Solartech International Holdings Limited

(Incorporated in Bermuda with limited liability)
Stock Code: 1166

2025

Environmental, Social and Governance Report

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

OVERVIEW

(I) Purpose

In accordance with the Environmental, Social and Governance Reporting Code (the "**ESG Reporting Code**") outlined in Appendix C2 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("**HKEx**"), listed companies are required to provide an Environmental, Social and Governance ("**ESG**") Report (the "**ESG Report**").

This is the ESG Report of Solartech International Holdings Limited (the "**Company**") which reviews and discloses the vision, policies, management controls of the Company and its subsidiaries (together the "**Group**"), and the Group's performances and challenges, regarding environmental and social issues, for both internal and external stakeholders.

(II) Reporting Period

This report is for the period from 1 July 2024 to 30 June 2025 (the "**2025 Reporting Period**").

(III) Basis of Preparation

This ESG Report is compiled in accordance with the ESG Reporting Code. The content of this ESG Report includes two main subject areas as outlined and required by the ESG Reporting Code, being Area A – Environmental and Area B – Social and further includes the disclosure of climate change related issues, which have or may impact the Group.

This ESG Report, which has been reviewed and approved by the board of directors of the Company (the "**Board**"), reviews and reports the core business operations and activities of the Group and follows the principles of materiality, quantitative, balance, and consistency to disclose relevant statistics and information. The ESG Report was compiled in compliance with the "mandatory disclosure requirements" and the "comply or explain" provisions in the ESG Reporting Code.

(IV) Corporate Goals and Visions

The Group's vision continues to be a leading manufacturer and high-quality provider of electric cables and wires both in the PRC and worldwide. We are committed to providing these products with a reasonable return on investments to our shareholders, whilst being a socially and environmentally responsible company and providing a safe, healthy and pleasant working environment to our employees.

(V) Governance Structure

The Board is responsible for the sustainable development of the Group and directs the Group to perform its corporate social responsibilities. The Board determinedly believes that our attention to resources management and occupational safety and health will especially help the Group achieve its established vision and mission. The Board has faith in that attaching importance to ESG management can improve our corporate image, reduce ESG risks and enhance the Group's capability to comply with relevant laws and regulations. These efforts can further improve the competitiveness of the Group and promote the sustainable development of the Group's business.

The Group's ESG philosophy is to create long-term value for its stakeholders in alignment with the strategic development and sustainability of its business. The Group is committed to maintaining a rigorous corporate governance framework to promote and safeguard the interests of shareholders and other stakeholders, thereby upholding the Group's credibility and reputation. The Group will continue to seek ways to develop our business in a more efficient and environmentally friendly manner and remains steadfast in our mission to build an inclusive and sustainable society.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Board continuously enhances its supervision over the Company's ESG governance and increases its engagement efforts. The Board is responsible for monitoring and reviewing corporate governance practices across the Group, and takes into account ESG-related risks in decision making and maintaining effective risk management and internal control systems. The Executive Directors are responsible for formulating ESG management policies, strategies, goals, and annual reporting and promoting related implementation. They also identify, evaluate, review, and manage major ESG issues, risks and opportunities while the management from different business units are responsible for organizing, promoting, and implementing various ESG related tasks under the Group's ESG management policies and strategies. With an aim to ensure that the Group's operations comply with the principle of sustainability and to look after the Group's daily operations and risk management matters in relation to the Group's ESG-related risks, the Board deals with sustainability issues by regular communication with senior management from key business divisions, monitoring the Group's daily operations, reviewing feedbacks from stakeholders and updating internal policies whenever necessary. The material issues and tasks regarding the ESG-related risks of the Group will be reported to the Board regularly in order to review and re-formulate the polices and plans for achievement of goals and targets.

The Company sets annual environmental targets related to its business, and the Board regularly reviews and discusses the establishment and progress of these targets. The Company has adopted the ESG Reporting Code, under which it carries out sustainability tasks in environmental protection, employee welfare, and operational safety.

Throughout the 2025 Reporting Period, the Group maintained the same ESG management structure and process as the last reporting period (from 1 July 2023 to 30 June 2024, the "**2024 Reporting Period**"). Our ESG strategies, management policy and approach are based on compliance with relevant legal and regulatory requirements, the principle of sustainability and maximization of interests and benefits of investors and stakeholders. The Group's visions and goals, and the ESG management policy and approach, can be summarised in the following statements:

1. The Group is committed to be successful in all our businesses, bringing returns to our investors and supporters, providing a healthy and safe working environment to our employees and helping to provide sustainable developments of the local communities and the Group.

2. The Board from time to time approves and updates strategies and policies which address the related environmental and social issues contained in the ESG Reporting Code. The Board has assigned each subsidiary to implement ESG policies in accordance with their respective operations and activities. Through their normal and routine channels, all subsidiaries report directly to the Group's Managing Director, who has the overall responsibility to ensure that the Board's approved strategies and polices are implemented. The subsidiaries are responsible for exploring and developing Key Performance Indicators ("**KPIs**") where appropriate and necessary in accordance with the Group's policies and goals.

3. It is the duty of the Group's Managing Director and the management team to examine and address all the environmental and social issues detailed in the aspects and areas in the ESG Reporting Code.

The Group has set short-term and long-term sustainable development vision and goals to achieve ongoing emission reduction according to governmental requirements. Relevant emission reduction targets and corresponding strategies are established and sustainable development factors have been incorporated into the Group's strategic planning, business model and other decision-making processes. The Board regularly monitors and reviews the effectiveness of management approach, including reviewing the Group's ESG performance and adjusting corresponding action plans.

Overall, the Group takes an active role in ensuring sustainable, environmentally friendly and socially harmonizing productions and operations by employing various measures which are compliant with relevant laws, operating practices and standards. The Group continues to uphold our established environmental friendly and socially sustainable and equitable management system. The adoption and application of the Quality Management System (ISO 9001:2015) has proven to be effective in ESG management.

(VI) Reporting Principles

The Group has compiled the ESG Report in accordance with the following reporting principles:

Materiality	:	The Group has identified the materiality of ESG topics by stakeholder engagement and materiality assessment. The details are explained in the section of "Stakeholders Communication and Materiality Assessment".
Quantitative	:	Under feasible situation, the Group recorded, calculated and disclosed quantitative information and conducted comparisons with past performance, if applicable. Details of the calculation standards/methods for the reporting of emissions/energy consumptions are disclosed together with the data tables in relevant sections.
Consistency	:	The methodology adopted for disclosing key environmental and social performance indicators is consistent with that of the previous reporting period.

(VII) Reporting Boundary

In response to market changes, the Group has stream-lined its operation and focused on its core business, namely (i) manufacturing and trading of cables and wires, and (ii) property investment. Each business segment of the Group has a different impact on the environment and society.

Having considered the business and strategy of the Group, the Board has prepared this ESG Report based on the data and activities of the factory office in Dongguan City, Guangdong Province, the People's Republic of China (the "**PRC**") (the "**Dongguan Factory Office**") and the office located in Hong Kong (the "**Hong Kong Office**"), unless otherwise stated.

As the use of resources in the Hong Kong Office was covered by the management fee and was not separatable, hence, below information disclosed in Part A only includes the Dongguan Factory Office's data.

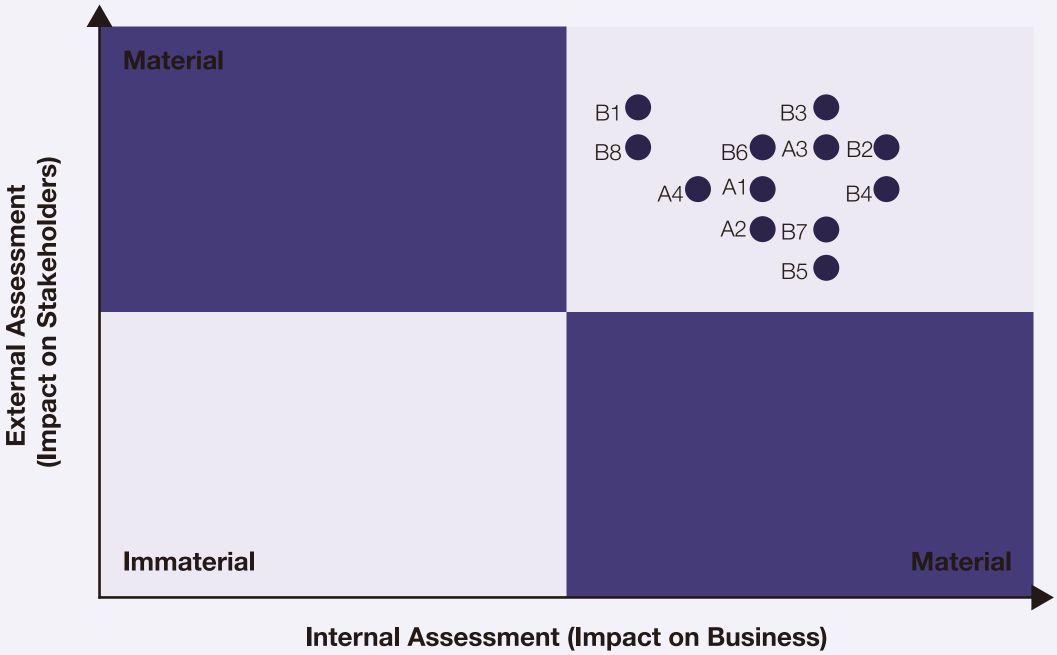
(VIII) Stakeholders Communications and Materiality

The Group is committed to be a socially responsible corporation through constant interaction with stakeholders and taking into account of their interests and benefits. We have been building the Group as an open, transparent and fair enterprise with due consideration of the environmental and social responsibilities with its business objectives. We have also been working towards achieving long-term sustainable growth of our business while safeguarding stakeholders' interests. The Board has taken into account the listed environmental and social areas and aspects in the ESG Reporting Code which are significant considerations for its business planning and operation, and has integrated those environmental and social considerations into its business objectives, strategies and practices.

