登輝控股有限公司

Town Ray Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 1692

Environmental, Social and Governance Report 2025

CONTENTS

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

1. ABOUT THE REPORT

Town Ray Holdings Limited (the "**Company**") and its subsidiaries (the "**Group**" or "**we**" or "**our**") are pleased to present the annual Environmental, Social and Governance ("**ESG**") Report (the "**ESG Report**") of the Group for the financial year 2025 in accordance with Rule 13.91 of the Rules Governing the Listing of Securities on the Main Board of The Stock Exchange of Hong Kong Limited ("**HKEX**") ("**Main Board Listing Rules**") and the "Environmental, Social and Governance Reporting Code" (the "**ESG Reporting Code**") as set out in the Appendix C2 to the Main Board Listing Rules.

1.1 Scope of Reporting

The management and staff of the Group's respective major functions have participated in the preparation of this ESG Report to assist the Group in identifying relevant and material ESG issues. With reference to the ESG Reporting Code, the Group's business operation and the material ESG issues identified, the scope of the ESG Report covers the environmental and social performances within the major operational boundaries of the Group which includes the production operations at Huizhou of the People's Republic of China (the "**PRC**"), spanning over the period from 1 January 2025 to 31 December 2025 (the "**Reporting Period**" or "**FY2025**").

This ESG Report presents the key performance indicators ("**KPIs**") by dividing the relevant aspects, which are considered to be relevant and material to the Group, into four subject areas: Environmental Protection, Employment and Labour Practices, Operating Practices and Community Investments.

The Group is determined to be a responsible enterprise and is committed to perfecting its business and contributing to the well-being of the community. The Group welcomes and values each of your feedback.

1.2 Reporting Principles

- Materiality — Materiality assessment was conducted to diagnose material issues during the Reporting Period. The materiality of issues was reviewed by the board of directors (the "**Board**") of the Company and senior management of the Group.

- Quantitative — The standards and methodologies used in the calculation of relevant data, as well as the assumptions used were disclosed in this ESG Report.

- Consistency — The preparation of this ESG Report was substantially consistent with the previous year. Explanations were provided regarding data with changes in the scope of disclosure and calculation methodologies.

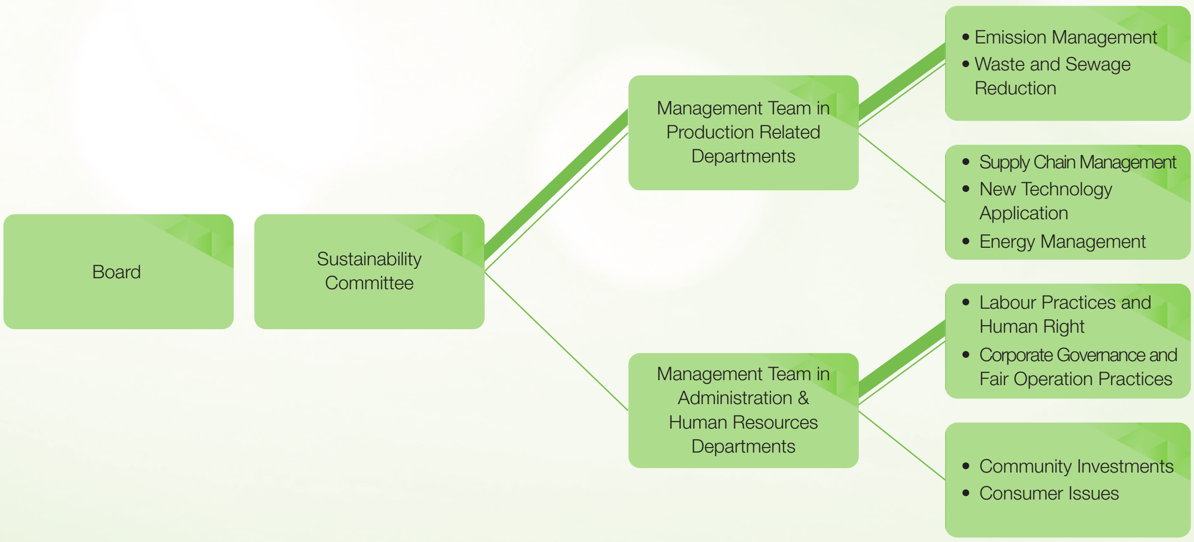
- Completeness — This ESG Report covered the relevant scope and information on material topics for readers to have a good understanding of the Group's sustainability performance during the Reporting Period.

To ensure the quality of the content in this ESG Report, we observed the principles of balance, comparability, accuracy, timeliness, clarity and reliability. The data has been obtained from reports generated from our internal systems and we have relied on internal data monitoring and verification to ensure its accuracy. The ESG data and information are reported in good faith and have not been verified by an independent third party.

2. BOARD STATEMENT AND GOVERNANCE STRUCTURE

As one of the recognised electrothermic household appliances manufacturers in the industry, the Group values sustainable practices in its business operation. The Group believes that taking responsibility for the environment and society is the key to enhancing the sustainability of its business and bringing long-term value for its Stakeholders (as defined below).

The Board takes overall responsibility for overseeing sustainability matters and their integration into the Group's strategies. The Board guides to form of a group sustainability committee (the "**Sustainability Committee**"). The Sustainability Committee manages and monitors sustainability performance and targets, and implements improvement processes. The operation management teams initiate, drive, and monitor the sustainability practices in their respective departments. The Group's governance structure for its sustainability matters is as follows:



The Group moves towards reducing the impact of its operations on the environment through its environmentally friendly projects, including equipment upgrades and sewage management; conducts its business ethically and responsibly; promotes its employees' well-being; and makes a difference in the communities it operates in. The Board receives regular updates on our ESG performance metrics, which include specific targets related to carbon emissions reduction, waste management, and community engagement initiatives.

3. STAKEHOLDERS ENGAGEMENT

The Group cherishes every feedback from key stakeholder groups, which comprise its customers, employees, shareholders, investors, and the community (the "**Stakeholders**") that is conducive to the continuous improvement of the Group and creates valued contributions to our business decisions that meet the Stakeholders' needs and expectations. The Group provides a range of channels such as meetings, interviews, reporting, surveys, and feedback channels on the intranet and/or corporate website to collect the views on ESG from the Stakeholders in order to review ESG-related goals and targets.

4. MATERIALITY ASSESSMENT

The Group has adopted the principle of materiality in ESG reporting by understanding the key ESG issues that are important to the business of the Group. During the Reporting Period, the Company undertook its annual materiality assessment exercise. The objective of materiality assessment is to identify ESG topics that are material and relevant to the Group's operations. This involved conducting interviews and/or surveys with internal and external Stakeholders to identify the most significant environmental and social impacts on its business. To identify potential material topics for disclosure in the ESG Report, we referenced the ESG Reporting Code to set possible topics for assessment. According to the results of the materiality assessment, the items below demonstrate the ESG topics with high materiality to the Group, including:

- climate change resilience;
- employee welfare;
- inclusion and equal opportunities;
- talent attraction and retention;
- occupational health and safety;
- prevention of child and forced labour;
- supply chain management;
- labour standards in supply chain;
- economic value generation;
- protection of intellectual property rights;
- protection of customer privacy;
- corporate governance;
- anti-corruption; and
- community investments.

5. ENVIRONMENTAL PROTECTION

5.1 Environmental Policy and Compliance

Climate change has been posing a threat to over 8 billion people on the planet. The rising sea level, the melting glaciers and the gradual heating of the earth's surface can cause devastating consequences for the environment and all species living in it. In an effort to combat global warming, the Group is committed to upholding a high environmental standard in its operations. In the future, the Group will continue to devote operating and financial resources to environmental compliance as required under applicable laws and regulations.

As a company that is principally engaged in the manufacture and sale of electrothermic household appliances, the Group is required to maintain various licences, certificates and permits for the production facilities under the laws and regulations on environmental protection in the PRC.

The Group regularly follows the latest national and regional environmental protection laws and regulations, thereby focusing on minimising the impact on the environment, implementing different measures to optimise the workplace environment, and continuing to address environmental issues in relation to global warming, pollution, and biodiversity.

