



TEN PAO GROUP HOLDINGS LIMITED
天寶集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)
Stock code: 1979



2025

環境、社會及管治報告

ENVIRONMENTAL, SOCIAL AND GOVERNANCE
REPORT

1. ABOUT THIS REPORT

1.1 Introduction

The environmental, social and governance (“ESG”) report (the “Report”) disclosed the ESG performance of Ten Pao Group Holdings Limited (listed on the Main Board of The Stock Exchange of Hong Kong Limited, stock code: 1979) for the period from 1 January 2025 to 31 December 2025 (the “Reporting Period”). The Report has been prepared in accordance with the mandatory and the comply or explain provisions as stipulated in the Environmental, Social and Governance Reporting Code (the “ESG Reporting Code”) as set out in Appendix C2 to the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”). The climate-related disclosures in the Report have been adjusted and prepared in accordance with International Financial Reporting Standard (IFRS) S2 Climate-Related Disclosures and the new climate disclosure requirements issued by the Hong Kong Stock Exchange.

1.2 Reporting Scope

The ESG and climate-related policies and management measures contained in the Report are applicable to Ten Pao Group Holdings Limited and all its wholly-owned subsidiaries (collectively, “Ten Pao Group” or the “Group”). Unless otherwise specified, the information contained in the Report covered the business of the Company’s manufacturing of switching power supply units in Huizhou and Dazhou, Sichuan. The Group reports on its production bases in Huizhou, Guangdong Province and Dazhou, Sichuan Province, the PRC, which are the core sources of revenue for the Group and can sufficiently represent for the Group’s manufacturing of switching power supply units operations. Therefore, the content of the Report focused on the operating performance in respect of ESG and its related information of the above locations.

1.3 Reporting Principles

The Report complied with the reporting principles set out in the ESG Code, including:

Materiality: The Group focuses on matters that impact business growth and are important to stakeholders. We actively and continuously engage with relevant stakeholders and conduct materiality assessments to identify key issues relevant to the Group’s stakeholders and business operations. For details, please refer to the “Double Materiality Assessment” section.

Quantitative: To ensure the accuracy of key performance indicators (“KPIs”), the Group quantises and estimates the data according to the relevant national and international standards, so as to make comparison of ESG and climate-related performance.

Balance: The information and cases in the Report are mainly derived from the statistical reports, relevant documents and internal communication documents of the Group during the year 2025. The Group undertakes that there are no false statements or misleading representations in the Report, and is responsible for the truthfulness, accuracy and completeness of the contents contained herein.

Consistency: Unless otherwise specified, the Group uses a consistent approach in calculating KPIs. Where appropriate, any adjustments to the calculation or KPIs would be disclosed in the Report and explanatory notes would be made to the corresponding sections hereof.

2. GOVERNANCE STATEMENT OF THE BOARD

The board of directors (the “Board”) of the Group attaches great importance to ESG matters and comprehensively supervises the relevant aspects of ESG under the current business strategy framework to continuously promote the sustainable development performance of Ten Pao Group. The Board assumes ultimate responsibility for ESG strategies and reporting to ensure the Group complies with relevant laws and regulations in the areas where it conducts business, while prioritizing the interests of stakeholders, so as to meet the expectations of stakeholders on ESG and commit to reducing operational risks.

The Group regularly collects, summarises, and analyses ESG-related information through different functional departments and working groups, including the ESG Committee, under which an ESG Working Group has been established, and the EHS¹ Group, and discloses relevant performance in the ESG report. The ESG Committee chaired by an executive director of the Group was formally established in 2021, ensuring the compliance of the governance structure in the realm of sustainable development and the fulfillment of social responsibility. The Board regularly reviews ESG risks and opportunities and monitors the Group’s performance in areas such as climate change, resource management, employee rights, business ethics, and supply chain responsibility, ensuring that corporate operations comply with national and international standards and relevant regulations. We are committed to promoting ESG governance in the principles of Transparency, Integrity, and Responsibility, and continuously improving the quality of information disclosure to maintain stakeholders’ trust and promote the synergistic development of the Company and the society.

