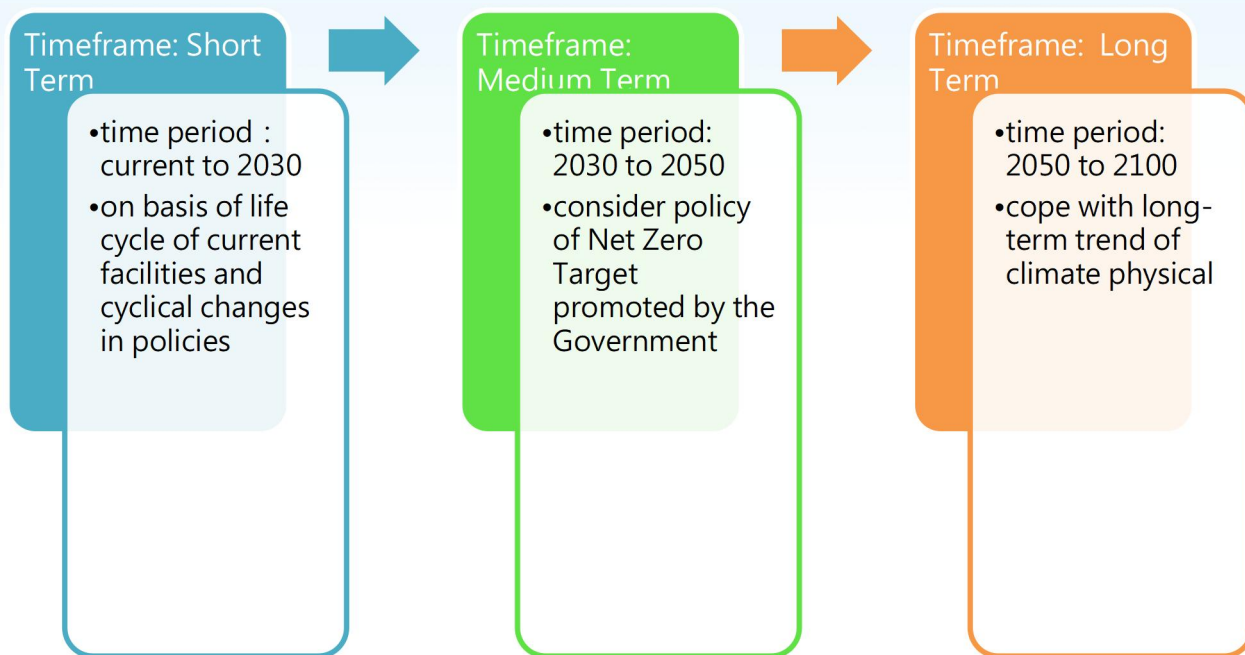
1.Climate Strategy

The Group believes that climate change is a critical issue that could have short-, medium- and long-term impacts on business operations, value chains, strategic decisions, and financial performance. Therefore, we are committed to conducting scenario analyses at different times to identify and assess climate-related risks and opportunities, in order to monitor and evaluate the potential impacts on the Group. Thus, the Group develops and applies specific measures and strategies of mitigation and adaptation to reduce the negative impacts on the Group.

The Group conducted climate-related scenario analyses based on two scenarios and three timeframes, to identify physical risks, transition risks, and climate-related opportunities (as mentioned in Section E.1.3). Physical risks include acute and chronic risks that could in short-term and long-term impact the Group's operations under extreme weather and climate change conditions. Transition risks include regulatory, technological, market and reputational risks arising from the implementation of stringent climate regulations and laws. Climate-related opportunities that the Group may encounter across the three different timeframes can be categorized into different areas, such as resource efficiency, energy resources, products and services, markets and resilience.

1.1 Timeframe

The Group sets timeframe based on its industrial nature and climate objectives to assess climate-related risks and opportunities, set targets and make strategic decisions, in order to ensure the timeframe set satisfying our comprehensive climate adaptation measures and direction. The timeframe is defined as follows:



1.2 Identification of Climate Risks and Opportunities

In accordance with the reporting framework of the Hong Kong Stock Exchange, the Group regularly conducts assessments of climate-related risks and opportunities based on detailed risk categories. On this basis, taking into account the Group's business conditions and development strategy, as well as the concerns of internal and external stakeholders, we analyze the short-, medium- and long-term impacts of each risk category.

Climate-related risks are classified under two main categories, i.e., risks related to the transition to a low-carbon economy and risks related to the physical impacts of climate change, as shown below:

Transition risks	Physical risks
<ul style="list-style-type: none"> •Policies and Laws •Technology •Market •Reputation 	<ul style="list-style-type: none"> •Acute •Chronic

1.3 Climate Scenarios

The Group has conducted climate-related scenario analyses using the Intergovernmental Panel on Climate Change (“IPCC”) Sixth Assessment Report Shared Socioeconomic Pathways (“SSPs”) and the International Energy Agency’s (“IEA”) Global Energy and Climate Model (“GEC”) under different climate scenarios. These analyses assess the Group's climate resilience from both physical risk and transition risk perspectives.