In managing the priorities, the Group continues to ensure its corporate, cable and wires manufacturing and trading operation are in compliance with their environmental and social responsibilities, and obligations as required by the ESG Reporting Code and the laws and related regulations of Hong Kong and the PRC. The Group also continues to take into account of the opinions and views of its stakeholders including shareholders, investors, employees, customers, suppliers, service providers, professional advisors, non-governmental organization ("**NGO**") partners and industry associations, and strives to address their concerns. It is the duty of the Managing Director and related frontline managers to constantly communicate with its stakeholders under the following established channels in order to gain insights on ESG material areas and aspects during the 2025 Reporting Period.

Stakeholders	Communication Channels
Shareholders/Investors	• General meetings • Information published on websites of the Group and the HKEx • Direct emails or phone enquiries • Dispatched documents
Employees	• Direct meetings with the management executives • Emails • Annual and regular appraisals • Organised functions and activities for the employees
Customers	• Day-to-day communication through frontline staff • Emails • Official website
Suppliers/Service providers/ Professional advisors	• Day-to-day communication through frontline staff • Regular review of the signed arrangements by the management
NGO partners	• Volunteer activities • Sponsors and donations
Industry associations	• Participation in annual and regular meetings, conferences, events, etc.

Through regular communications with stakeholders and reviewing of the information collected, the Group has identified the following ESG material areas and aspects indicated in the following table:



Subject Areas		Subject Aspects
Environmental		A1. Emissions
		A2. Use of Resources
		A3. Environment and Natural Resources
		A4. Climate Change
Social	Employment and Labour Practices	B1. Employment
		B2. Health and Safety
		B3. Development and Training
		B4. Labour Standards
	Operating Practices	B5. Supply Chain Management
		B6. Product Responsibility
		B7. Anti-corruption
	Community	B8. Community Investment

The Group has managed them strictly in accordance with the established management structure, process, policies and guidelines and in compliance with the relevant legal and regulatory standards:

- Environmental Protection;
- Climatic Change;
- Employment Fairness;
- Working Condition and Safety;
- Raw Materials Supply and Procurement;
- Quality of Products and Services Especially on Manufactured Wire Cables;
- Ethical Management and Anti-corruption; and
- Community Support.

The ESG issues, performances, and the related KPIs during the 2025 Reporting Period, especially on the above material areas and aspects, continue to be monitored and managed through the Group's approved management structure and process. With an allocation of adequate resources to implement the approved strategies, policies and measures, the Group has honoured its environmental and social obligations and responsibilities especially on the above material areas and aspects during the 2025 Reporting Period, which are summarised below.

MATERIAL AREAS AND ASPECTS AND THEIR PERFORMANCES

(A) Environmental Areas and Aspects

1.1 Environmental Areas Overview and Policies

The Group's main environmental target has always been environmental protection with sustainable development in relation to its ongoing business activities and operations. The Group has continued to implement policies and taken measures to ensure our activities and operations to be energy, water and resources saving, and to prevent pollution, reduce wastes and minimise the negative impacts on and harmonise with the environment. During the process of formulating the environmental policies and measures, all activities and operations likely to cause environmental impact or impact on general sustainability such as the use of energy, water, raw materials and other natural resources, air emissions, water discharge and waste disposal have been considered. The Group has also actively assumed social responsibilities to reduce pollution through installation of the latest production equipment. The Group has complied with all the national and local environmental laws, rules and regulations. All of our employees have been made aware of their responsibilities and respective roles in conserving natural resources and protecting the environment.

Based on various aspects of the subject areas in the ESG Reporting Code, we have identified the laws and regulations that are the most relevant to the Group:

Environmental Protection Law of the PRC (中華人民共和國環境保護法), it is the fundamental law governing environmental protection in the PRC. It establishes the legal obligations of government authorities, enterprises, and individuals to prevent and control pollution, protect ecosystems, and promote sustainable development. The law emphasizes environmental impact assessments, pollution control measures, and the importance of public participation and supervision;

Environmental Impact Assessment Law of the PRC (中華人民共和國環境影響評價法), the law mandates that an environmental impact assessment ("**EIA**") must be conducted for construction projects and development activities that may affect the environment. It aims to prevent environmental damage by evaluating potential impacts before project approval and implementing necessary mitigation measures. The law applies to planning, design, and construction phases;

Water Pollution and Control Law of the PRC (中華人民共和國水污染防治法), the law focuses on preventing and controlling water pollution, including regulations on wastewater discharge, pollutant standards, water conservation, and remedial measures for contaminated water bodies. It emphasizes the need for pollution permits, monitoring, and penalties for violations to ensure water safety and ecological health;

Atmospheric Pollution and Control Law of the PRC (中華人民共和國大氣污染防治法), the law aims to reduce air pollution through emission controls, monitoring, and regulation of pollutants from industries, vehicles, and other sources. It sets emission standards, promotes cleaner production technologies, and enforces penalties for violations to improve air quality and public health;

Prevention and Control of Pollution from Environmental Noise Law of the PRC (中華人民共和國環境噪聲污染防治法), the law regulates noise pollution from construction sites, industrial activities, transportation, and social activities. It establishes noise standards, monitoring requirements, and measures to prevent and reduce noise pollution, especially in urban areas and residential zones;

Prevention and Control of Environmental Pollution by Solid Waste Law of the PRC (中華人民共和國固體廢物污染環境防治法), the law governs the management of solid waste, including waste generation, collection, storage, transportation, and disposal. It promotes waste reduction, recycling, and environmentally sound disposal methods to prevent pollution and protect public health; and

Regulations on the Administration of Construction Project Environmental Protection (建設項目環境保護管理條例), the regulation provides detailed requirements for environmental protection in construction projects. It requires environmental impact assessments, pollution prevention measures, and compliance with relevant standards during project planning, construction, and operation phases.

Our Dongguan Factory Office is required to comply with the aforesaid laws and regulations, and the Group has adopted relevant internal policies in relation thereto. During the 2025 Reporting Period, same as the 2024 Reporting Period, the Group was not subject to any confirmed cases for breaching environmental legislations or receiving complaints from any government environmental agencies and local communities in relation to emission and waste discharges or other environmental issues that could have an adverse impact on the local environment.

1.2 Environmental Aspects

A1: Air Emissions, Polluted Water and Waste Discharge Aspect

During the 2025 Reporting Period, same as the 2024 Reporting Period, the types of emissions, wastes and discharge from the Group's operations and activities were mainly air pollutants including nitrogen oxides ("**NO_x**"), sulphur oxides ("**SO_x**") and particulate matter ("**PM**") as well as greenhouse gases ("**GHG**") such as carbon dioxide ("**CO_2**") and its non-hazardous equivalents including nitrous oxide and methane (collectively with CO_2, "**CO_2e**") emissions directly generated from fuel usage of the Group's self-used office vehicles; indirectly generated from electricity consumption; polluted water discharge from factories and office employees' daily hygiene consumption; and non-hazardous packaging wastes such as used papers and packaging materials, office residuals, general rubbish and hygiene wastes in the Dongguan Factory Office.

During the 2025 Reporting Period, same as the 2024 Reporting Period, the Group did not receive any complaints or warning notice from relevant environmental agencies or local community on our direct hazardous emissions.

(i) Direct Hazardous Air Emissions and Indirect Greenhouse Gas Emissions

Greenhouse gases (GHG) include CO_2 and its non-hazardous equivalents including nitrous oxide and methane (collectively, CO_2e).

Same as the 2024 Reporting Period, indirect emission of namely GHG – CO_2 through the use of electricity for powering plastic extruding and injection machines for manufacturing of electric cable wire and the offices remain to be the main source of air emissions for the 2025 Reporting Period.