¹ Environment, Health & Safety

The Board firmly believes that ESG management can not only help the Company to enhance brand image, promote sustainable business development, increase revenue, and protect the environment, but also shape a green corporate image, actively address complex national and industry ESG standards, fulfill decarbonisation commitments, and support sustainable investment and clean technologies. After our production base in Dazhou, Sichuan (namely, Dazhou Ten Pao Jin Hu Electronic Co., Ltd.) and our new factory in Huizhou, Guangdong (namely, Huizhou Ten Pao Chuangneng Technology Co., Ltd.) were honored with the title of “Provincial Green Factory” in 2021 and last year, respectively, the Group further received the “2025 Green Intelligent Manufacturing Exemplary Award (2025綠色智造典範獎)” at the 4th International Green Zero-Carbon Festival and 2025 ESG Summit during the reporting year, and Ms. Yang Bingbing, our general manager, was also selected as one of the “2025 Influential Persons in Green Development (2025綠色發展影響力人物)”. Moreover, Huizhou Ten Pao Chuangneng Technology Co., Ltd. successfully obtained three authoritative certifications, namely the “Greenhouse Gas Verification Statement”, “Product Carbon Footprint Verification Statement”, and “Zero-Carbon Factory Certificate”, fully demonstrating the Group’s significant progress and substantial achievements in green and low-carbon transformation. Among such certifications, the “Greenhouse Gas Verification Statement”, completed in accordance with national standards, comprehensively reviewed the carbon emission data in the course of operation, laying a solid foundation for setting scientific and quantitative carbon reduction targets; and the “ISO 14067 Product Carbon Footprint Verification Statement” obtained verified carbon emission calculations across the products’ entire lifecycle, helping the Group and its customers and partners to jointly promote carbon reduction along the supply chain; while the group-standard certification of “Zero-Carbon Factory” further affirmed Ten Pao Group’s innovative achievements in energy efficiency improvement, clean energy application, and low-carbon manufacturing. Through the continuous optimisation of manufacturing processes, the accelerated application of renewable energy projects such as photovoltaic power generation, and the promotion of a circular economy model, the Group is steadily moving forward towards its “carbon neutrality” vision, gradually becoming a benchmark enterprise for green development in the industry. With increasingly stringent global net-zero emission regulations, the Group has also set short-term targets for carbon emissions, committing to reducing total greenhouse gas (GHG) emissions (Scope I and Scope II) by 8% by 2030 compared to 2025. The Company has disclosed partial information as required and is actively assessing the implementation timeline and feasibility of fully disclosing IFRS S2 climate-related financial disclosures, including the quantitative results of financial impact under both 1.5°C and 3°C scenarios.

The Group attaches importance to the close communication with stakeholders, and conducted a questionnaire survey on stakeholders during the year to collect opinions from key stakeholders such as directors, employees and suppliers, so as to assist the Board and the management to understand and review the Group's ESG and climate-related performance. Furthermore, the Group voluntarily adopted the double materiality principle for stakeholder engagement for the first time in this reporting year, by also taking into account the financial impact on the Group's operations during the materiality assessment process. The results reflected that "energy conservation", "quality control of production materials", and "customer health and safety" are the most important ESG issues of the Group.

Therefore, the Board also assumes the responsibility of allocating sufficient resources to strengthen ESG-related work, including reviewing and approving sustainability budgets, targets, and performance evaluation results. In addition to the aforementioned environmental initiatives, the Board regularly reviews existing business challenges and makes adjustments according to the ESG measures that need improvement. Quality control and customer safety remain core elements of the Group's internal governance. The Board is fully aware of its responsibilities in the Company's risk management and internal control systems and ensures their efficient operation through various strategies. Meanwhile, the Company has further improved its employee policies and training, particularly for positions involving contact with external partners such as customers and suppliers, to strengthen operational risk prevention and management.