The scenario analyses help evaluate the Group's overall adaptability to climate change and assist in identifying the potential impacts that climate change may have on the Group's business operations and

financial position. Based on the analysis results, the Group is able to identify relevant risk exposures and management gaps, thereby formulating corresponding risk mitigation and adaptation strategies to enhance the overall resilience of the Group's business model and value chain, as well as its long-term sustainable development capability.

Conduct climate change scenario analysis	Assess the timeframe and extent of the impact of climate change on corporate operations
<ul style="list-style-type: none"> ● Define two climate scenarios, i.e. low emissions and high emissions ● Conduct analysis with public scenario models ● Quantitative/qualitative parameters were obtained under the two scenarios respectively 	<ul style="list-style-type: none"> ● Assess the short-, medium-, and long-term impacts of climate-related risks and opportunities according to the scenario analysis results and based on the Group's business characteristics and geographical location

Principles of Scenario Analysis

To accurately assess climate-related physical and transition risks, the Group uses a multi-scenario analysis framework to conduct a forward-looking assessment of the potential risks in the Group's main operating areas under global warming scenarios of 1.5°C and 3°C, with time spans over the short term (2030), medium term (2050) and long term (2100).

For physical risk assessment, we selected a representative scenario from the SSPs:

- **SSP1-2.6:** Represents proactive emission reductions which is highly consistent with the 1.5°C temperature control target under the Paris Agreement;
- **SSP3-7.0:** Represent a scenario of intensified regional competition and high greenhouse gas emissions, which is used to address severe physical risks under high temperature increasing (nearly 3°C or above).

For transition risk assessment, we mainly made reference to two core scenarios under GEC model by the IEA:

- **Net-Zero Scenario ("NZE"):** Outline the possible pathways to achieving net-zero emissions globally by 2050 and its profound impact on energy, finance and industry, which in a way consistent with the Group's climate transition plan and carbon reduction commitments;
- **Stated Policies Scenario ("STEPS"):** Reflect the actual implementation process of currently implemented and announced policies for examining the potential exposure to transition risks under the Group's existing policies 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, in order to provide a scientific and robust analytical basis for the subsequent development of targeted climate adaptation and mitigation strategies.

	Low emission scenarios	High emission scenarios
Scenario definition	An ambitious climate action is to limit global warming to 1.5°C or substantially lower than 2°C, with an aim to achieve carbon neutrality (net-zero emissions) by 2050	The implication of global climate policy is nearly suspended, with economy being highly dependent on fossil fuels, clean technology development being severely lagging, greenhouse gas emissions remaining high, and warming being expected to exceed 3°C by the end of this century

Reasons for selection	<p>Achieve net-zero greenhouse gas emissions by 2050 and keep the temperature increase within 1.5 °C above the pre-industrial level by 2100.</p> <p>This scenario was chosen to assess the impact of ambitious climate actions, with an aim to satisfy the target of rising 1.5°C or much lower than 2°C under the Paris Agreement. Under this scenario, we will focus more on transition risks.</p>	<p>maintain stable greenhouse gas emissions by 2050, reduce emissions by 2100, and prevent the temperature increasing of exceeding 3°C</p> <p>As a worst-case stress test, it is used to assess the maximum impact of extreme physical risks on the asset portfolio, supply chain and operating sites in the event of the collapse of international cooperation and the stagnation of transformation, in order to ensure the resilience of Group under the most severe conditions.</p>
Description of scenario	<p>The world realizes the severity of climate change, and countries are intensifying their climate action efforts. The countries immediately implement stringent policies to reduce emissions to limit global warming to 1.5°C or much lower than 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 civil society and consumers on corporate climate action is also increasing.</p>	<p>The international climate agreements cease to be of effect, leading to the resumption of coal and oil and gas extraction, and the repeal of carbon pricing and emission reduction policies in various countries.</p> <p>Technological innovation has deviated from the low-carbon path, while population is increasing and resources are more demanding. Frequent occurrence of extreme weather, sea- level rise, and ecological collapse pose significant physical risks to the investment portfolio.</p>
Main Reference	<p>IPCCSSP1-2.6: The world adopts stringent climate policies and innovative technologies, prioritize clean energy to achieve a temperature control target of rising 1.5°C or much lower than 2°C.</p> <p>IEA NZE: The energy system relies on renewable energy, electrification and technological breakthroughs with support of stringent international policies to achieve a decarbonization. The world will achieve carbon neutrality by 2050.</p>	<p>IPCC SSP3-7.0: Climate policies nearly cease to be of effect. The economy is highly dependent on fossil fuels, greenhouse gas emissions remain high, and temperatures are projected to rise by more than 3°C by the end of this century. The risks of the occurrence of extreme weather, sea- level rise and ecosystem collapse are extremely high.</p> <p>IEASTEPS: New climate policies are introduced with an aim to maintain emissions levels or slightly reduce emissions levels by 2050 (but this is far behind the net-zero target). Global warming of 3°C or higher degree is on the way, leading to increasing physical risks.</p>

1.4 Resilience to climate change

The management of the Group has identified and prioritized the assessment of climate-related risks and opportunities, and conducted questionnaire based on selected scenario analysis, in order to understand the impacts and timeframes. Differentiation in survey results may stem from variations in management's understanding of climate issues and their professional judgment standards. To address this issue, the Group will continuously strengthen the climate awareness of its management and employees.