The table below recorded and compared the 2025 Reporting Period and the 2024 Reporting Period's resultant air pollutant emissions from the combustion of fuels by motor vehicles and the use of electricity in the Dongguan Factory Office:

		Year ended 30 June		
Items of emissions[Note 1]	**Unit**	**2025**	**2024**	**Changes**
NO_x direct emission	Kilograms	8.03	9.93	-19.13%
SO_x direct emission	Kilograms	0.17	0.17	–
PM direct emission	Kilograms	0.59	0.73	-19.18%
CO_2 direct emission	Tonnes	27.00	26.94	+0.22%
CO_2e direct emission	Tonnes	30.43	30.36	0.23%
CO_2 indirect emission[Note 2]	Tonnes	1,528.59	2,124.67	-28.06%

* *Figures above are subject to rounding*

Note 1: Emission factors for calculations in this ESG Report were made reference to the "How to prepare an ESG Report-Appendix 2: Reporting Guidance on Environmental KPIs (version updated on 31 December 2024)" by The Stock Exchange of Hong Kong Limited, unless otherwise specified.

Note 2: Emission factors for purchased electricity sourced from 中國產品全生命週期溫室氣體排放系數庫.

(ii) Waste Water Discharge

During the 2025 Reporting Period, same as the 2024 Reporting Period, cooling water used in our manufacturing processes is the main source of the Group's waste water discharge. By adopting a close circulating system, most of the cooling water will be reused with minimal wastage or discharge. Waste water is also generated from dormitories, canteens and offices for hygiene uses of employees, whom are constantly reminded to avoid unnecessary wastage.

(iii) Hazardous and Non-Hazardous Wastes

The Group continued with its natural and pollution-free philosophy in its business where possible and has adopted the 3-R principle – to reduce, reuse and recycle. All employees are constantly reminded to adopt the 3-R principle in their handling and using of the resources.

Consideration is given to recycle and reuse in the various processes and stages of production. Procedures are in place for properly sorting out and storing the unused materials for resale or reuse. For example, copper is a major raw material input in our business and copper wire bits have a very strong resale value in the market so all copper cable wastes generated as a result of the manufacturing processes are stored up for resale.

Non-hazardous waste generated from the production processes mainly consists of packaging materials, such as carton boxes and paper used in our manufacturing operations. An insignificant amount of non-hazardous materials is also generated from non-production areas such as supporting offices, dormitories and canteens. All such wastes are collected and disposed of by external waste collectors. During the 2025 Reporting Period, the Group has recycled 31 tonnes of non-hazardous waste and generated 0.6 tonnes of hazardous chemical, which were generated by our production line. The amount of paper and packaging material usage is stated in *Section A2(iii)*.

During the 2025 Reporting Period, same as the 2024 Reporting Period, the Group did not have any violation related to hazardous or non-hazardous wastes.

In the coming year, our policies will continue, and we expect our non-hazardous wastes will continue to be insignificant and handled properly.

(iv) Noise and Light Emissions

During the 2025 Reporting Period, same as the 2024 Reporting Period, the Group's operations and activities did not generate any noises and light emissions affecting the neighbour and the local community, and no complaints nor warning notices were received.

A2: Use of Resources

The Group continued with its objectives and policies to promote the conservation of resources and has implemented various energy, water and packaging materials saving measures in order to improve the performance of the conservation of resources and achieve operational optimization while complying with the relevant national laws and regulations. The Group has implemented guidelines and instructions on the efficient use of resources for office administration, factory production and general living of our employees. Our employees have also been constantly reminded to use our resources efficiently to avoid unnecessary wastage.

(i) Electricity & Fuel Consumption

Electricity is used mainly for operating the factory premises and the production equipment and employee dormitories in the PRC. Fuel consumption mainly arises from the motor vehicles owned by the Dongguan Factory Office.

The table below recorded and compared the 2025 Reporting Period and the 2024 Reporting Period's resultant energy consumption:

		Year ended 30 June		
Energy Consumption		**2025**	**2024**	**Changes**
Electricity Consumption	Consumption (kWh)	2,846,537.00	3,727,490.00	-23.63%
	Intensity (kWh/employee)	9,212.09	10,649.97	-13.50%
Petrol	Consumption (Litres)	11,441.81	11,414.96	+0.24%
	Consumption (kWh)	110,886.77	110,626.53	+0.24%
	Intensity (kWh/employee)	358.86	316.08	+13.53%
Total	Consumption (kWh)	2,957,423.77	3,838,116.53	-22.95%

To save energy, the Group has continued with its energy saving measures to supervise and encourage employees to use resources efficiently and in an environmentally friendly manner such as:

– Lights and equipment must be turned off if not in use;

– Duty employees will inspect the factories and offices to ensure all unused equipment and systems will be turned off before factories and offices closed;

– Maintaining work environments at pre-determined and energy efficient temperatures; and

– Encouraging the use of natural ventilation instead of air-conditioning whenever the conditions allow.

The Group continues to invest in energy saving tools and equipment such as LED lights.

In the coming year, the Group will continue to encourage and monitor our employees on energy saving practices, and target to lower the energy consumption by 2–3%.

(ii) Water

For water, the main consumption comes from the domestic dormitory use of the resident workers in the Dongguan Factory Office. The Group again requests the employees to use water smartly and responsibly. Inspectors have been assigned to ensure no unwarranted use and waste. In addition, as a means to monitor usage, special meters have been installed to record the water usage pattern.

Local city municipal supply is the only viable water source available to the Group as far as our production processes and household uses are concerned and we do not have any problem on sourcing of our water needs.

The table below recorded and compared the 2025 Reporting Period and the 2024 Reporting Period's resultant water consumption in Dongguan Factory Office:

		Year ended 30 June		
Water Consumption	**Unit**	**2025**	**2024**	**Changes**
– Dongguan Factory Office	m^3	12,112.00	15,599.00	-22.35%
Intensity (m^3/employee)		39.20	44.57	-12.05%

The Group's factory buildings have been completed, contributing to the significant decrease in water usage during the 2025 Reporting Period.

For the coming year, the Group targets to continue the decreasing trend and to achieve an overall reduction of water consumption by 1–2% under normal operating conditions.

(iii) Packaging Materials and Papers Consumption

For packaging paper and plastic raw materials, the Group has continued the policy of giving priority to the use of recycled papers and plastic wraps. Any used packaging materials and scraps will be collected and sold as used and scrap materials to recycling and waste operators. While in our offices and factories, the Group has continued to encourage the office staff and factory workers to reduce paper consumption as much as possible through the use of electronic tools such as emails, messages and universal serial bus storage to replace paper files, sketches and letters; to print paper on both sides; and to use recycled paper.

The table below recorded and compared the 2025 Reporting Period and the 2024 Reporting Period's packaging materials and papers consumption:

Raw Materials Consumption	Unit	Year ended 30 June 2025	2024	Changes
– Paper	Tonnes	0.99	1.05	-5.71%
– Packaging Material (Carton Boxes)	Pieces	3,239,591.00	3,842,563.00	-15.69%

A3: Environment and Natural Resources

Continuing the vision and policies of working towards a responsible corporation, the Group is committed to conserving resources in order to reduce its impact on the environment as well as saving operational costs. As reviewed above and reported in previous ESG reports, the Group's core operations and activities mainly use electricity, water, packaging paper boxes and plastic raw materials, which will have impacts on the environment if they are not properly managed. The Group has complied with all the national and local environmental laws as well as industrial environmental standards, and has cooperated with the local government agencies and supports environmental organizations' activities to build a "green" environment. At the same time, the Group has exercised due diligence and care in setting up its management structure and process, rules and regulations to ensure that natural resources are correctly and efficiently used without wastage or destruction. On the implemented measures as laid down in our various operation rules, regulations and manuals, the focuses are to reduce, reuse and recycle those natural resources as far as possible. The Group has also implemented green purchasing practices and best practice technologies to conserve natural resources where applicable.

As a summary, during the 2025 Reporting Period, same as the last few reporting periods, the Group has taken a totally responsible approach to implement policies and measures on electricity, water, packaging paper, raw plastic materials consumption, CO_2e emissions, waste water and general waste discharges. The Group was not subjected to any warnings, fines or violation notices, and was in compliance with all applicable environmental protection laws and regulations in all material aspects since the first ESG reporting. The Group will continue to explore new avenues and means to accomplish our goals of conserving natural resources and protecting the environment.

1.3 Climate Related Disclosures

Climate change is mainly caused by the release of CO_2e into the atmosphere, which is directly and indirectly the result of the use of fossil fuels for electricity generation and fuels for transportation. As the world transitions to a lower-carbon sustainable economy, there are inevitable areas that our Group can contribute to this.

As listed in the sections headed "Stakeholders Communications and Materiality" and "Material Areas and Aspects", the Group fully aware that stakeholders expect us to manage and mitigate climate change risks. In light with the current global environmental conditions and the Group's operations and activities, the Board identifies that global warming and reduction on electricity, fuel, water and paper packaging material will be the most important and immediate areas that may impact the Group and the environment. These four areas will not only affect the operation costs of the Group, they will also impact directly or indirectly on the global environmental conditions, and the Group should tackle them for the purposes of combating climate change and reduce the operation costs in the future.