With the goal of reducing energy consumption and carbon emissions, the Group has formulated relevant rules and regulations for sound and effective management of energy consumption, greenhouse gas ("**GHG**") emissions, and discharge of domestic wastes, sewage, and other pollutants.

During the Reporting Period, the Group strictly complied with relevant laws and regulations relating to air pollutants and GHG emissions, discharge into water and land, and generation of hazardous and non-hazardous wastes. The relevant laws and regulations include the "Environmental Protection Law of the PRC" (《中華人民共和國環境保護法》), "Law of the PRC on the Prevention and Control of Atmospheric Pollution" (《中華人民共和國大氣污染防治法》), and "Water Pollution Prevention and Control Law of the PRC" (《中華人民共和國水污染防治法》), etc.

The Group obtained the National Pollutant Discharge License for the period from 5 March 2025 to 4 March 2030.

5.2 Emissions

5.2.1 Air Pollution

While air pollutants are inevitably produced during the manufacturing processes of the Group's operations, the Group works to ensure they are properly treated in ways that are friendly to the environment and human health before discharging into the air.

Air treatment facilities are installed by the Group to filter air emissions leaving the plant during the manufacturing operations. In order to meet the local government's emission standards of air pollutants, the Group has formulated a pollutant management system and conducts regular assessments to monitor and review the quantities of air pollutant emissions. The Group sets up equipment and measures to manage exhaust gas emissions, including:

- using water spray and cyclone dust removal systems as the dust control systems;
- adopting lye desulfurization method and using bag filters to cleanse the exhaust gas (including dust, SO_2 and NOx) from curing furnace;

- using water spray and installing organic filters (activated carbon) to control and process the volatile organic compounds ("**VOCs**") released from the paints and organic solvents during the manufacturing operations; and

- adopting activated carbon absorption method to process non-methane total hydrocarbon discharged from welding and injection workshop.

In the Group's pollutant management system, VOCs process governance is one of its main eco-projects. The Group has consulted relevant government departments and environmental experts to formulate mitigation plans for the next few years, including:

- using low-concentration VOCs instead of high-concentration VOCs in several specific manufacturing processes;

- improving waste gas collection measures for the VOCs process; and

- referencing the practice of peers and discussing governance options with suppliers.

The Group also uses vehicles as a means of transportation in its business. The Group has implemented the following policies in order to mitigate the impact of air pollutants discharged from vehicles:

- inspecting and maintaining vehicles regularly;

- requiring internal and external vehicles to switch off idling engines; and

- acquiring an electric vehicle as a replacement for our current vehicle in 2025.

The emission data from the vehicles used by the Group during the Reporting Period is set out as follows:

Air Emissions[1]	**Unit**	**FY2025**[2]
Nitrogen Oxides (NO_x)	kg	**44.41**
Sulphur Dioxide (SO_x)	kg	**0.05**
Particulate Matter (PM)	kg	**4.26**

1 The Group has not disclosed annual quantities of air pollutant emissions directly emitted during the manufacturing processes. According to the current regulation in the PRC, production facilities are only required to measure air pollutant emission concentrations and rates once a year, but not the total volumes emitted in the year. An annual total of air pollutant emissions could only be estimated and might deviate significantly from actual emissions. Such figures would not facilitate an understanding of the environmental performance of the Group.

2 The air pollutant emissions reported were primarily contributed by the use of vehicles.

5.2.2 Waste Management

The Group adheres to the principles of waste management and is committed to sound and proper management of all wastes generated during its operations.

Hazardous Wastes

The Group's business, by nature, generates hazardous wastes throughout its production process. With reference to the National Catalogue of Hazardous Wastes announced by the Ministry of Ecology and Environment of the PRC, the identified hazardous wastes include used activated carbon, waste light tubes, screen washing wastewater, surface treatment sludge, alkaline cleaning wastewater, grease wastewater, paint residue, waste oil barrels, aluminium residue wastes, waste engine oil and oil-soaked rags and gloves. During the Reporting Period, approximately 58.43 tonnes of hazardous wastes were generated by the Group and the intensity was 0.09 tonnes per million HK$ revenue.

The Group's objective is to achieve a 10% reduction of hazardous wastes per million HK$ revenue by 2035 from the base year of 2025. The following measures have been implemented in order to achieve the goal. Firstly, the Group has implemented a stringent policy to control the disposal of hazardous wastes and all of them are further processed by licensed environmental service providers in the PRC. Secondly, the Group has purchased non-hazardous water-based paints for anticorrosion coatings and is looking for specific methods for classifying rubbish to improve resource utilisation and reduce hazardous wastes.

Non-hazardous Wastes

In the Group's operations, the non-hazardous wastes generated are cardboard, plastic bags, trimmings, bakelite and iron. The waste management practice of the Group is compliant with the laws and regulations relating to environmental protection in the PRC. During the Reporting Period, approximately 309.83 tonnes of non-hazardous wastes were generated by the Group and the intensity was 0.46 tonnes per million HK$ revenue.

With respect to wastewater management, the Group ensures all domestic sewage is discharged into the urban sewage pipe network for proper sewage treatment. Wastewater from the canteen is processed through grease trap and sedimentation before discharging into the urban sewage pipe network.

The Group strives to maintain a high standard of requirement on waste reduction and has set a goal to achieve a 10% reduction of non-hazardous wastes per million HK$ revenue by 2035 from the base year of 2025. The following measures have been implemented in order to achieve the goal. The Group actively encourages its employees to appreciate the significance of sustainable development through continuous training. Moreover, the Group is committed to promoting a paperless office environment by constantly encouraging all employees to "think before print" and to reduce paper usage through duplex printing, paper recycling, and frequent use of electronic information systems for information sharing or internal administrative documents.

5.3 Use of Resources

The Group considers conserving natural resources an indispensable component of its sustainable business. Through actively promoting various environmentally friendly measures, the Group encourages efficient use of resources, including energy, paper, water and other raw materials. As such, the Group has initiated policies to raise the awareness of electricity conservation and taken energy-saving measures throughout its daily operations.

5.3.1 Water Consumption

With respect to water conservation, the Group encourages all employees and visitors to develop the habit of conserving water consciously. There are posters with water-saving messages in pantries and washrooms to remind employees and visitors of the importance and urgency of water conservation.

Water is an important resource used by the Group during its operations and the Group actively seeks ways to minimise water consumption and endeavours to conserve water effectively in its operations.

In the production process, water curtain cabins are utilised by the Group so that wastewater can be recycled for the purpose of controlling air pollution in the spraying procedure.

The Group acknowledges the importance of protecting valuable water resources. As such, the Group promotes the concept of water-saving. Water taps are frequently inspected to prevent dripping. Employees are encouraged to turn off water taps when not in use. Besides, in case of a leaking faucet or pipe, the Group will promptly report to the relevant authorities in order to reduce unnecessary water consumption.

During the Reporting Period, the total water consumption of the Group was approximately 97,135 m^3 and the intensity was 144.33 m^3 per million HK$ revenue. There is no issue in sourcing water, and the Group's objective is to achieve a 10% reduction in water consumption per production unit by 2035 from the base year of 2025.

5.3.2 Packaging Material

Due to its nature of production, products' packaging materials of the Group mainly include colour box, cartoon, instruction manual, inner card and paper tray. During the Reporting Period, approximately 1,620.86 tonnes of packaging materials were used by the Group, with an intensity of 2.41 tonnes per million HK$ revenue.

5.3.3 Energy Consumption

The direct and indirect energy consumption of the Group by type during the Reporting Period is set out as follows:

Energy and Resource Use	Unit	FY2025
Purchased electricity	MWh	**13,481.86**
Renewable energy	MWh	**1,593.68**
Pellet fuels[3]	MWh	**333.33**
Petrol[4]	MWh	**30.70**
Total energy consumption	MWh	**15,439.57**
Energy consumption intensity	MWh per million HK$ revenue	**22.94**

The Group is committed to instilling an awareness of resource conservation and environmental protection into the work and life of every employee. The Group seeks business partners who also share the same philosophy and commitment to environmental conservation and comply with the applicable environmental laws and regulations. The Group believes these initiatives are capable to reflect its commitment to offering the best quality of services while maintaining the least adverse environmental impact on our planet.