Through discussions of climate scenarios, we analyzed significant risks and their potential impact on the Group's operations. We developed targeted adaptation and mitigation measures for these risks. The table below summarizes the findings.

Climate-related risks

Risk type	Risk		Scenario	Timeframe			Potential Impact	Mitigation and Adaptation Measures
				Short term	Medium term	Long term		
Climate-Related Transition risks								
Policies and Laws	Rising carbon prices		1.5°C	Low	Mid	Mid	Potential financial impact •The Group may face increased operating costs due to rising natural gas and electricity prices, which could compress gross margins.	<ul style="list-style-type: none"> •The Group has established a Carbon Emission Management Policy and implemented emission reduction measures including full transition to natural gas, construction of solar photovoltaic systems, and increased adoption of electric vehicles. •The five-year GHG intensity reduction target has been exceeded; •We will continue to monitor carbon trading policies in the future and explore the feasibility of internal carbon pricing and green finance applications.
			3°C	Low	Low	Low	Business model impact •The limited cost transfer capability of energy-intensive cold rolling processes may undermine product pricing competitiveness. Value chain impact •Upstream hot-rolled steel coil suppliers may pass on carbon costs, increasing bargaining pressure on downstream customers in the home appliance and hardware sectors.	
	Enhance reporting requirements for emissions (such as ESG requirements by the Hong Kong Stock Exchange)	1.5°C 3°C	Low Low	Low Low	Low Low	Potential financial impact •The group will require additional resources for data collection, system upgrades, and third-party validation, resulting in increased compliance and administrative costs. Business model impact The need to enhance internal environmental data management capabilities may impact overall operational efficiency Value chain impact Suppliers are required to provide additional ESG data, which increases coordination and audit workloads.		
	The industry is		1.5°C	Low	Low	Low	Potential financial impact	•The group has implemented packaging material

Risk	Risk	Scenario	Timeframe			Potential Impact	Mitigation and Adaptation Measures
	facing increasingly stringent mandatory regulations on existing products and services, due to constant changing laws and regulatory requirements	3°C	Low	Low	Low	<p>•The group's products may need to comply with stricter low-carbon or green standards, increasing certification and production transformation costs.</p> <p>Business model impact</p> <p>Customized processing and delivery services may face order adjustments for certain customers if affected by new regulations.</p> <p>Value chain impact</p> <p>Product carbon footprint disclosure requirements may influence procurement decisions of downstream customers in the home appliances, furniture and LED lighting industries.</p>	<p>optimization and recycled waste material reuse initiatives, while actively pursuing green product certification.</p> <p>Meanwhile, the environmental attributes of products are enhanced through clean production technology upgrades</p>
Technology	The cost of transition to lower-emission technologies	1.5°C 3°C	Low Low	Mid Low	Mid Low	<p>Potential financial impact</p> <p>•The group will need to increase capital expenditures for equipment upgrades, waste heat recovery, and energy-saving technological renovations, which will have a short-term impact on cash flow.</p> <p>Business model impact</p> <p>•The transformation of core cold rolling processing operations requires balancing cost and efficiency, which may prolong the investment payback period.</p> <p>Value chain impact</p> <p>•Upstream equipment suppliers and downstream logistics must simultaneously undergo low-carbon upgrades.</p>	<p>•The group has implemented energy-saving technologies including waste heat recovery, LED lighting replacement, annealing furnace lining renovation, and cold rolling speed enhancement, while optimizing production management through a digital ERP system.</p> <p>•We will progressively advance the application of low-carbon technologies in the future and anticipate securing government subsidy support.</p>
Market	Changing consumer behaviour	1.5°C 3°C	Low Low	Mid Low	Mid Low	<p>Potential financial impact</p> <p>•The shift to low-carbon steel materials may reduce orders for the Group's traditional products, impacting both revenue and gross margin.</p> <p>Business model impact</p> <p>•We must accelerate the transition from traditional manufacturing models to green customized products, or risk losing market share.</p> <p>Value chain impact</p> <p>•Downstream customers in the home appliance, furniture, and motorcycle parts industries are increasingly demanding low-carbon supply chains.</p>	<p>•The Group implements green procurement practices by prioritizing local eco-friendly suppliers and gathering low-carbon requirements through customer communication and surveys.</p> <p>•Continuously develop product solutions that meet customers' environmental requirements</p>