We are fully aware of the increasingly stringent market demand for ESG performance and regard it as a significant opportunity to increase our market share. Recognizing that new energy products and Artificial Intelligence (AI) -driven power supply products will be the drivers of future growth, the Group exerted greater efforts to explore potential markets this year by taking Thailand as its first stop in Southeast Asia, began to set foot in battery swapping and charging cabinet projects, and focused on the commercial application market, with partners including industrial parks and courier companies, and a plan to expand from B2B to the B2C home market in the future. The Board also closely monitors macroeconomic factors and trends affecting our ESG strategies, including inflation, global trade fragmentation, green finance and carbon trading policies, flexible demand in the labour market, increased public health awareness, and the accelerated application of digital operations as well as AI and robotic technologies, and regard the same as opportunities. For instance, the tariff war has been regarded as a development opportunity, where the Group's product layout worldwide enables flexible deployment of production lines to mitigate risks.

The Board will continue to lead the governance of ESG and climate-related issues, and further strengthen internal controls and training programmes covering areas such as climate risk identification, IFRS S2 disclosure requirements, green finance, environment-friendly product design, and anti-corruption compliance, to ensure that our employees possess the professional capabilities to address complex ESG and climate challenges. Meanwhile, it will ensure to make progress on core issues such as health and safety, and the use of resources, and promote the synergistic development of the Company and the society in the principles of Transparency, Integrity, and Responsibility, thereby achieving sustainable value in the long run.

3. SUSTAINABILITY GOVERNANCE

3.1 Governance Structure

Since 2021, Ten Pao Group has established a dedicated ESG Committee responsible for managing the Group's ESG and climate-related matters and issues. An executive director concurrently serves as the chairperson of the ESG Committee, aiming to play a pivotal leadership role in ESG and climate-related affairs. The Board, acting as the highest decision-making body for the Group's ESG and climate-related risks and opportunities, comprehensively oversees the identification, assessment, management, and disclosure of ESG and climate-related issues, and reviews and directs target setting to ensure that the sustainable development strategy aligns with the Group's long-term business objectives. The Board also continuously monitors relevant ESG matters, implements strategy assessments, prioritisation, and management of material sustainable development issues, identifies and assesses sustainability risks relevant to the Group, ensures the establishment of appropriate and effective risk management and internal control systems, and ensures that the operations comply with local laws and regulations, while safeguarding the interests of the Group and its stakeholders and enhancing the corporate brand image.

Furthermore, we also regularly assess the applicability and feasibility of incorporating climate performance indicators into our remuneration policies to enhance incentive effectiveness. The Board believes that it is essential to consider climate change responses in our business operations and strategies, as it can prepare us for managing climate-related risks.

The Group has established a cross-departmental ESG Committee with members from relevant functional departments, including the data supporting group, the supervisor, the convener and the committee members, to regularly collect, summarise, and analyse ESG and climate-related information, and disclose the performance in the ESG report. The committee works closely with the Board, and the Board members will review the performance disclosed in the ESG report at the annual Board meeting each year, review and discuss the compliance and compatibility of ESG and climate matters and the Group's business strategies, and identify sustainability issues of significance to the Group and its stakeholders to support decision-making.

Meanwhile, the Board comprehensively assesses climate-related risks and opportunities, as well as the potential impact of other important ESG issues, and clearly identifies and prioritise issues that have a significant impact on the Group's financial condition, operational resilience, and long-term value, ensuring the effective implementation of strategies and risk management systems. This includes consideration of potential trade-offs between short-term financial performance and longer-term resilience and value creation associated with the transition to a lower-carbon economy. Such trade-offs are assessed as part of strategic planning, capital allocation decisions and the review of climate-related risks. Furthermore, for the purpose of governance, the Group has incorporated climate risk and opportunity considerations into our strategic oversight and risk management processes, and, where applicable, climate factors and indicators are also considered in determining the remunerations of the Board and senior management, and making the Group's transaction decisions, so as to strengthen governance incentives and ensure a comprehensive assessment of every potential transaction related to risks and opportunities.