With the aims of resource-saving and energy-saving, the Group actively promotes the concept of energy-saving and emission reduction throughout the entire process of its business development and operations, and implements different energy-saving measures. Regarding energy consumption, the use of electricity accounts for the Group's major energy consumption. In view of the scarcity of energy, the Group has advocated various energy conservation strategies to increase energy efficiency and reduce energy consumption. The major strategies are:

- using pellet fuels, which are considered renewable fuels, in some of the manufacturing processes;
- maintaining air conditioners at an energy-efficient level, with a temperature of around 25 degrees Celsius;
- arranging regular checks and cleaning of air conditioners;
- setting standby mode for computers when they are not in use for a long period of time;
- switching off all lights and power supply when there is no employee working in the workplace;
- selecting and purchasing high energy-efficient appliances and lights;
- posting energy-saving reminder notices near the switches and sockets to encourage our employees to increase their environmental awareness;

3 The conversion factor of pellet fuels is derived from the calorific value of pellet fuels, of which the later data is based on "Heating Values of Wood Pellets from Different Species" published in 2011.

4 Conversion factors were made reference to the Energy Statistics Manual issued by the International Energy Agency unless stated otherwise.

- installing solar photovoltaic ("**PV**") system;
- installing electric vehicle charging facilities for electric cars;
- upgrading the servo motors in injection molding machines to improve energy efficiency; and
- replacing high-energy consumption equipment in the die-casting workshop.

The Group's objective is to achieve a 10% reduction in energy consumption per million HK$ revenue by 2035 from the base year of 2025.

5.4 The Environment and Natural Resources

The Group is highly aware of the adverse impact of its operations on the environment and natural resources. The air pollutants, GHG emissions, and hazardous wastes generated by its business can destroy the ecosystem. Therefore, the Group is committed to integrating the concept of environmental protection into its production management and daily operations.

Through the measures elaborated in **Section 5.2 Emissions** and **Section 5.3 Use of Resources** of this ESG Report, the Group endeavours to minimise the negative environmental footprint and the potential environmental impacts of its operations.

In the future, the Group will continue its commitment to environmental protection and strive to build a greener and healthier environment to fulfill its responsibilities as a member of the community we all live in.

5.5 Climate Change

5.5.1 Governance

With the support of the Sustainability Committee, the Board has the ultimate responsibility for the oversight of climate-related matters. The Sustainability Committee reports to the Board at least once a year on sustainability matters, covering climate-related issues, climate-related risks and opportunities, the integration of climate considerations into strategies, major transaction decisions and risk management processes, as well as progress on climate-related policies implementation.

Under the supervision of the Sustainability Committee, the management team of the Group is responsible for assessing and managing climate-related risks and opportunities, the design and implementation of climate-related measures, as well as reviewing climate-related policies. These enable climate considerations to be incorporated into our daily operations.

Both the Board and the Sustainability Committee have sufficient knowledge of climate-related issues and the impacts of such issues on the Company's business and operations. To ensure that our Board, the Sustainability Committee and all employees remain informed and that their knowledge is up to date, we provide regular training and materials on climate-related topics.

For details, please refer to the **Section 2 Board Statement and Governance Structure** of this ESG Report.

5.5.2 Strategy

To address the evolving implications of climate change, we continue to advance our approach to climate-related risk and opportunity management by embedding climate considerations into our overarching sustainability risk governance. This approach enables the systematic identification and management of climate-related physical and transition risks, as well as the evaluation of climate-related opportunities across the Group's operations and value chain.

During the Reporting Period, the Group enhanced its climate strategy planning by assessing both financial and non-financial implications of climate change across key business dimensions, including operational activities, supply chain resilience and market dynamics. The insights generated have strengthened the Group's strategic preparedness and adaptive capacity in a changing climate. The table below summarises the key climate-related risks and opportunities identified, together with their potential impacts on the Group's business and the corresponding mitigation and response measures.

Climate-related Risks/ Opportunities	Time Horizon	Description and Potential Impacts	Response Actions and Transition Measures
Physical Risks			
Acute	Short to medium term	• Increased frequency and intensity of extreme weather events (e.g. typhoons, heavy rainfall, heatwaves) may disrupt factory operations • Temporary production downtime, logistics delays, damage to equipment or inventories, and delayed fulfilment of overseas customer orders	• Implement emergency preparedness and business continuity plans for extreme weather events • Strengthen facility resilience through regular maintenance and climate-proofing measures • Diversify logistics arrangements and enhance inventory management to mitigate disruption risks

Climate-related Risks/ Opportunities	Time Horizon	Description and Potential Impacts	Response Actions and Transition Measures
Chronic	Long term	• Rising average temperatures may increase cooling demand at manufacturing facilities, leading to higher energy consumption and operating costs • Prolonged heat stress may affect workforce productivity and equipment efficiency over time	• Improve thermal efficiency of production facilities and working environments • Optimise production scheduling and workplace health measures during extreme heat conditions • Gradually enhance energy management practices to manage long-term cost impacts
Transition Risks			
Policy and Legal	Short to medium term	• Tightening climate-related regulations, carbon pricing mechanisms, and energy efficiency standards may increase compliance costs • Growing climate-related disclosure requirements from regulators and international brand customers may elevate reporting and governance expectations	• Monitor regulatory developments in key operating and export markets • Strengthen internal compliance, data collection, and ESG disclosure capabilities • Engage proactively with customers to align with evolving sustainability and compliance requirements

Climate-related Risks/ Opportunities	Time Horizon	Description and Potential Impacts	Response Actions and Transition Measures
Technology	Medium term	• Accelerated adoption of low-carbon and energy-efficient manufacturing technologies may require capital investment • Failure to upgrade production processes could affect cost competitiveness and supplier preference among international brand customers	• Gradually assess and adopt energy-efficient equipment and production technologies • Integrate sustainability considerations into capital expenditure planning
Opportunities			
Energy Source	Short to medium term	• Increased use of renewable energy, such as on-site solar PV system, can reduce reliance on grid electricity and lower long-term energy costs • Adoption of cleaner energy sources enhances the Group's attractiveness to sustainability-focused international brand customers	• Completed installation and commissioning of the on-site solar PV system • Assess opportunities to increase the share of renewable energy in overall energy consumption
Resource Efficiency	Short to medium term	• Improved energy and resource efficiency in manufacturing can reduce operating costs and emissions intensity • Enhanced efficiency supports customer requirements for lower-carbon and more sustainable products	• Implement energy efficiency initiatives across production processes and facilities • Strengthen monitoring of energy and resource consumption to identify efficiency improvement opportunities

5.5.3 Risk Management

The Board has collective responsibility for the design and effective implementation of the Group's risk management framework. Under the oversight of the Sustainability Committee, the Group conducts regular sustainability risk and opportunity assessments with a specific focus on climate-related risks and opportunities. These assessments systematically identify, evaluate and manage climate-related risks based on their potential impacts and likelihood of occurrence, enabling risks to be prioritised in a structured manner.

Based on the assessment outcomes, appropriate mitigation and response measures are formulated and integrated into our business planning to enhance the Group's resilience to climate-related risks and support informed decision-making.

5.5.4 Metrics and Targets

Due to its business nature, the Group generates exhaust gas during its operations. In daily operations and office administration, GHG emissions are generated indirectly through energy consumption. During the Reporting Period, we further strengthened our Scope 3 inventory by aligning our assessment with the 15 categories defined under the "GHG Protocol Corporate Value Chain (Scope 3) Standard", enhancing the completeness and transparency of our value chain emissions disclosure. We will continue to refine our data collection methodologies, expand category coverage where material, and improve data accuracy in the coming years to support more comprehensive carbon management across our value chain.