(i) CO_2e Emissions

During the 2025 Reporting Period, the Group indirectly emitted GHG-CO_2 through electricity consumption for its operations and production and directly emitted CO_2e through fuel consumption for the Group's self-used vehicles. The Group has already implemented extensive policies and measures to reduce the use of electricity throughout the factories, employee dormitories and office. With a reduction in electricity consumption, less energy will be required, and less fossil or crude oil fuel will be used by the power plants, and less CO_2e will be generated accordingly. The Group will also continue to invest in more energy efficient processes and equipment in the near future.

(ii) Water

During the 2025 Reporting Period, the Group has already taken measures to supervise and encourage employees to use water more efficiently in order to reduce its consumption for the purpose of conserving water, which will possibly bring back a balance to the global atmospheric condition.

(iii) Paper Packaging Materials

During the 2025 Reporting Period, the Group has already implemented policies and measures to reduce papers consumption and to use recycled papers as far as possible, which will directly reduce the cutting of trees. The Group at the same time has supported low-carbon activities and activities to re-grow the forest, which is the main tool to reduce carbon directly to curb global warming.

For the 2025 Reporting Period, the Group's business operations and activities did not lead to any events or issues that might impact the climate or result in the change of the climate significantly. The Group has already taken measures to lower CO_2e emissions, and to reduce water and paper and paper-related packaging materials usage with a wish to curb global warming. The Group will continue with such policies and measures for the coming year.

Climate change has caused frequent extreme weather and has an impact on the business operations of the Group. Therefore, the Group has formulated working mechanisms to identify, prevent and mitigate climate change issues that may have a significant impact. At the same time, we would adjust the use of resources and energy. In response to disasters and accidents which are easily induced by extreme weather, we always enhance the capability to the disaster response.

Governance

The Board meets regularly to oversee our strategies and management approaches related to climate risks and opportunities, as well as the disclosure of information. We have implemented a climate change policy statement to guide our operations and reduce our impact on climate change while strengthening our business resilience.

Management's Role:

1. Oversight of climate-related risks and opportunities is managed directly by the Board. The management team holds the overall responsibility for ensuring that the strategies and policies set by the Board are effectively implemented across the organization.

2. The Board is also responsible for the development of appropriate skills and competencies through training programs, professional development opportunities, and assessments of current capabilities. This ensures that the board members and relevant personnel are well-equipped to oversee and address climate-related risks and opportunities.

3. The management team plays a critical role in the governance of climate-related risks and opportunities. The management team is responsible for examining and addressing climate related risks and opportunities, and day to day implementation of policies set by the Board.

4. The Group utilizes various controls and procedures, such as internal audits, performance reviews, and sustainability reporting, to support the oversight of climate-related risks and opportunities. These controls and procedures are integrated with other internal functions, such as finance, operations, and human resources, to ensure a cohesive approach to sustainability.

Strategy

We strive to understand the impacts brought by climate change to our business operations and thus continuously seek to advance the relevant studies, as well as our action plans and mitigation measures. Subject to the on-going development of our climate-related risk assessment and management practices, we will further study the feasibility and practicality of integrating the financial impacts of climate-related risk and other sustainability issues into our financial planning at the corporate and project levels.

Physical Acute Risk

The Group has identified extreme weather such as typhoons, heavy rain, thunder and lightning and flooding that can cause physical acute risk. The potential consequences include delivery or shipment delay as well as damage to documents, equipment and even employees' health and life. The above potential consequences will cause economic losses to and increase operating costs of the Group.

The Group has established different measures as below to prevent and minimize the negative effect of extreme weather.

Physical Acute Risk

Extreme weather	**Preventative and mitigation measures**
Typhoons	– Attach duct tapes to windows to avoid damage – Move equipment to safety areas in advance – Reinforce equipment and components that may be blown away – Inform and negotiate with clients and third-party suppliers of potential delays in advance – Arrange work from home for staff according to the guidelines of local observatory
Heavy Rain and Flooding	– Check that all windows are shut as secure as possible – Reinforce equipment and assets which may be damaged or blown away – Arrange work from home for staff according to the guidelines of local observatory
Thunder and Lightning	– Keep good conditions of earthing devices – Remind employees to save data and turn off computers

Physical Chronic Risk

The Group has identified extreme weather such as sustained high temperature during the year could cause physical chronic risk. The potential consequences include a higher chance of getting heatstroke for employees, increasing turnover rate and work-related injuries. The demand for cooling for the working environment will be increased, which may lead to an increase in power demand and operating costs of the Group.

The Group has established different measures as below to prevent and minimize the negative effects of extreme weather.

Physical Chronic Risk

Extreme weather	**Preventative and mitigation measures**
Sustained high temperature	– Keep a First-aid kit convenient – Keep cold water available 24 hours a day

Climate-related Transition Risk

Transition risk	Risk description	Potential Business Impact	Mitigation Measures
Legal and policy risk	Local governments may enforce stricter carbon emission reduction policies, potentially raising the carbon emission costs for enterprises' production and operations. This includes changes to government policies, laws, and regulations, such as carbon pricing and renewable electricity pricing.	Increase operation cost and potential for litigation.	– Regular review of relevant legislation. – Set up near term target to demonstrate the Group's decarbonization effort.
Technology Risk	Technological improvements that support the transition to a lower-carbon system.	Failing to upgrade to more efficient, sustainable, or automated technologies could result in higher operation costs and reduced competitiveness.	– Explore new technologies, sustainable materials, and techniques. – Adapt to changes in the cost and availability of raw materials and utilities like renewable electricity, water, and gas, including the relevant costs of securing and maintaining sufficient supply.

Transition risk	Risk description	Potential Business Impact	Mitigation Measures
Market and reputation risk	Customers have increasingly strict requirements for carbon emission management of their suppliers, while the decarbonization of products and services may become an important standard for customers to choose from. Products or services that are not low carbon may lead to a decrease in demand. There are stricter requirements for transparent carbon emissions information, and enterprises need to increase investment in the management of related performance. Poor performance in climate information disclosure may lead to reputation damage, declined stock price, or difficulties in financing.	There will be a risk of a decline in sales and reputation if end-user is getting more prefer on environmentally friendly products or services and we do not have these options for our customers.	– Expand the product or services range to cater to a broader audience and adapt to changing customer preferences, including eco-friendly and ethically produced lines to attract environmentally conscious consumers. – Obtain environmental related certifications like to demonstrate commitment to sustainability. Adopt environmentally friendly production processes, such as waste reduction and circularity programs.

Climate-related Opportunities

The Group recognizes that climate change not only presents a range of physical and transitional risks, but also provides emerging opportunities for our businesses. Measures such as improving energy efficiency, increasing the utilization of renewable energy, transitioning to sustainable resource management practices, and adopting green and low-carbon technologies have not only resulted in direct cost savings but also a reduction in energy expenses.

Looking ahead, we anticipate the opportunities that will arise from long-term regulatory frameworks and carbon trading. These mechanisms will enable us to explore alternative approaches to combat climate change, leveraging sustainable financial instruments. As the global economy transitions towards carbon neutrality, we remain committed to assessing and managing the climate-related risks and opportunities associated with our business.

Risk Assessment and Management

We have updated the assessment methodology through a climate scenario analysis to reassess climate risks and opportunities across our operations in Hong Kong and the PRC under two consolidated scenarios in accordance with Task Force on Climate-related Financial Disclosure ("**TCFD**") recommendations. The two consolidated climate scenarios are constructed based on public available scenarios which include Intergovernmental Panel on Climate Change ("**IPCC**"), International Energy Agency ("**IEA**") and Network for Greening the Financial System ("**NGFS**"). Based on the revaluation of our climate risk assessment results, we have updated our mitigation measures across various operational area. The following outlines the scenarios and assumptions employed during our climate risk assessment.

Consolidated Scenario	**Brown Scenario**	**Turquoise Scenario**
Timeframe	Short-term – till 2030 Medium to long-term – till 2100	
Global Mean Temperature	Global mean temperature rises of above 3°C by 2100	Global mean temperature rises of 1.5 to 2°C by 2100
Scenario Description	The scenario represents the future that only current policies and nationally determined contribution are implemented with limited investments and climate actions to decarbonize. This would usually lead to high level of physical risk and low level of transition risk.	The scenario represents the future that stringent and immediate policies will be implemented by the companies that are actively committed to climate action goals. This would usually result in high level of transition risks and low level of physical risks.

By gaining insight into the significant climate risks that affect our business across our value chain, we can develop effective strategies and measures to manage these risks and mitigate their financial and non-financial impacts. Within our framework, we acknowledge climate change as a strategic business risk and have integrated climate-related risks and opportunities into our overall business strategy. Our objective is to enhance long-term resilience by comprehensively assessing, managing, and monitoring climate risks that may impact our operations.