Risk	Risk	Scenario	Timeframe			Potential Impact	Mitigation and Adaptation Measures
	The prices of raw materials rise	1.5°C	Low	Mid	Mid	<p>Potential financial impact</p> <p>The price of upstream hot-rolled steel coils fluctuates due to rising carbon costs, potentially increasing procurement expenses for key raw materials.</p> <p>Business model impact</p> <ul style="list-style-type: none"> •The processing gross margin faces further pressure, impacting overall profitability. <p>Value chain impact</p> <ul style="list-style-type: none"> •High concentration among five major suppliers will directly impact the stability of raw material costs through carbon price transmission. 	<p>•The Group reduces transportation costs by integrating logistics through Huajin Port while maintaining long-term supplier relationships.</p> <p>•Simultaneously, we employ methods such as advance payments to lock in reasonable prices while exploring diversified raw material strategies.</p>
		3°C	Low	Low	Low		
Reputation	Increased stakeholders' concerns or negative stakeholders' feedback	1.5°C	Low	Mid	Mid	<p>Potential financial impact</p> <ul style="list-style-type: none"> •Growing stakeholder concern over climate performance may impact financing terms, stock price stability, or client relationships. <p>Business model impact</p> <ul style="list-style-type: none"> •If the brand image is affected, it will pose challenges to long-term business expansion and customer retention. <p>Value chain impact</p> <p>The tightening of ESG audits for suppliers and clients may raise the bar for collaboration.</p>	<p>•The Group conducts regular stakeholder surveys and materiality assessments, proactively publishes ESG reports to disclose emission reduction progress, and enhances its positive image through environmental education and biodiversity support initiatives.</p> <p>•A crisis response mechanism has been established.</p>
		3°C	Low	Low	Low		
Physical Risks							
Immediate effect	Occurrence of extreme weather events	1.5°C	Low	Low	Low	<p>Potential financial impact</p> <ul style="list-style-type: none"> •Extreme weather events such as typhoons and floods may damage facilities at the Jiangmen plant site and equipment at Huajin Port, resulting in production halts, maintenance costs, and revenue losses. <p>Business model impact</p> <ul style="list-style-type: none"> •Disruptions in processing, warehousing, and distribution operations have impacted order fulfillment and customer service commitments. <p>Value chain impact</p> <p>Obstruction in raw material transportation and finished product distribution poses challenges to supply chain continuity</p>	<p>•The Group has established an extreme weather emergency response plan, featuring proactive weather information dissemination and real-time status updates.</p> <p>•Regular equipment maintenance and safety inspections shall be conducted, with property and business interruption insurance purchased for critical assets. Huajin Wharf has also enhanced wind and flood prevention measures.</p>
		3°C	Low	Low	Low		

Risk	Risk	Scenario	Timeframe			Potential Impact	Mitigation and Adaptation Measures
Long-term	Average temperature rise	1.5°C	Low	Low	Low	<p>Potential financial impact</p> <p>Regular equipment maintenance and safety inspections shall be conducted, with property and business interruption insurance purchased for critical assets. Huajin Wharf has also enhanced wind and flood prevention measures.</p> <p>Business model impact</p> <p>•High-temperature working environments increase occupational health and safety management costs, which may reduce processing production efficiency.</p> <p>Value chain impact</p> <p>The stability of upstream raw material supply and the seasonality of downstream household demand may experience fluctuations.</p>	<p>Mitigation and Adaptation Measures</p> <ul style="list-style-type: none"> •The Group implements air conditioning temperature control, energy-saving equipment upgrades, and low-temperature drying technology (reducing sludge volume by 50-75%), while establishing employee care programs and emergency response plans. •Meanwhile, climate adaptation capacity is enhanced through factory site greening and production scheduling optimization.
		3°C	Low	Low	Low		

Restriction

In the 2025 fiscal year, the Group aligned with international and regional climate regulations, with reference to the Hong Kong Stock Exchange's ESG Code and IFRS S2 requirements, such as "dual carbon" target of China, federal and provincial environmental regulations of Canada, industry practices and the latest scientific research to develop a climate disclosure framework. However, scenario analysis has inherent limitations and may not comprehensively capture all potential climate-related risks and opportunities. Also, its results are affected by data quality, the accuracy of assumptions and technological conditions. We will continue to monitor emerging risks, optimize our analysis processes and gather feedback from stakeholders to improve the accuracy and reliability of future disclosures.

Future improvements

The Group is currently in the early stages of its climate-related disclosures, and this report does not yet provide a quantitative assessment of the short-, medium-, and long-term financial impacts of climate risks and opportunities. Going forward, we will enhance our scenario analysis capabilities and gradually introduce quantitative models to assess the scale and probability of potential financial impacts. Furthermore, we will explore the flexibility of our financial resources and develop corresponding strategies for the key impacts identified in the analysis. On this basis, we will continuously optimize climate risk management, enhance the Group's climate adaptability and operational resilience, to ensure the sustainable development of our business.