The GHG emission figures of the Group during the Reporting Period are set out as follows:

GHG Emissions[5,6]	Unit	FY2025
Scope 1 (Direct emissions)	tCO_2e	**83**
Scope 2 (Energy indirect emissions)	tCO_2e	**7,788**
Scope 3 (Other indirect emissions)[7]	tCO_2e	**34,062**
Total GHG emissions (Scope 1, 2)	tCO_2e	**7,871**
Total GHG emissions (Scope 1, 2, 3)	tCO_2e	**41,933**
GHG emissions (Scope 1, 2) intensity	tCO_2e per million HK$ revenue	**11.70**
GHG emissions (Scope 1, 2, 3) intensity	tCO_2e per million HK$ revenue	**62.31**

5 In accordance with "The Greenhouse Gas Protocol – A Corporate Accounting and Reporting Standard (Revised Edition)" published by the World Business Council for Sustainable Development and World Resources Institute, Scope 1 direct emissions are resulted from operations that are owned or controlled by the Group, Scope 2 energy indirect emissions are resulted from the generation of purchased or acquired electricity, heating, cooling, and steam consumed within the Group, while Scope 3 other indirect emissions are resulted from the Group's value chain.

6 Emission factors were made reference to Appendix C2 of the Main Board Listing Rules and their referred documentation as set out by HKEX, unless stated otherwise. The emission factor for pellet fuels is based on "Greenhouse gas emissions from burning US-sourced woody biomass in the EU and UK", published in 2021.

7 The Scope 3 emissions include available data arising from Category 1: Purchased Goods and Services, Category 2: Capital Goods, Category 3: Fuel- and Energy-Related Activities Not Included in Scope 1 or Scope 2, Category 5: Waste Generated in Operations, Category 6: Business Travel and Category 7: Employee Commuting. Calculation standard and methodology for Scope 3 carbon emissions: "GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard" published by the World Business Council for Sustainable Development and the World Resources Institute are used for calculation and disclosure with available data.

In support of PRC's Dual Carbon goals, including the newly articulated interim target to reduce GHG emissions by 7–10% from peak levels by 2035, the Group has established a structured decarbonization pathway to align with the national climate ambition. Accordingly, we have reviewed our historical performance and set an updated target to reduce Scope 1 and Scope 2 GHG emissions per production unit by 10% by 2035 from the base year of 2025. This target reflects the Group's determination to contribute to the climate objectives of PRC while enhancing operational efficiency and long-term resilience.

We prioritise direct emissions reduction through energy efficiency enhancements, cleaner energy sourcing and responsible resource management. For residual emissions that cannot be eliminated in the near term, we will explore the use of high-quality carbon credit, where appropriate and credible, to address unabated emissions. Progress against our climate targets and related performance indicators is continuously monitored and reported to the Board on an annual basis to ensure robust oversight and informed strategic decision-making.

6. EMPLOYMENT AND LABOUR PRACTICES

6.1 Employment Policy

The Group fully understands that business development is largely driven by the continued quality of services delivered by an experienced and competent workforce. It is, therefore, of paramount importance to proactively manage the talent pipeline and career development for the employees of the Group. The Group is determined to set itself in a good position to maintain robust business performance and growth with the employees.

With an objective of upholding an open, fair, just and reasonable human resource policy, the Group formulated the recruitment policy with respect to equal opportunities, diversity and anti-discrimination.

In the recruitment process, the appointment of employees at all levels of the Group was based on the academic qualifications, integrity, abilities, experience and physical fitness required for the positions. Recruitment was conducted mainly through job postings. Candidates are vetted by the human resources department and reviewed by the heads of the hiring department. All appointments are submitted to the general manager for approval to ensure fair and reasonable decisions.

The Group encourages differences and individuality in employees, with the philosophy that diversity can bring new ideas, dynamics and challenges to the operations; but discourages all forms of discrimination on gender, age, family status, sexual orientation, disability, race and religion. The Group is committed to maintaining a family-friendly work environment to support the employees and striving to make sure employees and business partners comply with the laws and regulations, follow ethical business practices and respect equal opportunity in employment.

During the Reporting Period, the Group continues to strictly observe the applicable laws and regulations and follow the employment policies relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare, by providing competitive remuneration packages, including internal promotion opportunities and performance-based bonuses, so as to recruit and retain experienced employees.

The Group had a total number of 955 employees in the PRC as at 31 December 2025. All the employee data is from one core operation unit, so there is no breakdown based on geographical regions. The employee compositions by gender, age group and employment category were as follows:

Employee Structure		Number of employees in the PRC as at 31 December 2025	Number of employees in the PRC as at 31 December 2024
Total Number of Employees		**955**	1,017
By Gender	Male	**383**	409
	Female	**572**	608
By Age Group	Aged below 30	**142**	171
	Aged between 30-50	**718**	754
	Aged over 50	**95**	92
By Employment Category	Senior management	**99**	94
	Middle management	**266**	273
	General staff	**590**	650

6.1.1 Turnover Rate

The Group was expanding its business and the overall employee turnover rate was 55.7% in the Reporting Period. For staff retention, the Group regularly reviews staff benefits and has increased leave entitlement for existing employees during the Reporting Period. The employee turnover rates by gender and age group during the Reporting Period were as follows:

Turnover Rate		Number of Employees	Percentage (%)
Total		549	55.7%
By Gender			
	Male	243	61.4%
	Female	306	51.9%
By Age Group			
	Aged below 30	185	118.2%
	Aged between 30–50	350	47.6%
	Aged over 50	14	15.0%

6.2 Employment and Labour

The Group's employees are in Hong Kong and the PRC. The Group safeguards the rights of the employees by complying with the Employment Ordinance (Chapter 57 of the Laws of Hong Kong) and the Labour Law of the PRC in all material aspects, and employment regulations related to anti-child labour and anti-forced labour. In 2025, the Group continued to participate in welfare schemes concerning pension insurance, unemployment insurance, maternity insurance, occupational injury insurance and medical insurance in accordance with the local regulations including the Regulations on the Administration of Housing Provident Funds and the Social Insurance Law of the PRC. All eligible full-time employees in Hong Kong are entitled to medical insurance, disability and invalidity coverage, maternity leave, Mandatory Provident Fund (MPF) Scheme, incentive and performance-based bonuses.

6.3 Health and Safety

The Group has been attaching great importance to a comfortable and safe working environment for the employees, which protects them from potential occupational hazards, and health and safety risks, to achieve zero tolerance for accidents or personal injuries.

As employees' health and safety are of paramount importance to the operations of the Group, the Group has accordingly formulated a series of relevant personnel management policies to provide employees with a healthy, positive and motivating working atmosphere.

The Group maintains a risk management system that includes identifying, preventing and managing risks and hazards throughout the workplace as well as follow-up actions for accidents or personal injuries. The Group has taken the following measures:

- maintaining air ventilation system in the workplace regularly;
- arranging dust prevention measures to protect the well-being of the employees;
- participating regularly in occupational health and safety-related seminars;
- prohibiting smoking and abuse of alcohol and drugs in the workplace;
- providing clean and tidy rest areas such as corridors and pantry;
- providing adjustable chairs and monitors for back and eye protection;
- setting up posters or warning labels near areas of potential hazards in the workplace;
- conducting fire drills and emergency evacuation simulations to raise employees' awareness of fire prevention and to equip employees with appropriate knowledge and skills in the event of an emergency; and
- providing first aid kits, automated external defibrillators and fire extinguishers in the workplace in response to emergencies.

Additionally, the Group provides induction programs and safety training programs to new employees, such that they can be familiar with the corporate policies in relation to health and safety matters upon joining the Group.

Occupational Health and Safety Data:	FY2025	FY2024	FY2023
Work injury cases ≤ 3 days	**4**	6	0
Work injury cases > 3 days	**3**	2	4
Lost days due to work injury	**89**	73	48

During the Reporting Period, there were a total of 7 cases of workplace accidents. These accidents were investigated by the Group and reported to the relevant authorities and measures have been put in place to prevent the recurrence. During the past three years, the Group did not record any work-related fatality of employees.

6.4 Development and Training

The Group sees each position of the Group to be of unique professional and technical needs. Thus, a comprehensive training scheme is in place in the Group to provide support and coaching to the employees.

For every new joiner, the Group provides proper orientation training and mentoring in order to help them adapt to the new working environment quickly. Mentoring and guidance in relation to the operating procedures and technical requirements for production facilities are provided by senior staff or supervisors in each production unit.