The organisational chart of the ESG Committee and the main responsibilities of the key members are as follows:



The Board of the Group exercises leadership in ESG and climate-related issues, with authorities and responsibilities including but not limited to the following:

Position	Main Responsibilities
Chairman	- Advance and supervise ESG work to ensure compliance with the Group's needs and relevant laws, regulations, and regulatory requirements; - Review and guide the revision of the Group's ESG-related systems; - Provide advice, make decisions leading to significant impacts on ESG, and report to the Board in a timely manner; - Promote other ESG project-related development matters authorised by the Board.
Vice Chairman	- Lead the Group's overall quality strategy development and the planning and operational control of the quality control system, establish quality and environmental management systems, direct and monitor the product quality and the implementation of environmental standards for products and materials across all business units, ensuring that the Group's operational activities function effectively within the systems; - Ensure that relevant units under the ESG projects provide data in a timely manner under the appropriate scope, and assist to advance the ESG projects to achieve targets; - Formulate the policies and implementation plan in line with the Group's strategy and the ESG projects' objectives; - Monitor the implementation of ESG projects-related initiatives and risk management issues in the daily operations of the Group; - Ensure effective communication between the Group and stakeholders, and enhance the efficiency of committee operations; - Promote the development of ESG projects and the delegation of tasks within the ESG Committee.

Position	Main Responsibilities
Committee Members	• Ensure ESG projects to have appropriate resources and units to provide data under the appropriate scope, advance the ESG projects to achieve targets; • Facilitate the formulation of the policies and implementation plan inline with the Group's strategy and the ESG projects' objectives; • Responsible for ESG project management and related risk assessment; • Facilitate the implementation of ESG project-related initiatives; • Promote the tasks assigned by the ESG committee and facilitate the development of ESG project-related initiatives. <i>(*Certain committee members are responsible for implementing the comprehensive development of the Group's quality strategy and the planning and operational control of the quality management system, and conducting ESG-related risk assessments. They have established quality and environmental systems, and oversee and monitor the product quality and the implementation of environmental standards for products and materials across all business units, ensuring that the Group's operational activities function effectively within the systems.)</i>
Committee Convener	• Responsible for liaising with external consultants and coordinating internal communication, and assisting in formulating the Group's ESG management guidelines, goals, strategies and structures; • Seize the latest trends in ESG development and the updated requirements of listing regulations, while evaluating ESG risks and opportunities, and report to the committee on these matters; • Responsible for convening ESG Committee meetings and formulating focusing topics and agenda; • Assist in outlining the annual ESG report and engage stakeholder for ESG initiatives.
Committee Supervisor	• Provide advice on the Group's ESG projects work, data collection and control measures; • Conduct internal audits and investigations for ESG projects to ensure compliance with laws and regulations; • Review ESG projects and reports to ensure compliance with the latest requirements of the listing regulations.
Data Supporting Group of the Committee	• Responsible for resolving and handling the ESG technical issues; • Responsible for coordinating and reviewing ESG-related documentation and filing; • Assist in the ESG database maintenance and optimisation; • Facilitate the implementation of ESG project-related initiatives; • Promote the delegation of tasks within the ESG committee and facilitate ESG project-related initiatives.

Through regular reporting from the ESG Committee and the annual ESG report, the Board comprehensively assesses climate-related risks and opportunities, as well as the potential impact of other material ESG issues. The Board clearly identifies and prioritises issues that have a significant impact on the Group's financial condition, operational resilience, and long-term value, including:

- Climate-related risks: physical risks (such as the impact of extreme weather on the supply chain) and transition risks (such as the impact of carbon pricing policies on financial condition);
- Other material ESG risks: Quality Control of Production Materials, Water Conservation, Customer Health and Safety.