Climate-related opportunities

Despite facing challenges, the Group actively identifies potential opportunities arising from climate change. With the acceleration of global and national low-carbon economic development, the Group has enhanced operational efficiency and strengthened compliance advantages through existing energy optimization and emission reduction measures. This has helped us avoid potential carbon-related costs and penalties.

The group has completely stopped using biomass pellets and has switched to natural gas as the sole source of heat energy. A solar photovoltaic power generation system has also been constructed within the factory premises to provide clean electricity for the production workshops, office areas, dormitories, lighting, and electric equipment. In 2025, the solar power generation reached 6,195.22MWh. Additionally, the group has been gradually using electric vehicles, effectively reducing transportation-related emissions.

In terms of improving energy efficiency, the group has implemented a number of technological upgrades, including increasing the speed of the cold rolling production line to decrease the intensity of energy consumption, replacing the efficient inner lining of the annealing furnaces, optimizing the combustion system of the steam boilers, recovering waste heat from the boilers, and completely replacing the LED lighting. At the same time, through the digital transformation of the ERP system, it has optimized resource allocation and production management, further reducing energy consumption and carbon footprint. In 2025, the total GHG emissions of this group decreased by 58.79% compared to 2024, and the GHG emission intensity decreased by 6.71% compared to the base year. This has exceeded the phased target for reducing greenhouse gas intensity over the five-year period. The energy consumption intensity also increased slightly by 0.78% compared to the base year.

Meanwhile, we noticed a progressive increase in market demand for energy efficiency and clean technologies. Going forward, we will assess the application of relevant technologies in a timely manner based on market dynamics and regulatory requirements. For example, we will further promote the use of natural gas as a substitute for traditional fossil fuels, oil and gas recovery systems, and energy-saving equipment, to improve operational efficiency and reduce emissions. On this basis, we will explore potential opportunities in climate mitigation while maintaining manageable risks, to achieve a balance between sound business operations and sustainable development.

Current financial impact

During the reporting period, the Group assessed the actual impact of identified climate-related risks and opportunities on the Group's financial position, operating results and cash flows during the reporting period, in accordance with reporting requirements. Based on management's careful assessment, during the reporting period, climate-related risks, including physical and transition risks, as well as climate-related opportunities, did not have a material impact on the Group's financial position, financial performance or cash flows.

The Group continues to comply with relevant environmental and climate regulations in its daily operations and effectively controls potential additional compliance costs and operational risks through optimization of existing operation and emissions management measures. Based on the above assessment, the Group believes that the climate-related risks and opportunities identified during the reporting period have not resulted in a need for significant adjustments to the carrying amounts of assets or liabilities in the next financial year.

During the reporting year, the Group did not incur any material costs arising from extreme weather events. For instance, additional maintenance and losses resulting from facility damage or business disruptions. Moreover, the Group did not incur any major fines due to violations of climate-related laws and regulations. In terms of financing, the Group did not issue green bonds or other climate-themed financing instruments during the reporting period.

Expected financial impact

The Group has conducted multi-scenario analyses and made initial attempts to compare physical and Transition Risks with their financial impacts. However, due to the uncertainties in external scenario parameters, including the variability of policy paths, technology cost curves, regional climate projections, due to the high uncertainty of external scenarios, the Group currently adopts a qualitative approach to assess medium-to-long-term financial impacts. Therefore, this report does not disclose the estimated financial impacts of climate-related risks and opportunities on profit and loss, balance sheet, cash flow, or capital requirements over the medium and long term.