The Group acknowledges the importance of continuous training and development of employees and encourages on-the-job training in each production unit. At the end of each year, all production units are required to draw up a training plan for the next year based on the specific needs and nature of the production procedures in the unit. Based on the nature and requirements of job duties, employees of certain positions will receive professional training from external institutes to master the knowledge and skills required in the position. The Group also provides training subsidies to employees attending approved external training courses related to the job.

At the end of the Reporting Period, 100% of the total employees had participated in various trainings. The average training hours per employee was 3.1 training hours, with a total of 3,076 training hours conducted. The breakdown of training hours (categorised by gender and employee category) is shown below:

Occupational Training Data		FY2025
Training Hours of Employees by Gender	Male	**1,583**
	Female	**1,493**
Training Hours of Employees by Employee Category	Senior management	**524**
	Middle management	**1,283**
	General staff	**1,269**
Average Training Hours of Employees by Gender	Male	**4.0**
	Female	**2.5**
Average Training Hours of Employees by Employee Category	Senior management	**5.4**
	Middle management	**4.8**
	General staff	**2.0**
Percentage of Employees Trained by Gender	Male	**41.6%**
	Female	**58.4%**
Percentage of Employees Trained by Employee Category	Senior management	**8.2%**
	Middle management	**20.8%**
	General staff	**71.0%**

6.5 Labour Standards

Being fully aware of human rights and international labour conventions, the Group strictly prohibits the employment of any child labour and forced labour. If the use of child labour or forced labour is discovered, the Group will terminate the employment contract and investigate if further action is needed. New employees are required to provide true and accurate personal data when they join the Group. Recruiters should strictly review the entry documents including medical examination certificates, academic certificates and identity cards. The Group cautiously selects suppliers and contractors in order to avoid the employment of any child labour or forced labour in the supply chain.

During the Reporting Period, no material non-compliance with the relevant laws and regulations, including the Employment Ordinance (Chapter 57 of the Laws of Hong Kong) and the Labour Law of the PRC. The prevention of child labour or forced labour has been found by the Group.

7. OPERATING PRACTICES

The Group is determined to disseminate the pursuit of sustainability into its core business which is regarded as part of the responsibility of an accountable corporate citizen. A series of management systems and procedures have been developed in alignment with the Corporate Governance Code set out by the Main Board Listing Rules. Furthermore, the Group encourages all business partners to incorporate those sustainability practices and policies into their operations thoroughly in order to work together in pursuit of sustainable development.

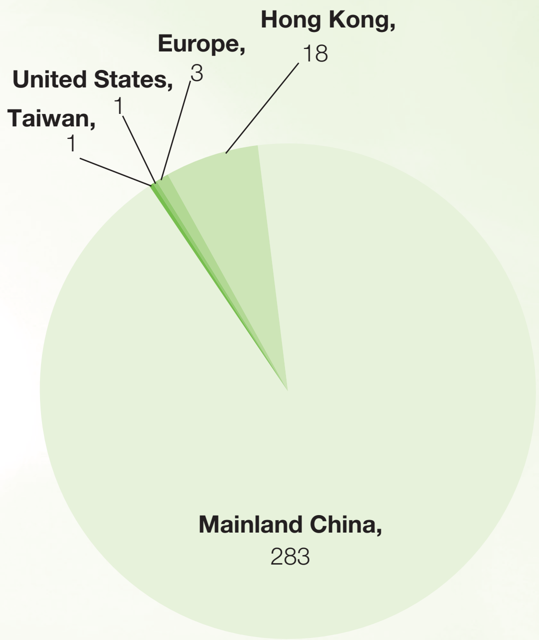
7.1 Supply Chain Management

The Group understands that supply chain management has always been one of the key aspects of its operations. The supply chain management team not only considers economic and commercial benefits during the tendering processes, but also evaluates the suppliers' and contractors' track records relating to legal and regulatory compliance, including safeguarding workers' health and safety and mitigating environmental impacts.

To ensure the quality of its supply chain, the Group has been implementing supplier screening and inspection mechanisms regularly. In 2021, the Group established a new position called "Supplier Quality Engineer" to strengthen the partnership between the production quality assurance department and the business development department. These departments work together to develop the supplier inspection mechanism and evaluate the performance of previous suppliers. The goal of the mechanism is to identify suppliers who can meet the Group's quality requirements and provide value to the Group while managing risks effectively.

Suppliers are evaluated according to not only conformance to all applicable statutory and regulatory requirements, but also to their social responsibility and related environmental requirements. For example, we require suppliers to fill out a social responsibility declaration form and we also require suppliers to declare if their materials fulfil the requirements of Restriction of Hazardous Substances (RoHS), if applicable. If a supplier is deemed to be in non-performance of its social and environmental obligations, it will be asked to rectify the failure as soon as is practical. If non-conformance continues, the supplier will be removed from our supply chain.

The Group sources from local suppliers based on the suppliers' availability and capability, where possible, and procures from overseas suppliers when required. During the Reporting Period, there were a total of 306 suppliers sourced worldwide. The breakdown of suppliers by their geographical regions is shown below:



7.2 Product Responsibility

The Group places a high priority on product and service excellence for its customers. To fulfil product responsibility, the Group actively communicates with the suppliers, employees and customers on the quality and safety requirements and prevents any product defects through quality assurance and control measures such as safety tests, usability and performance tests, reliability tests, etc. In order to mitigate the customers' exposure to product risk, product liability insurance is maintained by the Group as well. Furthermore, the warning or caution is legible and placed in a conspicuous position on the product and the packaging of the goods. The Group strictly complies with the laws and regulations relating to health and safety, advertising, labelling and privacy matters of the products and services provided and provides methods of redress.

The Group has formulated a customer complaint follow-up process as follows:

The Group conducts a customer satisfaction survey annually and takes corresponding corrective and preventive measures based on the survey results to meet customers' requirements and expectations. During the Reporting Period, there were no material recalls, significant complaints against the products, or any material amount of sales return for safety and health reasons.

In the event of a product recall, the production quality assurance department will typically review the products' sales records and execute a product recovery plan. This plan will include details about the recovered products, the reason for the recall, the number of products being recalled, the method of recall, and the recall deadline. The production quality assurance department will then notify the marketing department and other relevant parties to begin the recall process immediately. Recovered products will be inspected by relevant staff and any products that fail to meet quality standards will be disposed of according to proper procedures. The production quality assurance department will also work with the production department to identify the reasons behind the product failure and take steps to prevent future incidents. Finally, the production quality assurance department will evaluate the effectiveness of the product recall and provide a report to the internal audit department.

7.3 Privacy Protection and Intellectual Property

The Group is committed to complying with privacy laws and regulations. The Group strictly complies with the requirements of the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong), the Corporate Finance Consultant Code of Conduct and local legislations, to ensure that all data is securely kept in the internal system with access control. The Group has separated customer data from other ordinary information to protect customers' privacy. Meanwhile, only authorised personnel can access the personal data collected from the Group's customers. Through internal training and confidentiality agreements with employees, the Group emphasises confidentiality obligations and the legal consequences of breaches of relevant rules.

While striving for excellent quality and advanced technologies, the Group complies with the requirements of the Patent Law of the PRC (《中華人民共和國專利法》) and the national intellectual property protection and application norms part in the 14th Five-Year Plan (「十四五規劃」), focusing on safeguarding original designs and acquiring copyrights through legal means. To enhance productivity and remain competitive in the marketplace, the Group has obtained relevant patents for its core technologies, such as thermodynamics and coffee brewing systems, and utilised them in its product development and operations.

7.4 Anti-corruption

Insisting on honesty, integrity and fairness in all aspects of the business and upholding high standards of ethical conduct by prohibiting all forms of bribery and corrupt practices, the Group has established a series of anti-fraud and anti-bribery policies as part of its corporate governance practices.

The Group observed the related laws and regulations that have significant impacts on the Group relating to bribery, extortion, fraud and money laundering, such as the "Prevention of Bribery Ordinance of Hong Kong" (Chapter 201 of the Laws of Hong Kong), the Criminal Law of the PRC (《中華人民共和國刑法》), and the Regulations of the PRC for Suppression of Corruption (《中華人民共和國懲治貪污條例》). During the Reporting Period, the Group complied with the relevant laws and regulations relating to bribery, extortion, fraud and money laundering mentioned above, as well as the corporate anti-corruption policy. There were no concluded legal cases related to corruption brought against the Group or its employees.