Metrics and Targets

We strive to effectively manage and evaluate the risks and opportunities arising from climate change. Throughout the 2025 Reporting Period, we maintained continuous monitoring of key metrics, specifically GHG emissions, which serve as indicators of climate-related risks. These targets aim to reduce overall GHG emissions and electricity consumption.

Greenhouse gases (GHG) include CO_2 and its non-hazardous equivalents including nitrous oxide and methane (CO_2e). Greenhouse gas emissions comprise Scope 1 direct emissions, which is direct emissions from the fuel combustion, and Scope 2 energy indirect emissions, which is emissions resulting from the use of purchased electricity.

The table below recorded and compared the 2025 Reporting Period and the 2024 Reporting Period's greenhouse gas emissions:

		Year ended 30 June		
Greenhouse Gas Emission	**Unit**	**2025**	**2024**	**Changes**
Scope 1 (CO_2e)	Tonnes	30.43	30.36	+0.23%
Scope 2 (CO_2e)	Tonnes	1,528.59	2,124.67	-28.06%
Total (CO_2e)	Tonnes	1,559.02	2,155.03	-27.66%
Intensity				
– CO_2e/employee		5.05	6.16	-18.02%

Our Group is dedicated to reduce GHG emissions. To achieve this goal, our Group has set out some ground rules of using elasticities.

We target to reduce the greenhouse gas emission by 1–2% in the coming year through monitoring our employees' energy saving practices.

(B) Social Areas and Aspects

2.1 Social Areas Overview

As stated in the section "Corporate Goals and Visions", the Group is committed to conducting business in a socially responsible way and strives to build mutually beneficial relationships with our stakeholders, including our employees, customers, suppliers, communities, as well as the public and governing authorities. While formulating ESG strategies and policies, the Group has already taken into account of its short and long term corporate development goals, the benefits to the stakeholders and sustainable development of the society and the environment.

Information below includes the Dongguan Factory Office and the Hong Kong Office.

Pursuant to the ESG Reporting Code, social areas and aspects including employment and labour practices, operation practices and community investment, and the Group's performance in these areas are reported below:

2.2 Employment and Labour Practices Areas and Aspects

The Group always treasures and regards its employees as one of the most valuable assets for its sustainable development and growth. It has therefore committed to strictly complying at all times with all the relevant laws, rules and regulations on employment, i.e. the Labour Laws of the PRC and the Employment Ordinance ("**Employment Ordinance**") of Hong Kong (Chapter 57 of the Laws of Hong Kong), and providing a safe and healthy working environment, offering equal opportunities to all employees on recruitment, promotion, compensation and benefits. It has strengthened its human resources management with employee-oriented policies to promote motivation and innovation, and to protect the interests and legal rights of the employees, and ultimately to achieve a positive, constructive and harmonious relationship with its employees.

The Human Resources Department has been delegated with the responsibilities to implement the employment and related policies, rules and regulations, which are summarised and laid out in its employee handbook and employment contracts.

B1: Employment

Since the Group's establishment, it has continued with its employee-oriented employment policies and practices throughout, which include the following main features:

- ➢ Owing to the existence of operation bases and activities in different regions, the Group has set up the human resources department headquarters in Hong Kong, whose responsibilities are reviewing and approving the Group's human resources policies, and employment terms and conditions, while the regional offices' human resources managers implement the approved policies and measures in compliance with the local employment laws, rules, regulations and practices;

- ➢ The regional human resources managers report to the regional general managers and have been assigned with the responsibility to implement the Group's human resources strategies and policies, and to ensure all the statutory obligations of the Group have been fulfilled and are complied with;

- Adopt a humanistic and equitable human resources policies with equal opportunities for all without discrimination on hiring, promotion, remuneration, benefits, training, dismissal and other aspects of employment;

- All employees are required to sign employment contracts with the Group and/or its subsidiaries, and will receive an employee handbook, containing all the employment terms and conditions, benefits and obligations including but not limited to, appointment, termination, working hours, rest days, statutory holidays, remunerations, various compensations, dismissals, health, general safety and welfare etc.;

- In accordance with the requirements of the national laws of the PRC such as Social Insurance Law of the PRC (中華人民共和國社會保險法) and the Administrative Regulations on Housing Provident Funds (住房公積金管理條例), and the Employment Ordinance and the Mandatory Provident Fund Schemes Ordinance ("**MPFSO**") (Chapter 485 of the Laws of Hong Kong) of Hong Kong, the Group provides and maintains statutory benefits to all qualified employees, including but not limited to mandatory provident fund, social security insurance, medical insurance, work injury insurance and compensation and statutory holidays;

- On recruitment, the Group has adopted a mixed policy of external recruitment and internal promotion for vacancies. All vacancies are open to all with equal opportunities, no discrimination on religion, gender, age and disability, and to be selected on a qualification, skill and competency basis;

- Employment of child labour and forced labour is strictly forbidden;

- Employees' remunerations are determined with reference to the prevailing market level in line with their competency, qualifications, experience and job position. Discretionary bonuses of such amounts and at such intervals for employees will be rewarded at the discretion of the top management with consideration on performance; and

- Provide a safe and pleasant working environment to our employees.

During the 2025 Reporting Period, same as the 2024 Reporting Period, the Group has complied with all the employment laws, rules and regulations of the PRC and Hong Kong, and has honored all its obligations to employees including the payment of salaries and wages, holidays and leaves, compensations, insurances and health benefits. There were no wage disputes or complaints, breaches of the labour laws or labour disputes recorded.

Pursuant to the ESG Reporting Code, the Group's employment situation for the 2025 Reporting Period and the 2024 Reporting Period are analyzed and summarised in below:

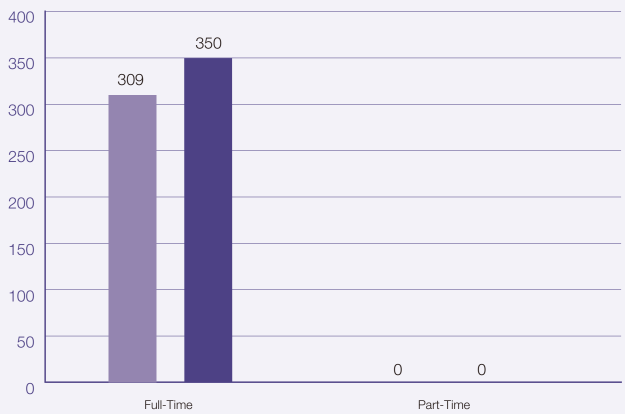


Figure 1: Number of Employees by Employment Type

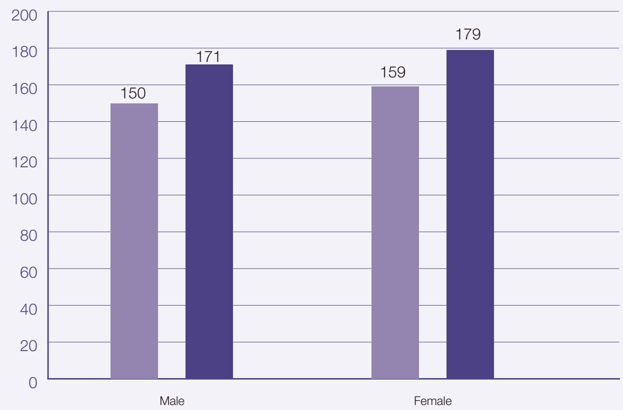


Figure 2: Number of Employees by Gender

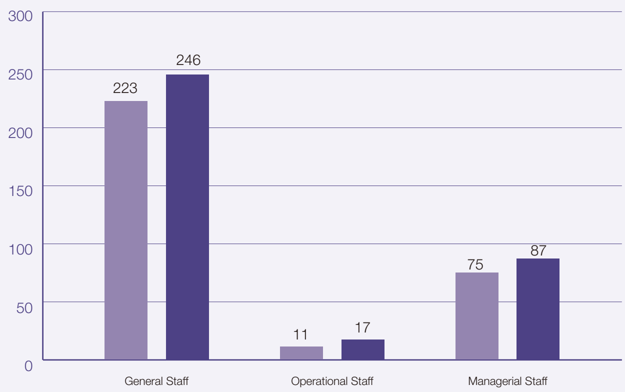


Figure 3: Number of Employees by Employment Category

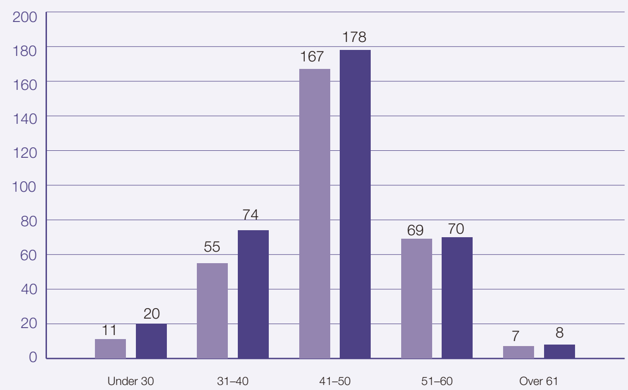


Figure 4: Number of Employees by Age

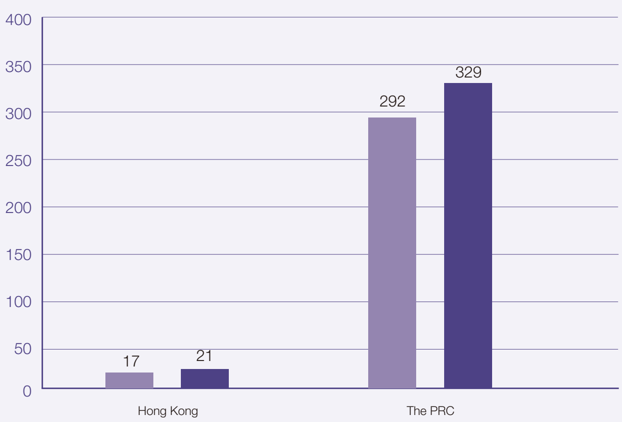


Figure 5: Number of Employees by Geographical Region

As for the employee turnover rate, an analysis of the Group's employee turnover rate breakdown for the 2025 Reporting Period and the 2024 Reporting Period are summarised in below:

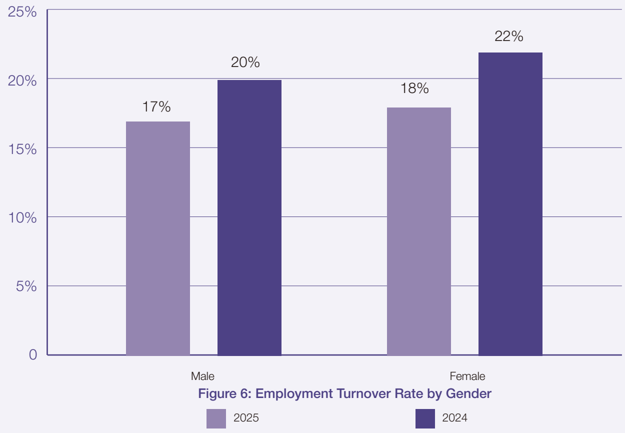


Figure 6: Employment Turnover Rate by Gender

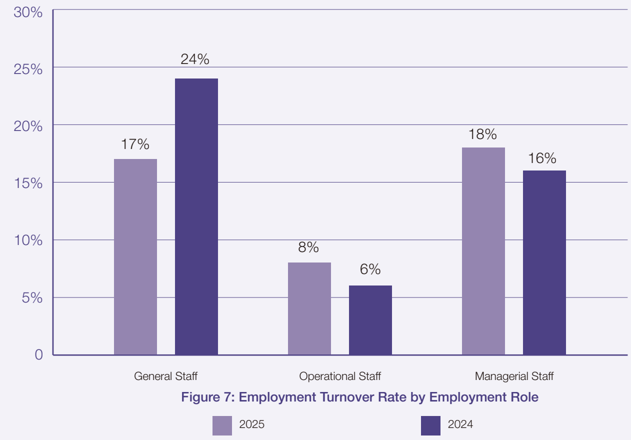


Figure 7: Employment Turnover Rate by Employment Role

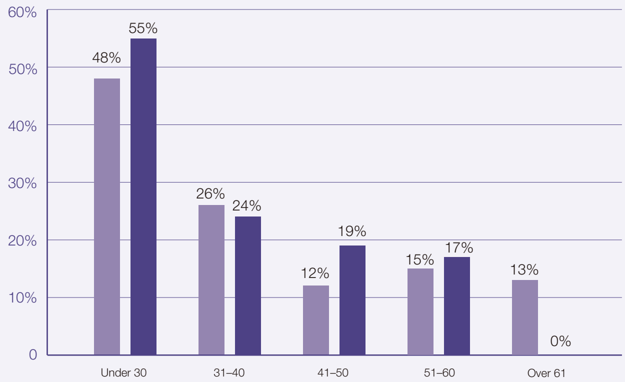


Figure 8: Employment Turnover Rate By Age

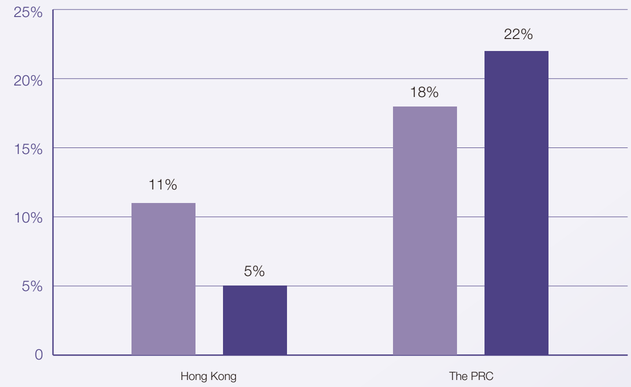


Figure 9: Employment Turnover Rate by Geographical Region

During the 2025 Reporting Period, same as the 2024 Reporting Period, the Group did not have any incidents of non-compliance with relevant employment laws and regulations nor any labour disputes.

B2: Health and Safety

Given the nature of the Group's business in the manufacturing of metal products, and being a responsible employer, the Group emphasises that the health and safety of employees are its primary concern. The Group has implemented and continued with its employee-oriented human resources policies, and at all times provides a safe and healthy working environment in its office, especially its factories to prevent employees from injuries and accidents, and to minimise the risk of any occupational hazards. The Group has taken the following health and safety measures to protect its employees:

- ➢ Ensures all the safety, medical and hygiene equipment are adequately in place and are operating efficiently, passing inspections and complying with all the safety and hygiene rules and regulations;

- ➢ Requires all employees to strictly comply with the health and safety policies, rules and regulations, including the Occupational Safety and Health Ordinance ("**OSHO**") (Chapter 509 of the Laws of Hong Kong) and the Employees' Compensation Ordinance ("**ECO**") (Chapter 282 of the Laws of Hong Kong) of Hong Kong, and the Labour Laws of the PRC and has constantly reminded the employees to perform their tasks under safety conditions;

- ➢ Takes occupational health and safety as one of our prime responsibilities, and constantly improves the occupational safety and health management system in order to reduce risks and create a safe working environment;

- ➢ In-house rules stipulate that whenever injuries or accidents occur, regardless of minor or serious incident, the employees must notify the superiors immediately who will then take appropriate measures to ensure safety is not compromised, and in all circumstances ensure that incidents are promptly and properly dealt with and reported in accordance with the local or national laws as appropriate;

- ➢ The Group has assigned safety officers to regularly inspect and to educate employees on taking precautionary measures to ensure that the workplace is safe. Regular health and safety trainings have been provided to employees to assist them to perform their jobs safely; and

- ➢ Insures all qualified employees in both the PRC and Hong Kong with medical insurance in accordance with the statutory requirements of the two places.

During the 2025 Reporting Period, same as the 2024 Reporting Period, the Group has equipped its factory operations with all the required safety equipment and facilities and there was no adverse comment by the law enforcing authorities during their inspections and no prosecution case was reported.

The Group had zero work-related fatalities in the past three years including the 2025 Reporting Period in any of our operations. During the 2025 Reporting Period, same as the 2024 Reporting Period, zero lost days due to work-related injuries was recorded, nor any claimed disputes on employees compensation or investigation by any government agencies.

Regarding work injury and accident, there were 2 light injury cases during the 2025 Reporting Period (For 2024 Reporting Period: 3 cases), no serious injuries, or incidents of non-compliance with relevant laws and regulations relating to providing a safe working environment and protecting employees from occupational hazards which could have a significant impact on the production operations or businesses of the Group. The injuries had been well taken care of immediately after their occurrence, and no disputes or claims arose thereafter. The low injury and accident rates during the 2025 Reporting Period as well as the 2024 Reporting Period reconfirms that the Group's health and safety policies and measures and its continuous attention to set up a safe environment was effective.

B3: Development and Training

As aforementioned, the Group values its employees as one of its most valuable assets, it has always supported means to enhance employees' value by regularly providing them with development and training programs in terms of skills and job knowledge, plant operation and production know-how at various levels, so that they are able to perform their required job duties in a competent and capable manner without risk to their health and safety or damage to plants and operations.

Employees are encouraged to engage in self-development by taking external training programs and seminars which are sponsored by the Group in part or whole. Broadly speaking, the Group has continuously and regularly provided 2 types of training:

(i) Induction and on-the-job training – Induction training is provided to new recruits to enhance their understanding of the Group's history, organization structure, work environment, regulations, responsibilities and duties, working skills, safety operation, and career development plan etc. Whereas on-the-job training is provided to permanent employees with an aim to improve their career development and skills for performing their required job duties in a more competent and capable manner and without risking their health and safety.