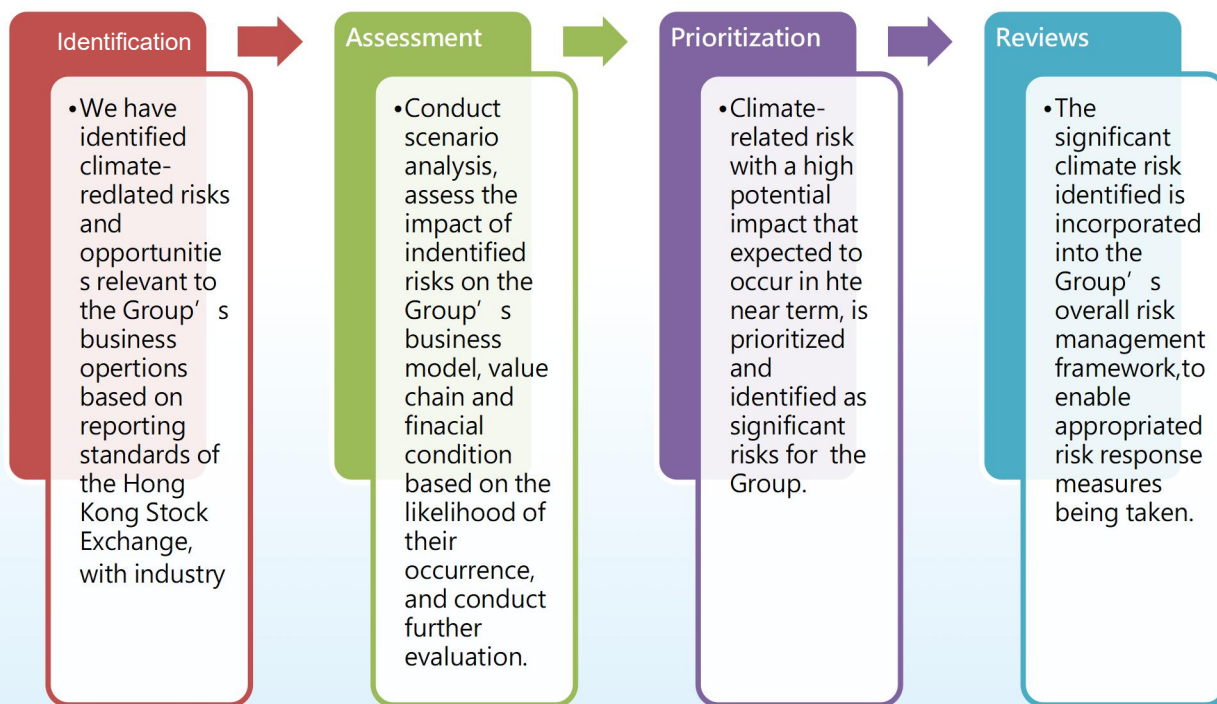
The Group will adopt a prudent and progressive approach and continue to make improvements, with a focus on the following areas:

- further improve the correlation analysis between historical loss data and climate events;
- strengthen model benchmarking with international peers and professional organizations;
- quantitative results will be introduced in an orderly manner when internal and external conditions have matured and the uncertainty of the main assumptions has been significantly reduced.

We are committed to maintaining the high standard of transparency and prudence. We will disclose the relevant estimated financial impacts in upcoming reports in a timely manner, once a reliable and verifiable quantitative basis is available. At the present stage, we primarily focus on qualitative analysis and consider climate-related uncertainties as a key factor in our strategic planning and risk management.

2. Climate Risk Management

The Group has established a comprehensive risk management framework to regularly identify, assess, prioritise, monitor and manage climate-related risks. Climate risk analysis under this framework is conducted at least annually, and the results are reported to the Board and the ESG Working Group for review. We have identified climate-related risks (including transformation risk and physical risk) that have a potentially significant impact on our business. Through our governance structure and cross-departmental collaboration, the Group manages climate-related risks using a combination of qualitative and quantitative methods, in order to ensure effective risk control and support sustainable business development.



3. Climate Indicators and Targets

The Group has established various climate indicators and targets for greenhouse gas (“GHG”) emissions, energy consumption, water management, and renewable energy generation, to effectively track performance of climate-related risks and opportunities and monitor the progress of managing such risks and opportunities, thereby supporting the Group to meet international climate goals and contribute to the transition to a low-carbon economy.

3.1 Targets

We set targets for carbon reduction to be achieved by fiscal year of 2026 or earlier. With fiscal year of 2021 as a baseline, the scope of such targets is fundamentally consistent with that of this report. We developed corresponding management strategies for achieving our carbon reduction targets. To demonstrate our commitment to transitioning to a low-carbon economy, we will gradually reduce greenhouse gas emissions and contribute to limiting global temperature rise to below 1.5°C.

GHG management target

	Unit	5-Year target*	Progress in 2025
GHG emissions intensity	tCO _{2e} /kilotonne of production volume	by 5%	Reduced by 6.71%
Note: * Baseline Year (2021): 120.44 tCO _{2e} /kilotonne of production volume			

3.2 Indicators

Greenhouse Gas Management

The Group actively responds to the national policy of promoting a low-carbon economy, and has formulated the “Carbon Emission Management Policy” (《碳排放管理政策》). Through the identification of carbon emission sources, the calculation of emissions, the establishment of emission reduction targets and the regular evaluation of effectiveness, the Group systematically manages greenhouse gas emissions. In the process of quantification, the Group refers to the international standards of greenhouse gas accounting systems such as ISO 14064-1:2018 and ISO 14064-3:2018 to ensure the accuracy and reliability of the data. The Group also manages and reduces greenhouse gas emissions through different channels, and has implemented a number of policies and measures. The specific measures taken in 2025 include:

Identification of Carbon Emission Sources: The Group has conducted data statistics and analysis on the main carbon emission sources, including electricity and natural gas, to facilitate monitoring and review.