Under the Group's whistleblowing policy, employees may anonymously report any suspected or actual event of bribery and corruption to their supervisors or management of a higher level, including to an appropriate Board committee or member, without the threat of dismissal or retaliation. The relevant parties receiving the reports shall promptly investigate the issue. The whistleblower shall receive a report within five business days of the initial report, regarding the investigation results.

To ensure full compliance with the Group's anti-fraud and anti-bribery policies, the Group conducted anti-corruption briefings and training sessions for its employees. If employees have any concerns in relation to accounting controls and audit matters, they may report to the audit committee of the Group (the "**Audit Committee**") as well. The Audit Committee will review each complaint and decide on the appropriate investigation. During the Reporting Period, the Group did not receive any complaints from its employees.

8. COMMUNITY INVESTMENTS

As a socially responsible enterprise, the Group remains steadfast in its commitment to contributing to a better society. We actively engage with our community and prioritise the well-being of our employees and the local communities in which we operate through a diverse range of events, strategic partnerships, and meaningful initiatives.

The Group's holistic dedication to principled governance, community engagement, and employee care has earned prestigious external validation. A highlight was receiving the esteemed "14th Junzi Corporation Award" from The Hang Seng University of Hong Kong, a rigorous assessment of ethical business leadership and sustainable practices.

Our commitment to social inclusion was honoured with the "Social Inclusion Partnership Award" from the Hong Kong Network for the Promotion of Inclusive Society ("**HKNPIS**"). Furthermore, the Group's enduring pledge to exemplary employer standards continues to be recognised. We were accredited as a "Caring Company" by the Hong Kong Council of Social Service for the 16th consecutive year since 2009; honoured with the "Manpower Developer Award" for over 14 consecutive years since 2011, and holding the "Super Manpower Developer Award" (2023-2028). The Group continues to be awarded the "Partner Employer Award" (2024-2026), recognised by the "Happy Company Award 2025", and are a proud signatory of the "Good Employer Charter" since 2024.

Our environmental leadership was powerfully affirmed by multiple accolades. Our strategic climate governance was highlighted when our Chief Executive Officer, Mr. Chan Wai Ming, was presented with the "Climate Governance Award 2025" by The Hong Kong Institute of Directors. Our comprehensive ESG integration was endorsed as we were recognised as an awardee of the "ESG & Sustainability Awards of Excellence 2025" by the Hong Kong Economic Journal, endorsing our comprehensive integration of ESG principles. At an international level, our subsidiary, Town Ray Electrical (Huizhou) Limited, was conferred the "Green Leadership Award" at the "2025 Asia Responsible Enterprise Awards" by Enterprise Asia. These achievements complement our receipt of the "EcoPioneer" award at The BOCHK Corporate Environmental Leadership Awards in August 2025 and our continued participation in the "ESG+ Pledge Scheme" for the fourth consecutive year.

Our commitment to community investment was actively demonstrated through purposeful community engagements. We focused on nurturing future talents by hosting immersive workplace visits for students from two secondary schools. These events provided practical seminars and tours of our facilities, offering valuable career insights.

Supporting community health and vulnerable groups remained a priority. Our employees and their families volunteered at "Yan Oi Tong's Flag Day" in August 2025 and participated in the "Yan Oi Tong Charity Walk" in December 2025, raising essential funds for the elderly, underprivileged individuals, and cancer patients. The Group also deepened its partnership with HKNPIS through multi-faceted support, including sponsoring a private screening of the "Fearless" microfilm and serving as a "Silver Sponsor" for the third consecutive year at the "Lockton Fearless Dragon Trail Run 2025", where our team's enthusiasm earned the "Most Supportive 2nd Runner Up" award. During the Reporting Period, the charitable contributions made by the Group amounted to approximately HK$0.9 million.

The Group fostered a supportive and engaging workplace through various activities to promote teamwork and well-being, including celebrations for International Women's Day, the Dragon-boat Festival, singing contests, and badminton competitions. Monthly birthday and welcome parties fostered a sense of belonging. 19 outstanding employees and 23 long-service employees were awarded to acknowledge their dedication and long-term service to the Group.

To foster continuous growth, the Group sustained its cooperation with the Guangdong Technology College, subsidising employees for further studies. Our continuing education subsidy program also remained in place, offering financial support for external job-relevant courses, empowering employees to acquire new skills.

Looking ahead, the Group will continue its dedicated efforts towards employee well-being, meaningful community engagement, and environmental responsibility, striving to create lasting positive impact for a better society.

Chief Executive Officer, Mr. Chan Wai Ming, received the "Climate Governance Award 2025," honouring his leadership in advancing the Group's climate-resilient governance.

The Company was awarded the "14th Junzi Corporation Award", a prestigious benchmark for ethical business leadership evaluated against Confucian virtues.

Tunbow volunteers and families unite for "Yan Oi Tong's Flag Day" in August 2025, raising essential funds for the elderly and underprivileged, as well as its "Emergency Assistance Fund".

The Group sponsored a private screening of "Fearless", a touching microfilm by the HKNPIS to promote inclusion, with proceeds funding their rehabilitation programs.

Secondary school students enjoyed a guided tour of our R&D centre, gaining real-world insight into innovative manufacturing processes.

Team spirit shined at the Company's badminton tournament in April 2025, fostering wellness and camaraderie through friendly competition.

Colleagues showcased their talents and shared joy at the Company's annual singing contest in August 2025.

Long-serving and outstanding employees were honoured at a company ceremony in December 2025, acknowledging their dedication and invaluable.

ESG REPORT INDEX

General Disclosure Requirements	Description	Section/Declaration
A. Environmental		
Aspect A1: Emissions		
General Disclosure	Information on: a) the policies; and b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air emissions, discharges into water and land, and generation of hazardous and non-hazardous wastes.	Environmental Policy and Compliance
KPI A1.1	The types of emissions and respective emission data.	Emissions — Air Pollution The Group has not disclosed annual quantities of air pollutant emissions directly emitted during the manufacturing processes. According to the current regulation in the PRC, production facilities are only required to measure air pollutant emission concentrations and rates once a year, but not total volumes emitted in the year. An annual total of air pollutant emissions could only be estimated and might deviate significantly from actual emissions. Such figures would not facilitate an understanding of the environmental performance of the Group.
KPI A1.2	Repealed 1 January 2025	N/A
KPI A1.3	Total hazardous wastes produced (in tonnes) and, where appropriate, intensity.	Emissions — Waste Management
KPI A1.4	Total non-hazardous wastes produced (in tonnes) and, where appropriate, intensity.	Emissions — Waste Management

General Disclosure Requirements	Description	Section/Declaration
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	Emissions
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.	Emissions — Waste Management
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Use of Resources
KPI A2.1	Direct and/or indirect energy consumption by type in total and intensity.	Use of Resources — Energy Consumption
KPI A2.2	Water consumption in total and intensity.	Use of Resources — Water Consumption
KPI A2.3	Description of energy efficiency target(s) set and steps taken to achieve them.	Use of Resources — Energy Consumption
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.	Use of Resources — Water Consumption
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Use of Resources — Packaging Material
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	The Environment and Natural Resources
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	The Environment and Natural Resources

General Disclosure Requirements	Description	Section/Declaration
B. Social		
Aspect B1: Employment		
General Disclosure	Information on: a) the policies; and b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other employment benefits and welfare.	Employment Policy
KPI B1.1	Total workforce by gender, employment category, age group and geographical region.	Employment Policy
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Employment Policy — Turnover Rate
Aspect B2: Health and Safety		
General Disclosure	Information on: a) the policies; and b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Employment and Labour Health and Safety
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
KPI B2.2	Lost days due to work injury.	Health and Safety
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Health and Safety

General Disclosure Requirements	Description	Section/Declaration
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Development and Training
KPI B3.1	The percentage of employees trained by gender and employee category.	Development and Training
KPI B3.2	The average training hours completed per employee by gender and employee category.	Development and Training
Aspect B4: Labour Standards		
General Disclosure	Information on: a) the policies; and b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Labour Standards
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Labour Standards
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Labour Standards