Based on the annual materiality assessment results, together with the stakeholder opinions and the principle of double materiality, the Board formulates and approves targeted prevention and control measures as well as opportunity-capturing measures to ensure the Group's sustainable development aligns with long-term shareholder value. The Group will continue its established strategies, and actively seize market and green transformation opportunities while strictly controlling operating costs and strengthening its comprehensive ESG and climate risk management mechanisms. According to the Board's risk assessment for 2025, the most critical management issues currently include:

- Quality Control of Production Materials
- Water Conservation
- Customer Health and Safety

3.2 ESG and Climate-related Capacity Building

The Board currently has one director with the capacity to review and plan ESG and climate-related issues. To further strengthen governance, the Board plans to enhance diversity next year and will include ESG experience and professional qualifications in the Director Diversity Policy as an important criterion and indicator for director appointments. This aims to enhance the Board's professionalism and decision-making capabilities in the field of sustainable development and further strengthen the Group's leadership role in ESG and climate risk management.

In addition to existing expertise, the Group considers continuous learning and development to be a key element in enhancing the Board's sustainable development capabilities. To this end, the Board and management team hold an annual discussion on ESG issues (including the impact of climate-related risks) to exchange and share information on relevant matters to ensure forward-looking and professional decision-making. Meanwhile, to strengthen expertise and capabilities in climate change and sustainable development across all levels of the Group, we actively promote relevant training. This year, the Group formally arranged for 14 relevant members of the ESG Committee to participate in several climate-related training sessions organised by professional institutions for 5 hours in total, covering topics including:

- Training on the Stock Exchange's new climate information disclosure requirements to enhance the capabilities to understand, interpretate, and implement such new requirements;
- Comprehensive training on climate risk management to enhance senior management and departments' awareness of and capability to respond to climate risks.

This comprehensive approach, which combines internal training with external professional collaboration, helps to ensure that the Board and the management can effectively lead the Group's sustainability strategy and address the evolving ESG and climate challenges.

4. STAKEHOLDER ENGAGEMENT

4.1 Communication with Relevant Stakeholders

Maintaining close and effective communication with stakeholders helps enhance the Group's ability to address ESG and climate-related challenges and opportunities, while simultaneously driving positive changes, which is pivotal to corporate success. During the reporting year, the Group strived to collect stakeholders' feedback through different communication channels, including its employees, customers, suppliers, shareholders and investors, government authorities and regulators, as well as local communities, and actively engaged in open and transparent dialogue with them. The Group has established multiple channels to effectively communicate with a wide range of stakeholders and promote stakeholder engagement to fully understand their thoughts and expectations. The following table summarises the communication activities and channels through which the Group proactively understands and responds to the needs and concerns of relevant stakeholders:

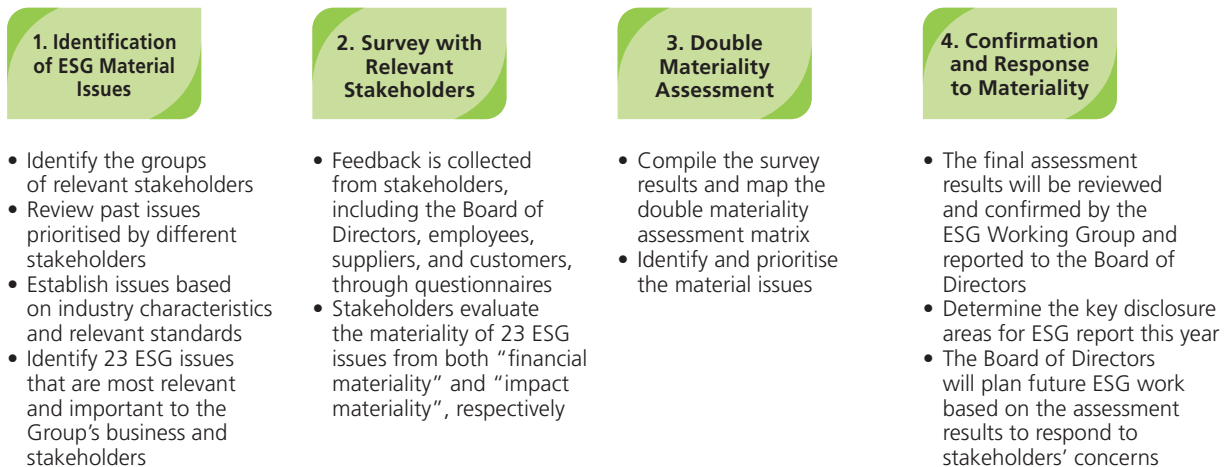
Major stakeholders	Communication channels
Shareholders and investors	• Investors' meetings • Annual general meeting • Financial reports, announcements and corporate communication materials • Company website • Company enquiry email, facsimile and phone number