(ii) External specific skills and knowledge training – it is provided normally to middle and senior management executives aiming at enhancing their technical, management and professional skills and ability.

Below is the breakdown of the percentage of employees trained during the 2025 Reporting Period and the 2024 Reporting Period by gender and employment role:

Training (No. of employees)	Internal	External
Percentage of employees trained		
2025	94.50%	–
2024	94.00%	–
Male		
2025	49.32%	–
2024	46.29%	–
Female		
2025	50.68%	–
2024	47.71%	–
Managerial staff		
2025	23.63%	–
2024	22.57%	–
Operational staff		
2025	2.74%	–
2024	3.43%	–
General staff		
2025	73.63%	–
2024	68.00%	–

Below is the breakdown of the hours of training undergone by the Group's employees during the 2025 Reporting Period and the 2024 Reporting Period by gender and employment role:

Average training hours per employee	Internal	External
Total average training hours per employee		
2025	6.99	–
2024	2.99	–
Average training hours for male		
2025	7.10	–
2024	3.34	–
Average training hours for female		
2025	6.89	–
2024	2.66	–
Average training hours for managerial staff		
2025	8.32	–
2024	2.97	–
Average training hours for operational staff		
2025	4.36	–
2024	8.59	–
Average training hours for general staff		
2025	6.67	–
2024	2.61	–

B4: Labor Standards

During the 2025 Reporting Period, same as the 2024 Reporting Period, the Group continued with its cornerstone policy of strict compliance with the Labour Laws of the PRC and the Employment Ordinance, and adopted their respective standards as the minimum standards on employment and labour protection and welfare. The Group adhered to the laws of the PRC and Hong Kong as well as the local market practices on recruitment, dismissal, promotion, leave, holidays, benefits as well as equal employment opportunities to all gender, age, race and religion. The Group acted strongly against and banned all child, illegal and forced labour and have implemented an absolute ban on such matters as part of its hiring and human resources management policy.

We conduct rigorous screening and assessments of our suppliers and contractors to ensure compliance with our human rights standards. This includes reviewing employment policies, conducting audits, and requesting evidence of lawful employment practices. We also verify the age and identity of new hires through official documents such as ID cards or birth certificates. We also conduct periodic internal audits and spot checks. Staff members were provided with sessions to recognize the signs of child and forced labour and to understand our policies and procedures for prevention.

When instances of child or forced labour are identified, the affected individuals will be removed immediately from the workplace and provided with support, such as access to social services or legal assistance. We also conduct thorough investigations to confirm the facts and identify the root causes of the issue. To rectify the situation, actions may include terminating relationships with non-compliant suppliers, providing training, and implementing corrective action plans. To prevent such events from occurring in the future, we strengthen our screening, monitoring, and training programs to reduce the risk of recurrence. All incidents and corrective actions are documented and reported internally and, where applicable, to relevant regulatory authorities, maintaining transparency and accountability.

All job applicants are required to submit their credentials such as academic qualifications, professional skill certificates, references and identity card for verification and record purpose during recruitment. As a legal obligation and for better management, the Group has kept the private files of the employees on confidential basis and in safe custody for record, future reference and government inspection.

The human resources department is charged with the responsibility of overseeing labor compliance. Heads of the factories are also responsible for ensuring that all labor protection and welfare obligations of their operations are complied with and any breaches of statutory compliance are brought to the attention of the Group's Managing Director in Hong Kong.

During the 2025 Reporting Period, same as the 2024 Reporting Period, the Group honored all of its obligations towards employees and no disputes or litigations on labour matters were reported. There was also no child and forced labour case reported. The Group is confident to maintain this good track record for the coming year.

2.3 Operation Practices Areas and Aspects

B5: Supply Chain Management

Supply chain management in the ESG Reporting Code mainly refers to the management of sourcing and procurement. The Group's main purchases for the office and the factories have not changed much over the years and include routine stationery supplies and utensils for the office, and raw materials such as copper sheet and wire, rubber, plastic, packaging materials, replacement spare parts etc., for factories.

During the 2025 Reporting Period, same as the 2024 Reporting Period, the Group continued to implement a detailed supply and purchase management system adopting different approval authorities at different hierarchy levels of the management team. The Purchase Manager, Finance Director and Managing Director form the execution and supervision purchase chain at different monetary levels. Each level is accountable to the one above on their monetary limits they are authorised to purchase. All capital expenditure purchases have to be authorised and approved by the Hong Kong headquarters. All purchase transactions must be submitted to the scrutiny of internal hierarchy supervisions at different levels depending on its contract value and significance and to the overall scrutiny of external independent audit checks.

To ensure a fair and equitable, quality assured, and cost-efficient supply chain, the Group has implemented clear procurement management rules and guidelines and procedures with respect to procurement including quality control, warehousing, payment and documentation approval process, and methods of payment. The Group selects all suppliers based on a set of criteria, which includes (i) ability to meet specification and standards; (ii) products and services quality; (iii) pricing of the products and services; (iv) delivery reliability; (v) green specifications of the products supplied (if applicable) and (vi) track records of the suppliers' business relationships with us and others in the industry and their committed compliance to laws, rules and regulations. The Group maintains a list of approved suppliers and will invite 2 to 3 suppliers to tender for purchases for a reasonable order size in order to obtain the optimal offer and to eliminate any chance of malpractice.

During the 2025 Reporting Period, same as the 2024 Reporting Period, owing to the special nature of our raw materials – copper sheets and wires, rubber and plastic, the Group had to purchase from both local and overseas suppliers, whomever offered the best prices.

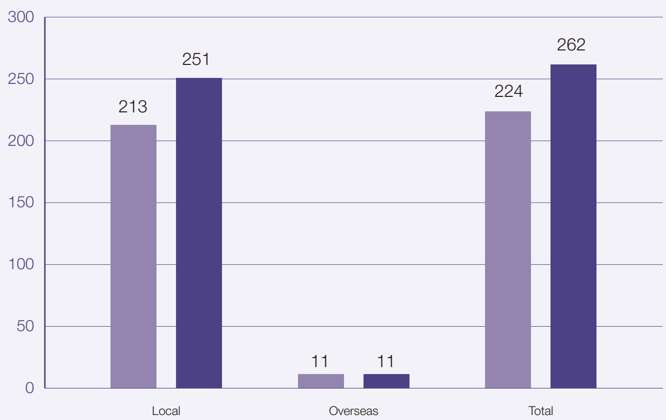


Figure 10: Number of Suppliers by Geographical Location

2025 2024

All general purchases are placed with reliable local suppliers as far as possible so as to reduce carbon footprint and to support the local economy. When items or services are purchased for special use, the purchasing officers must ensure that the supply of services or goods are fit for purpose and meets our specification before price becomes a consideration. Owing to effective management, the Group did not experience any interruption of supplies or failure to secure sufficient quantities of supplies on time that had any material adverse impact on our business. The Group expects that its purchase policies and pattern will likely to be continued in the coming year.

B6: Product Responsibilities

The ESG Reporting Code stipulates that there are four major sub-aspects on product responsibilities: product quality and safety, customer services and complaints handling, intellectual property rights and privacy, which the Group's internal control process, employee rules and regulations and contracts already have clear guidelines and rules to deal with.

(i) Product Quality and Safety

The Group has continued with its quality guarantee policy and taken all reasonable steps to ensure that the goods produced are safe and harmless to its consumers, meeting all agreed or legally required standards for consumers health and safety, including health warnings, product safety and information labels. It is because the Group firmly believes that with a high quality and safety standard of its products, it can retain the customers and expand market share. The Group has obtained The Quality Management System (ISO 9001:2015) which ensures that its products pass through strict quality control processes and meet with approved quality standards. The Group has trained Quality Controllers to examine the quality and safety of its products from the first stage of raw material purchases, to regularly inspect goods during the production and sale processes and ensure that the processes are in total compliance with both internal and external quality and safety assurance codes. The Group has also committed to investing in plant and equipment for high end production technology, quality and safety to maintain its competitive edge. The Group has also fostered close relationships with its business peers to keep abreast of the latest product development and knowledge.

Our company has established a comprehensive recall procedure to effectively manage product withdrawals due to safety, quality, or regulatory concerns. The process begins with the detection and assessment of potential issues, followed by the prompt development of a recall plan involving relevant stakeholders. We then notify all affected parties, including regulators, distributors, retailers, and customers, providing clear instructions. Affected products are retrieved from all distribution points, properly labeled, and either reworked, repaired, or disposed of in compliance with applicable regulations. Root cause analysis is conducted to identify underlying issues, and corrective measures are implemented to prevent future occurrences. All activities are thoroughly documented, and reports are submitted to relevant authorities as required. After the recall, we monitor its effectiveness to ensure all affected products are recovered or disposed of and identify opportunities for process improvement.