Adopting Clean Energy:

- **Use of Natural Gas:** To better minimise emissions, the Group has ceased using biomass pellets, and fully adopted natural gas as combustion material to reduce greenhouse gas emissions.
- **Construction of Solar Energy System:** The Group has built a solar energy system within the factory area. The solar electricity generation is connected to the on-site power grid and is mainly used for Electricity Room No. 4, workshop lighting vehicles, office dormitories, and slitting and flattening machine units. In 2025, the total amount of photovoltaic power generation reached 6,195.22MWh. New projects are still ongoing, and the electricity generation is expected to be further enhanced.

Promoting the Use of Electric Vehicles: The Group has gradually introduced electric vehicles into its daily operations and logistics-related work, and is continuously expanding their application scope. In terms of usage benefits, electric vehicles can replace part of the traditional fuel consumption under the given operating assumptions, thereby helping to reduce the fossil fuel usage in fleet operations. In the future, the Group will continuously review the fleet operation needs and supporting conditions (such as charging facilities, route arrangements, and operation management), and assess and optimize vehicle configurations based on actual circumstances, in order to steadily promote the use of electric vehicles and improve energy efficiency.

Regular Evaluation and Disclosure: During the Reporting Period, the total greenhouse gas (GHG) emissions of the Group reached 67,355.48 tCO₂e, representing a decrease of 58.79% compared with 163,440.56 tCO₂e in the previous year (2024). Among them, the direct greenhouse gas emissions (Scope 1) were 15,574.69 tCO₂e, accounting for approximately 23.12% of the total emissions; the indirect energy emissions (Scope 2) were 51,780.79 tCO₂e. Calculated by intensity, the total greenhouse gas emissions intensity for this year was 112.36 tCO₂e per thousand tons of production, an increase of 2.80% compared to the previous year's 109.29 tCO₂e per thousand tons of production. The intensity variation was mainly influenced by the production volume level. The production volume in 2025 decreased significantly, resulting in an increase in the greenhouse gas intensity for this year. Nevertheless, compared to the baseline year (2021) with a production intensity of 120.44 tCO₂e per thousand tons of production, the emission intensity this year decreased by 6.71%. According to the group's established target, the group aims for a 5-year reduction of 5%, and the progress in 2025 was a reduction of 6.71%, indicating that the Group has exceeded the phased target requirements in terms of greenhouse gas intensity this year. The Group will continuously review the emission data and the effectiveness of the emission reduction measures, and further improve the management plan to gradually reduce greenhouse gas emissions and their intensity.

The GHG emission data of the Group

		2024	2025
Emissions category of greenhouse gases	Unit	Emissions of greenhouse gases	
Total emissions of greenhouse gases	tCO _{2e}	163,440.56	67,355.48
Total GHG emissions intensity*	tCO _{2e} /kilotonne of production volume	109.29	112.36
Direct emissions (Scope 1)	tCO _{2e}	39,055.62	15,574.69
Direct emissions intensity*	tCO _{2e} /kilotonne of production volume	26.12	25.98
Energy indirect emissions (Scope 2)	tCO _{2e}	124,384.93	51,780.79
Total GHG emissions intensity*	tCO _{2e} /kilotonne of production volume	83.18	86.38
Notes:			
The calculations were based on the Reporting Guidance on Environmental KPIs issued by the Stock Exchange, 2006 IPCC Guidelines for National Greenhouse Gas Inventories, IPCC Fifth Assessment Report, Guidelines for Reporting Carbon Dioxide Emissions Information of Enterprises (Entities) in Guangdong Province (revised in 2021), the latest China grid emission factor released by the Ministry of Ecology and Environment of the People's Republic of China (Ministry of Ecology and Environment, PRC).			
·intensity is calculated per kilotonne of production volume			
Scope 1 includes emissions from fixed combustion of natural gas, acetylene emissions from diesel and gasoline combustion of vehicles, and fugitive emissions from carbon dioxide fire extinguishers;			
Scope 2 includes emissions of electricity consumed.			

Internal carbon price

The Group actively explores the application of its internal carbon pricing mechanism to support the financial assessment of climate-related risks and opportunities, in order to promote the transition to a low-carbon economy.

Remuneration

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

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KPI A.1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	A1
KPI A.1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	A1
KPI A.1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	A1
KPI A.1.5	Description of emissions target(s) set and steps taken to achieve them.	A1
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KPI A.3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	There were no incidents with significant impact on the environment and natural resources during the period
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KPI A.4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	A4
B	Social	Chapter

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ASPECT B.4	Labor Standards	B4
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ASPECT B.6	Product Responsibility	C2
KPI B.6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	There were no products subject to recalls for safety and health reasons during the period
KPI B.6.2	Number of products and service related complaints received and how they are dealt with.	There were no complaints about quality during the period
KPI B.6.3	Description of practices relating to observing and protecting intellectual property rights.	C2
KPI B.6.4	Description of quality assurance process and recall procedures.	C2
KPI B.6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	C2