General Disclosure Requirements	Description	Section/Declaration
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Supply Chain Management
KPI B5.1	Number of suppliers by geographical regions.	Supply Chain Management
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Supply Chain Management
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
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

General Disclosure Requirements	Description	Section/Declaration
Aspect B6: Product Responsibility		
General Disclosure	Information on: a) the policies; and b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Product Responsibility Privacy Protection and Intellectual Property
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Product Responsibility
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Product Responsibility
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Privacy Protection and Intellectual Property
KPI B6.4	Description of quality assurance process and recall procedures.	Product Responsibility
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Privacy Protection and Intellectual Property

General Disclosure Requirements	Description	Section/Declaration
Aspect B7: Anti-corruption		
General Disclosure	Information on: a) the policies; and b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Anti-corruption
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Anti-corruption
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Anti-corruption
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Anti-corruption
Aspect B8: Community Investments		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Community Investments
KPI B8.1	Focus areas of community contribution.	Community Investments
KPI B8.2	Resources contributed to the focus areas.	Community Investments

Climate-related Disclosure Requirements	Description	Section/Declaration
(I) Governance		
19.	An issuer shall disclose information about: (a) the governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities. Specifically, the issuer shall identify that body(s) or individual(s) and disclose information about: (i) how the body(s) or individual(s) determines whether appropriate skills and competencies are available or will be developed to oversee strategies designed to respond to climate-related risks and opportunities; (ii) how and how often the body(s) or individual(s) is informed about climate-related risks and opportunities; (iii) how the body(s) or individual(s) takes into account climate-related risks and opportunities when overseeing the issuer's strategy, its decisions on major transactions, and its risk management processes and related policies, including whether the body(s) or individual(s) has considered trade-offs associated with those risks and opportunities; (iv) how the body(s) or individual(s) oversees the setting of, and monitors progress towards, targets related to climate-related risks and opportunities (see paragraphs 37 to 40), including whether and how related performance metrics are included in remuneration policies (see paragraph 35); and (b) management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities, including information about: (i) whether the role is delegated to a specific management level position or management-level committee and how oversight is exercised over that position or committee; and (ii) whether management uses controls and procedures to support the oversight of climate-related risks and opportunities and, if so, how these controls and procedures are integrated with other internal functions.	Climate Change — Governance The Group has not yet incorporated climate-related performance indicators into its remuneration policies. We will explore the feasibility of enhancing our remuneration policies.

Climate-related Disclosure Requirements	Description	Section/Declaration
(II) Strategy		
Climate-related risks and opportunities		
20.	An issuer shall disclose information to enable an understanding of climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term. Specifically, the issuer shall:	Climate Change — Strategy
	(a) describe climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term;	
	(b) explain, for each climate-related risk the issuer has identified, whether the issuer considers the risk to be a climate-related physical risk or climate-related transition risk;	
	(c) specify, for each climate-related risk and opportunity the issuer has identified, over which time horizons – short, medium or long term – the effects of each climate-related risk and opportunity could reasonably be expected to occur; and	
	(d) explain how the issuer defines 'short term', 'medium term' and 'long term' and how these definitions are linked to the planning horizons used by the issuer for strategic decision-making.	
Business model and value chain		
21.	An issuer shall disclose information that enables an understanding of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain. Specifically, the issuer shall disclose:	Climate Change — Strategy Since data availability and quantification methods continue to develop or evolve, the Group will continue to monitor and, where feasible, describe the concentration of climate-related risks and opportunities across our business model and value chain.
	(a) a description of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain; and	
	(b) a description of where in the issuer's business model and value chain climate-related risks and opportunities are concentrated (for example, geographical areas, facilities and types of assets).	

Climate-related Disclosure Requirements	Description	Section/Declaration
Strategy and decision-making		
22.	An issuer shall disclose information that enables an understanding of the effects of climate-related risks and opportunities on its strategy and decision-making. Specifically, the issuer shall disclose:	Climate Change — Strategy
	(a) information about how the issuer has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the issuer plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation. Specifically, the issuer shall disclose information about:	
	(i) current and anticipated changes to the issuer's business model, including its resource allocation, to address climate-related risks and opportunities;	
	(ii) current and anticipated adaptation and mitigation efforts (whether direct or indirect);	
	(iii) any climate-related transition plan the issuer has (including information about key assumptions used in developing its transition plan, and dependencies on which the issuer's transition plan relies), or an appropriate negative statement where the issuer does not have a climate-related transition plan; and	
	(iv) how the issuer plans to achieve any climate-related targets (including any greenhouse gas emissions targets (if any)), described in accordance with paragraphs 37 to 40; and	
	(b) information about how the issuer is resourcing, and plans to resource, the activities disclosed in accordance with paragraph 22(a).	
23.	An issuer shall disclose information about the progress of plans disclosed in previous reporting periods in accordance with paragraph 22(a).	Climate Change — Strategy

Climate-related Disclosure Requirements	Description	Section/Declaration
Financial position, financial performance and cash flows		
Current financial effect		
24.	An issuer shall disclose qualitative and quantitative information about:	Climate Change — Strategy We have identified major climate-related risks and opportunities and disclosed their current and/or anticipated qualitative financial effects. Given the high level of measurement uncertainty arising from data limitations and evolving climate science and methodologies, the resulting quantitative financial effects may not provide meaningful insights. We will continue to review the feasibility of disclosing such data as our business operations evolve.
	(a) how climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period; and	
	(b) the climate-related risks and opportunities identified in paragraph 24(a) for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements.	No significant risk of a material adjustment within the next annual reporting period.

Climate-related Disclosure Requirements	Description	Section/Declaration
Anticipated financial effect		
25.	The issuer shall provide qualitative and quantitative disclosures about:	Climate Change — Strategy We have identified major climate-related risks and opportunities and disclosed their current and/or anticipated qualitative financial effects. Given the high level of measurement uncertainty arising from data limitations and evolving climate science and methodologies, the resulting quantitative financial effects may not provide meaningful insights. We will continue to review the feasibility of disclosing such data as our business operations evolve.
	(a) how the issuer expects its financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities, taking into consideration:	
	(i) its investment and disposal plans; and	
	(ii) its planned sources of funding to implement its strategy; and	
	(b) how the issuer expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities.	

Climate-related Disclosure Requirements	Description	Section/Declaration
Climate resilience		
26.	An issuer shall disclose information that enables an understanding of the resilience of the issuer's strategy and business model to climate-related changes, developments and uncertainties, taking into consideration the issuer's identified climate-related risks and opportunities. An issuer shall use climate-related scenario analysis to assess its climate resilience using an approach that is commensurate with an issuer's circumstances. In providing quantitative information, the issuer may disclose a single amount or a range. Specifically, the issuer shall disclose:	We will explore the feasibility of conducting climate scenario analysis.
	(a) the issuer's assessment of its climate resilience as at the reporting date, which shall enable an understanding of:	
	(i) the implications, if any, of the issuer's assessment for its strategy and business model, including how the issuer would need to respond to the effects identified in the climate-related scenario analysis;	
	(ii) the significant areas of uncertainty considered in the issuer's assessment of its climate resilience; and	
	(iii) the issuer's capacity to adjust, or adapt its strategy and business model to climate change over the short, medium or long term;	

Climate-related Disclosure Requirements	Description	Section/Declaration
26.	(b) how and when the climate-related scenario analysis was carried out, including:	
	(i) information about the inputs used, including: (1) which climate-related scenarios the issuer used for the analysis and the sources of such scenarios; (2) whether the analysis included a diverse range of climate-related scenarios; (3) whether the climate-related scenarios used for the analysis are associated with climate-related transition risks or climate-related physical risks; (4) whether the issuer used, among its scenarios, a climate-related scenario aligned with the latest international agreement on climate change; (5) why the issuer decided that its chosen climate-related scenarios are relevant to assessing its resilience to climate-related changes, developments or uncertainties; (6) time horizons the issuer used in the analysis; and (7) what scope of operations the issuer used in the analysis (for example, the operation, locations and business units used in the analysis);	
	(ii) the key assumptions the issuer made in the analysis; and	
	(iii) the reporting period in which the climate-related scenario analysis was carried out.	