During the 2025 Reporting Period, the Group's cable wire sales recorded about 0.32% (For 2024 Reporting Period: 0.28%) product returned for quality reason. After our investigation and examination of the products' issue, such return rate is lower than the industry norm. No health warnings or below quality and safety comments from the Consumer Council, marketing agencies or relevant government authorities on the quality and safety of its cable wire products was ever received. The Group has the confidence to continue the quality control processes to ensure its products will always be of the highest quality and safety standard in the coming years.

(ii) Customer Services and Complaints Handling

The Group has clear policies and procedures to ensure that all customer complaints or concerns are addressed to the appropriate levels in a timely manner. In its sales contracts, there are clear clauses specifying its responsibilities under quality issues. The sales department is responsible for handling all sales complaint issues. Standing arrangements are also in place for an independent third party to adjudicate on any unresolved disputes between the sales department and the client. Consequential remedial actions will be taken promptly and in a responsible manner.

During the 2025 Reporting Period, same as the 2024 Reporting Period, the Group recorded no sales complaints, and no warnings from the Consumer Councils or relevant government authorities on the quality of its services. The established complaints handling routes and channels have functioned well and the Group did not experience serious sales complaints which led to disruption of its manufacturing processes.

(iii) Privacy

As reported in the previous reporting, the Group's main business and operation has generated a substantial volume of private, confidential and sensitive information of customers, suppliers, business partners including the operating status and financial positions, commercial terms of contracts, general background information, etc. These types of information are extremely sensitive and important, and by law, have to be cautiously safeguarded and protected. The Group fully understands its obligation and has taken measures to ensure strict protection of the information against unauthorised access, use and disclosure through a variety of security technologies and procedures. All employees are trained to handle and use customer information with extreme caution, protect customer information, and comply with statutory requirements in privacy law. The Group has incorporated the confidential clause into the staff handbook and employment contract, under which all employees are obligated to follow. Legal action will be taken against any violation.

During the 2025 Reporting Period, same as the 2024 Reporting Period, the Group did not receive any complaint on any breach of privacy or leakage of information. Given its existing internal control and technical control process, the Group is confident that confidential information will not be accessed and leaked out easily.

(iv) Intellectual Property Rights

Apart from the Group's company logo and name, which has been registered with the China State Administration for Industry and Commerce, the Group's business operation involves no intellectual property right issues. The Group however respects intellectual property rights and has practiced in its daily operation such as its installation of original software in its computers to avoid vulnerabilities and legal disputes arising from software copyright.

During the 2025 Reporting Period, and same as previous few years, the Group did not receive any reports or cases of any intellectual property rights infringement.

B7: Anti-Corruption

As disclosed in the above introduction section, the prevention of bribery, extortion, fraud, and money laundering is a material aspect to all the stakeholders. The Group is well aware of the importance of honesty, integrity and fairness in its business operations and has therefore in place an anti-corruption policy which involves comprehensive internal control system comprising corruption reporting, whistle-blowing and investigation procedures, and has adopted a zero-tolerance approach to those corruptive and fraud crimes since establishment. In daily operations, the directors, management and staff must comply with relevant laws and regulations on prevention of bribery, extortion, fraud and money laundering including but not limited to Prevention of Bribery Ordinance **(Cap.201)**, Anti-Money Laundering and Counter-Terrorist Financing Ordinance **(Cap.615)** and Criminal Law of the PRC, Anti-Unfair Competition Law of the PRC, Anti-Money Laundering Law of the PRC, Regulations on the Implementation of the Anti-Money Laundering Law of the PRC. With the implementation of clear policies and well-structured processes on purchases, sales, operations and finances, and the adoption of a high code of conduct especially in our senior management, all employees have responsibility not only to understand but also to comply with the above regulations and any person, who violates the regulations, will be subject to disciplinary sanction. Employees at all levels have been constantly reminded of and advised in meetings and documents, such as the staff handbooks and Employment Contracts, on anti-corruption, conflict of interest and giving and taking of interests. Transactions in large monetary sums are processed through bank transfers which require authorised signatories at the appropriate levels depending on the amount involved. Checks and balances have been installed in the Group for money transaction activities and are considered effective and adequate.

Since the commencement of the ESG reporting and during the 2025 Reporting Period, there were no complaints and legal cases of corruption against the Group or its staff, and the Group is confident to achieve a similar clean result in the future.

B8: Community Investment

The Group strives to implement corporate social responsibility to make continuous contributions to the building of a cohesive and caring society. The Group seeks to foster employees' sense of social responsibility, thus encouraging and sponsoring them to participate in charitable activities and devote their spare time to helping the needy. Furthermore, the Group supported the local communities by prioritising its purchases with the local suppliers. The Group continues to encourage and educate all our employees to participate in environmental protection activities.

The Group continued to provide 292 jobs, mostly to the low-skilled village and city workers, and training to enhance their skills in the 2025 Reporting Period. Finally, the Group has implemented measures with an objective to reduce hazardous and non-hazardous air emissions and polluted water and wastes discharges.

HKEX ESG REPORTING CODE CONTENT INDEX [Note 1]

Subject areas, aspects, general disclosures and Key Performance Indicators (KPIs)		Section	Page
Mandatory Disclosure Requirements			
Governance Structure	Disclosure of the board's oversight of ESG issues; board's ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer's businesses); how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses.	"Governance Structure"	1
Reporting Principles	Description of, or an explanation on, the application of the following Reporting Principles (Materiality, Quantitative, Consistency) in the preparation of the ESG report.	"Reporting Principles"	3
Reporting Boundary	A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change.	"Reporting Boundary"	3
A. Environmental			
A1: Emissions			
General Disclosure		"Environmental Areas Overview and Policies"	6
KPI A1.1	The types of emissions and respective emissions data.	"Direct Hazardous Air Emissions and Indirect Greenhouse Gas Emissions"	7
KPI A1.3	Total hazardous waste produced and, where appropriate, intensity.	"Hazardous and Non-Hazardous Wastes"	8
KPI A1.4	Total non-hazardous waste produced and, where appropriate, intensity.	"Hazardous and Non-Hazardous Wastes"	8
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	"Electricity & Fuel Consumption"	9
KPI A1.6	Description of how hazardous and non- hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	"Hazardous and Non-Hazardous Wastes"	8

Note 1: The climate-related disclosures under Part D of ESG Reporting Code are covered by the IFRS S2 Standards.

Subject areas, aspects, general disclosures and Key Performance Indicators (KPIs)		Section	Page
A2: Use of Resources			
General Disclosure		"Environmental Areas Overview and Policies"	6
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	"Electricity & Fuel Consumption"	9
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	"Water"	10
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	"Electricity & Fuel Consumption"	9
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	"Water"	10
KPI A2.5	Total packaging material used for finished products and, if applicable, with reference to per unit produced.	"Packaging Materials and Papers Consumption"	11
A3: The Environment and Natural Resources			
General Disclosure		"The Environment and Natural Resources"	11
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	"The Environment and Natural Resources"	11
B. Social			
Employment and Labour Practices			
B1: Employment			
General Disclosure		"Employment and Labour Practices Areas and Aspects; Employment"	19
KPI B1.1	Total workforce by gender, employment type (for example, full- or part time), age group and geographical region.	"Employment"	19
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	"Employment"	19

Subject areas, aspects, general disclosures and Key Performance Indicators (KPIs)		Section	Page
B2: Health and safety			
General Disclosure		"Health and Safety"	23
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	"Health and Safety"	23
KPI B2.2	Lost days due to work injury.	"Health and Safety"	23
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	"Health and Safety"	23
B3: Development and Training			
General Disclosure		"Development and Training"	24
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	"Development and Training"	24
KPI B3.2	The average training hours completed per employee by gender and employee category.	"Development and Training"	24
B4: Labour Standards			
General Disclosure		"Labour Standards"	26
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	"Labour Standards"	26
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	"Labour Standards"	26
Operating Practices			
B5: Supply Chain Management			
General Disclosure		"Supply Chain Management"	27
KPI B5.1	Number of suppliers by geographical region.	"Supply Chain Management"	27
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being, implemented, how they are implemented and monitored.	"Supply Chain Management"	27
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	"Supply Chain Management"	27
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	"Supply Chain Management"	27

Subject areas, aspects, general disclosures and Key Performance Indicators (KPIs)		Section	Page
B6: Product Responsibility			
General Disclosure		"Product Responsibility"	29
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	"Product Responsibility"	29
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	"Customer Services and Complaints Handling"	29
KPI B6.3	Description and practices relating to observing and protecting intellectual property rights.	"Intellectual Property Rights"	30
KPI B6.4	Description of quality assurance process and recall procedures.	"Product Quality and Safety"	29
		"Product Quality and Safety"	29
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	"Privacy"	30
B7: Anti-corruption			
General Disclosure		"Anti-corruption"	31
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the case.	"Anti-corruption"	31
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	"Anti-corruption"	31
KPI B7.3	Description of anti-corruption training provided to directors and staff.	"Anti-corruption"	31
Community			
B8: Community Investment			
General Disclosure		"Community Investment"	31
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	"Community Investment"	31
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	"Community Investment"	31