ASPECT B.7	Anti-corruption	C3
KPI B.7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the Reporting Period and the outcomes of the cases.	There were no legal cases regarding corruption during the period
KPI B.7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	C3
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KPI B.8.1	Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport).	C4
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Part D: Climate-related disclosures		
(I)	Governance The issuer must disclose information regarding the following:	Chapter
19	(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.	ESG statement of the board
	Strategy	E1
	Climate-related risks and opportunities Issuers must disclose information to make it clear what climate-related risks and opportunities they reasonably anticipate could affect their cash flows, access to	E1

financing, or cost of capital in the short, medium, or long term. Specifically, issuers must:	
(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.	E1
(b) Explain whether the identified climate-related risks are considered to be physical risks or transition risks	E1
(c) Provide specifics on the reasonable expectations regarding the time horizon (short, medium, or long term) for each identified climate-related risk and opportunity	E1
(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.	E1
Business model and value chain	
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	E1
(a) Describe the current and expected impacts of climate-related risks and opportunities on the issuer's business model and value chain; and	E1
(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).	E1
Strategy and Decision making	
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:	E1
(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).	E1
(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).	E1
The issuer must disclose the progress of the plans disclosed in paragraph 22(a) for each previous reporting period.	E1
Financial Condition, Financial Performance, and Cash Flow	E1

Current Financial Impact

E1

The issuer must disclose the following qualitative and quantitative information:

E1

(a) How climate-related risks and opportunities affected the issuer's financial position, financial performance and cash flows during the reporting period.

E1

(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.

E1

Expected Financial Impact

The issuer must disclose the following qualitative and quantitative information:

(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:

E1

(i) its investment and disposal plans; and

(ii) its planned sources of funding for implementing the strategy; and

Climate Resilience

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:

E1

(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.

E1

(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.

(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.

E1

(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

E1

(iii) The reporting period for conducting climate-related scenario analysis.

E1

(III) Risk Management

27. Issuer must disclose the following information:

(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.

E2

(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

(vi) 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.

E2

(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.

E2

(IV) Indicators and Targets

Greenhouse Gas Emissions

Issuers must disclose the absolute total greenhouse gas emissions during the reporting period (in tons of CO2 equivalent), categorized as:

28. (a) Scope 1 greenhouse gas emissions

E3

(b) Scope 2 greenhouse gas emissions

(c) Scope 3 greenhouse gas emissions

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)."

E3

(b) Disclose the methods used for measuring greenhouse gas emissions, including:

E3

(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.

E3

(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)."

E3

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.

During the reporting period, the Group did not identify any climate-related transition risks that would have a material or high-risk impact on its assets or business activities.

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.

During the reporting period, the Group did not identify any climate-related physical risks that would have a material or high-risk impact on its assets or business activities.

Climate-related Opportunities

32

Issuers must disclose the amount and percentage of assets or business activities related to climate-related opportunities.

During the reporting period, climate-related opportunities had not yet been converted into independently identifiable projects with clearly attributable and quantifiable asset or business activity values. As such, the Group has not disclosed the specific amounts or percentages of assets or business activities related to climate-related opportunities at this stage.

Capital Expenditure

33 Issuers must disclose the capital expenditures, financing, or investment amounts related to climate-related risks and opportunities.

During the reporting period, the Group did not establish any standalone capital expenditure, financing or investment projects specifically related to climate-related risks or opportunities.

Internal Carbon Pricing

Issuer must disclose the following:

34 (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.

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.

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.

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.

The Group actively considers disclosing industry-specific indicators related to the disclosure topics, as set out in the industry disclosure requirements prescribed by other international environmental, social and governance reporting frameworks.

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.

E3

Issuers must disclose the following information for each target:

(a) Indicators used to set goals.

E3

	(b) The purpose of the target (e.g., mitigation, adaptation, or science-based initiatives).	E3
	(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).	E3
	(d) The applicable period of the target.	E3
	(e) The baseline period for measuring progress.	E3
	(f) Any interim or mid-term targets (if any).	E3
	(g) If it is a quantitative target, whether it is an absolute target or an intensity target.	E3
	(h) How the latest international climate change agreements (including any legal commitments arising from those agreements) assist the issuer in setting targets.	E3
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.	We have established greenhouse gas emissions targets. As we move forward, we will explore the feasibility of having our targets 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.	
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.	E3
40	For each greenhouse gas emission target disclosed in paragraphs 37 to 39, the issuer must disclose:	E3
	(a) Which greenhouse gases are covered by the target.	E3
	(b) Whether the target covers Scope 1, Scope 2, or Scope 3 greenhouse gas emissions.	E3
	(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.	Our goal is to meet the total greenhouse gas emissions target.
	(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:	We may consider using carbon credits in the future. to offset greenhouse gas emissions generated from our operations.
	(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. E3