Major stakeholders	Communication channels
Customers	• Company website • Customers' daily operation/direct communication • Customers' feedback and complaints • Factory visits • Customer assessment
Employees	• Training and orientation • Email and opinion box • Regular meetings • Employees activities • Employees engagement conferences • Employees performance evaluation • Intranet
Suppliers	• Investigation on Know Your Customer (KYC) • Selection and appraisal • Procurement process • Communication/meetings with suppliers
Government authorities and regulators	• Document and information submission
Communities	• Company website • Community activities

The Group's operating data and overall performance will also be reported to stakeholders in the form of semi-annual summaries in the Company's interim and annual reports, and via the Company's website at <https://tp.tenpao.com>.

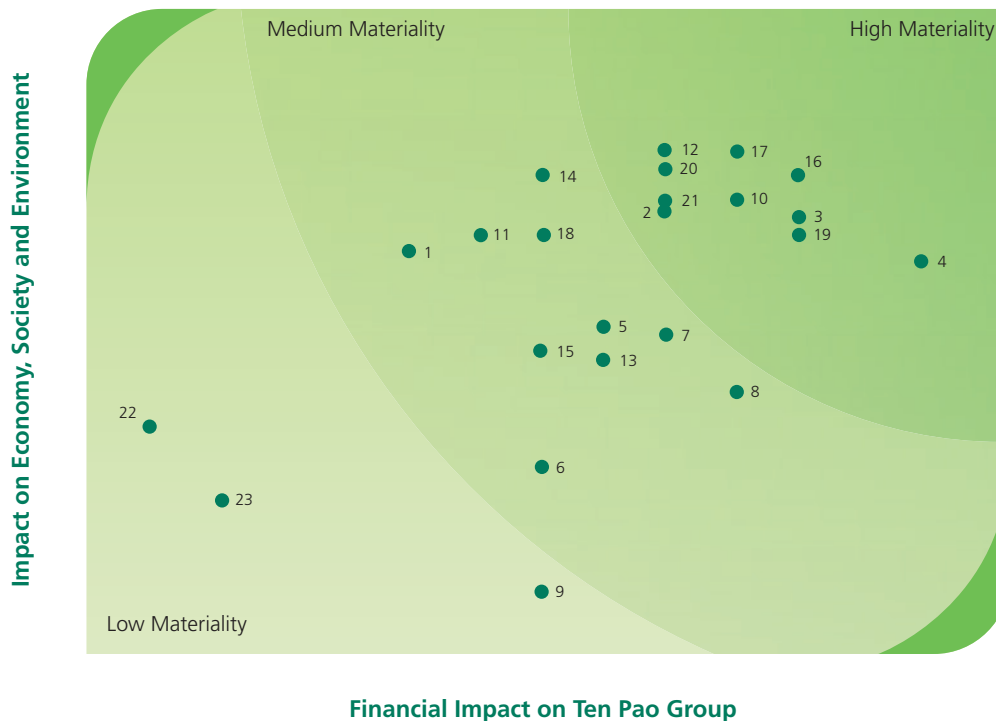
4.2 Double Materiality Assessment

To fulfill our sustainable business practices, Ten Pao Group engages with stakeholders annually to gather feedback and conduct comprehensive materiality assessments, ensuring that the Group aligns with its prioritised ESG strategies. For the first time in this reporting year, the Group voluntarily adopted the double materiality principle for stakeholder engagement. During the materiality assessment process, the Group evaluated the impact of its operations on the economy, society, and the environment on the one hand, and the financial impact of various ESG topics on the Group's operations on the other hand to comprehensively address stakeholders' concerns on the Group's ESG issues, and also disclosed the Group's ESG development direction. To effectively disclose sustainability issues closely related to major stakeholders, the Group's directors and ESG Working Group firstly conducted an internal assessment to screen issues highly relevant to the Group's business and identify major stakeholders. Subsequently, we invited major stakeholders to participate in a substantive assessment, gathering feedback through questionnaires. The questionnaires covered 23 ESG-related issues in total, and the respondents conducted evaluation on each issue by scoring 1 to 5 based on the impact and materiality of relevant issues to the business operation of the Group and the extent to which relevant stakeholders are concerned. The materiality assessment aimed to collect qualitative and quantitative opinions, providing the Group with a reasonable basis for prioritizing the materiality of all relevant sustainability issues. The following diagram illustrates the Group's specific assessment steps:



4.3 Ten Pao Group's First "Double Materiality Matrix"

The Group's "Double Materiality Matrix" displays the relative priority of 23 materiality issues based on their financial impact on the Group itself (X-axis) and their impact on the economy, society, and environment (Y-axis). Among such issues, 10 were rated as ESG issues of high materiality; 10 were rated as issues of medium materiality; and 3 were rated as issues of low materiality.



Classification Legends of Material Issues					
Issues of High Materiality		Issues of Medium Materiality		Issues of Low Materiality	
2	Wastewater Management	1	Management of Air Pollutants/Greenhouse Gas Emission	9	Climate Adaptability and Resilience Enhancement
3	Waste Management	5	Water Conservation	22	Community Needs and Interests
4	Energy Conservation	6	Use Efficiency of Other Resources	23	Community Investment
10	Employment System	7	Consumption of Packaging Materials		
12	Occupational Health and Safety	8	Impact of Operation Management on the Environment and Natural Resources		
16	Quality Control of Production Materials	11	Anti-Discrimination, Equality and Diverse Employment Environment		
17	Customer Health and Safety	13	Employee Training and Development		
19	Customer Complaint Handling and Response Mechanism	14	Labour Standards		
20	Protection of the Interests of Customers and Business Partners (e.g. protection of information privacy, safeguarding intellectual property rights, etc.)	15	Environmental and Social Risks of the Supply Chain		
21	Prevention of Bribery, Extortion, Fraud and Money Laundering	18	Product Recycling System		

Among them, based on the results of materiality analysis for stakeholders, the most material issues are as follows:

- Energy Conservation
- Quality Control of Production Materials
- Customer Health and Safety

For other high materiality issues, please refer to the double materiality matrix and the table above. The Group will continue to evaluate and revise the strategic focus of sustainable development and improve the governance of sustainable development according to the materiality analysis results.