Climate-related Disclosure Requirements	Description	Section/Declaration
(III) Risk Management		
27.	An issuer shall disclose information about:	Climate Change — Risk Management
	(a) the processes and related policies it uses to identify, assess, prioritise and monitor climate-related risks, including information about:	
	(i) the inputs and parameters the issuer uses (for example, information about data sources and the scope of operations covered in the processes);	
	(ii) whether and how the issuer uses climate-related scenario analysis to inform its identification of climate related risks;	
	(iii) how the issuer assesses the nature, likelihood and magnitude of the effects of those risks (for example, whether the issuer considers qualitative factors, quantitative thresholds or other criteria);	
	(iv) whether and how the issuer prioritises climate-related risks relative to other types of risks;	
	(v) how the issuer monitors climate-related risks; and	
	(vi) whether and how the issuer has changed the processes it uses compared with the previous reporting period;	
	(b) the processes the issuer uses to identify, assess, prioritise and monitor climate-related opportunities (including information about whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related opportunities); and	
	(c) the extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the issuer's overall risk management process.	

Climate-related Disclosure Requirements	Description	Section/Declaration
(IV) Metrics and Targets		
Greenhouse gas emissions		
28.	An issuer shall disclose its absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tons of CO_2 equivalent, classified as:	Climate Change — Metrics and Targets
	(a) Scope 1 greenhouse gas emissions;	
	(b) Scope 2 greenhouse gas emissions; and	
	(c) Scope 3 greenhouse gas emissions.	
29.	An issuer shall:	Climate Change — Metrics and Targets
	(a) measure its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) unless required by a jurisdictional authority or another exchange on which the issuer is listed to use a different method for measuring greenhouse gas emissions;	
	(b) disclose the approach it uses to measure its greenhouse gas emissions including:	
	(i) the measurement approach, inputs and assumptions the issuer uses to measure its greenhouse gas emissions;	
	(ii) the reason why the issuer has chosen the measurement approach, inputs and assumptions it uses to measure its greenhouse gas emissions; and	
	(iii) any changes the issuer made to the measurement approach, inputs and assumptions during the reporting period and the reasons for those changes;	
	(c) for Scope 2 greenhouse gas emissions disclosed in accordance with paragraph 28(b), disclose its location-based Scope 2 greenhouse gas emissions, and provide information about any contractual instruments that is necessary to enable an understanding of the issuer's Scope 2 greenhouse gas emissions; and	

Climate-related Disclosure Requirements	Description	Section/Declaration
29.	(d) for Scope 3 greenhouse gas emissions disclosed in accordance with paragraph 28(c), disclose the categories included within the issuer's measure of Scope 3 greenhouse gas emissions, in accordance with the Scope 3 categories described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011).	
Climate-related transition risks		
30.	An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related transition risks.	Reasonable and supportable information was not available at the reporting date without undue cost or effort. The Group will explore the feasibility of disclosing such metrics in the future.
Climate-related physical risks		
31.	An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related physical risks.	Reasonable and supportable information was not available at the reporting date without undue cost or effort. The Group will explore the feasibility of disclosing such metrics in the future.
Climate-related opportunities		
32.	An issuer shall disclose the amount and percentage of assets or business activities aligned with climate-related opportunities.	Reasonable and supportable information was not available at the reporting date without undue cost or effort. The Group will explore the feasibility of disclosing such metrics in the future.

Climate-related Disclosure Requirements	Description	Section/Declaration
Capital deployment		
33.	An issuer shall disclose the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.	Reasonable and supportable information was not available at the reporting date without undue cost or effort. The Group will explore the feasibility of disclosing such metrics in the future.
Internal carbon prices		
34.	An issuer shall disclose: (a) an explanation of whether and how the issuer is applying a carbon price in decision-making (for example, investment decisions, transfer pricing, and scenario analysis); and (b) the price of each metric tonne of greenhouse gas emissions the issuer uses to assess the costs of its greenhouse gas emissions; or an appropriate negative statement that the issuer does not apply a carbon price in decision-making.	Internal carbon pricing is currently not part of our decision-making. We will explore the use of internal carbon pricing in the future.
Remuneration		
35.	An issuer shall disclose whether and how climate-related considerations are factored into remuneration policy, or an appropriate negative statement. This may form part of the disclosure under paragraph 19(a)(iv).	The Group has not yet incorporated climate-related performance indicators into its remuneration policies. We will explore the feasibility of enhancing our remuneration policies.
Industry-based metrics		
36.	An issuer is encouraged to disclose industry-based metrics that are associated with one or more particular business models, activities or other common features that characterise participation in an industry. In determining the industry-based metrics that the issuer discloses, an issuer is encouraged to refer to and consider the applicability of the industry-based metrics associated with disclosure topics described in the IFRS S2 Industry-based Guidance on implementing Climate-related Disclosures and other industry-based disclosure requirements prescribed under other international ESG reporting frameworks.	N/A

Climate-related Disclosure Requirements	Description		Section/Declaration
Climate-related targets			
37.	An issuer shall disclose (a) the qualitative and quantitative climate-related targets the issuer has set to monitor progress towards achieving its strategic goals; and (b) any targets the issuer is required to meet by law or regulation, including any greenhouse gas emissions targets. For each target, the issuer shall disclose:		Climate Change — Metrics and Targets
	(a)	the metric used to set the target;	
	(b)	the objective of the target (for example, mitigation, adaptation or conformance with science-based initiatives);	
	(c)	the part of the issuer to which the target applies (for example, whether the target applies to the issuer in its entirety or only a part of the issuer, such as a specific business unit or geographic region);	
	(d)	the period over which the target applies;	
	(e)	the base period from which progress is measured;	
	(f)	milestones or interim targets (if any);	
	(g)	if the target is quantitative, whether the target is an absolute target or an intensity target; and	
	(h)	how the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target.	
38.	An issuer shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target, including:		Climate Change — Metrics and Targets We will explore the feasibility of having our targets validated by a third party.
	(a)	whether the target and the methodology for setting the target has been validated by a third party;	
	(b)	the issuer's processes for reviewing the target;	
	(c)	the metrics used to monitor progress towards reaching the target; and	
	(d)	any revisions to the target and an explanation for those revisions.	
39.	An issuer shall disclose information about its performance against each climate-related target and an analysis of trends or changes in the issuer's performance.		Climate Change — Metrics and Targets

Climate-related Disclosure Requirements	Description	Section/Declaration
40.	For each greenhouse gas emissions target disclosed in accordance with paragraphs 37 to 39, an issuer shall disclose:	Climate Change — Metrics and Targets
	(a) which greenhouse gases are covered by the target;	
	(b) whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target;	
	(c) whether the target is a gross greenhouse gas emissions target or a net greenhouse gas emissions target. If the issuer discloses a net greenhouse gas emissions target, the issuer is also required to separately disclose its associated gross greenhouse gas emissions target;	
	(d) whether the target was derived using a sectoral decarbonisation approach; and	At present, the targets were not derived using a sectoral decarbonisation approach for target setting.
	(e) the issuer's planned use of carbon credits to offset greenhouse gas emissions to achieve any net greenhouse gas emissions target. In explaining its planned use of carbon credits, the issuer shall disclose:	We will explore the feasibility of purchasing carbon credits to offset GHG emissions in our operations.
	(i) the extent to which, and how, achieving any net greenhouse gas emissions target relies on the use of carbon credits;	
	(ii) which third-party scheme(s) will verify or certify the carbon credits;	
	(iii) the type of carbon credit, including whether the underlying offset will be nature-based or based on technological carbon removals, and whether the underlying offset is achieved through carbon reduction or removal; and	
	(iv) any other factors necessary to enable an understanding of the credibility and integrity of the carbon credits the issuer plans to use (for example, assumptions regarding the permanence of the carbon offset).	
Applicability of cross-industry metrics and industry-based metrics		
41.	In preparing disclosures to meet the requirements in paragraphs 21 to 26 and 37 to 38, an issuer shall refer to and consider the applicability of cross-industry metrics (see paragraphs 28 to 35) and (ii) industry-based metrics (see paragraph 36).	Climate Change – Metrics and Targets