5. ENVIRONMENTAL

The Group firmly believes that a corporate's long-term competitiveness is inseparable from the sustainable development of society, with environmental protection serving as an indispensable core element. To fulfill its corporate social responsibility, the Group actively integrates environmental protection concepts into its daily operations, committing to pollution prevention, reducing resource consumption, and improving energy efficiency, and promoting the operation of all business units in an environmentally responsible manner. To systematically ensure environmental performance, the Group has established a comprehensive environmental management system, ensuring continuous optimisation and tangible results in environmental governance through continuous monitoring, performance evaluation, and internal and third-party audit mechanisms. The Group's environmental performance has consistently been recognised by the government, industry, and partners. Following the "Provincial Green Factory" designation of its production base in Dazhou, Sichuan, Huizhou Ten Pao Chuangneng Technology Co., Ltd. was also honored with the "Provincial Green Factory" designation in the last reporting year, further demonstrating the Group's outstanding performance in green manufacturing. Currently, the Group is striving for national-level green factory qualification, aiming to gain professional recognition at a higher level. In terms of promoting low-carbon transformation, Huizhou Ten Pao Chuangneng Technology Co., Ltd. has successfully obtained three important certifications, including the "Greenhouse Gas Verification Statement", "ISO 14067 Product Carbon Footprint Verification Statement" and "Zero-Carbon Factory Certificate", which affirm the Group's innovative achievements in energy efficiency improvement, clean energy application and low-carbon manufacturing technology.

During the Reporting Period, the Group did not have any violation of regulations relating to emissions and all emissions met relevant national and local regulations and standards.

5.1 Emissions

The Group has long been committed to reducing emissions during operations and has taken various measures to actively minimise the impact of the exhaust emissions on the environment. In our daily operations, we strictly implement the internal systems of "GHG Management Procedure", the "Three Waste Management Regulations (《三廢管理規範》)", the "Waste Management Regulations" and the "Waste Disposal Procedures" to systematically manage various emission sources. The Group promises to keep the emission of air pollutants within the relevant laws and regulations, and regularly conducts inspections of three types of waste in accordance with the "Three Waste Management Regulations", with all emission indicators consistently in compliance with the emission standards.

5.1.1 Air emission

The Group strictly controls exhaust gas emissions during production, committed to reducing the impact of pollutants on the atmospheric environment. Adhering to the “5S² Management Standards”, the Group has established comprehensive mechanisms for environmental cleaning, equipment inspection, and pollution prevention in the production area. Through systematic sorting, cleaning, and daily inspections (such as dust removal, equipment surface cleaning, and checking for abnormal conditions), the Group effectively reduces sources of dust, oil, and odors, preventing the escape of fugitive emissions. Simultaneously, equipment in the production area is maintained and cleaned according to regulations, preventing increased emissions concentrations or decreased exhaust gas treatment efficiency due to equipment aging, blockages, or malfunctions. Furthermore, in line with the Company’s actual operations, the Group ensures to make emissions under standards, so as to reduce acid rain, improve air quality, and protect the ecosystem.

Regarding exhaust gas treatment, the Group’s Huizhou Ten Pao Chuangneng Technology plant adopted a multi-stage treatment process during the reporting year. All production-related exhaust gases are first treated by spray cyclone towers installed at the front end of the discharge pipelines, and then further purified through upgraded two-stage activated carbon adsorption systems for deep purification. This approach enhances removal efficiency and ensures that emitted exhaust gases meet or exceed national and local environmental emission standards. The cyclone tower treatment effectively reduces dust, oil mist, and acidic/alkaline gases, while the activated carbon adsorption equipment removes volatile organic compounds, thereby controlling odour and pollutant emissions at the source and preventing adverse impacts on employees and the surrounding environment. Based on the equipment airflow rate calculated in m³/h, this measure is estimated to achieve a reduction of over 177,000 cubic metres of exhaust gas per hour, effectively reducing the air pollution load on the environment during production. These aforementioned exhaust gas treatment measures not only improve air quality in and around the plant areas but also help reduce acid rain, protect ecosystems, and meet societal expectations for corporate environmental responsibility and sustainable development. Meanwhile, continuous equipment inspections, cleaning, and maintenance are carried out during plant operations to prevent leaks and abnormal emissions, further enhancing environmental risk management. Through a dual approach of systematic management and technological governance, the Group comprehensively reduces exhaust gas and greenhouse gas emissions from source control and process management to end-of-pipe emissions, demonstrating its long-term commitment to environmental protection and clean production.

² 5S includes: Seiri (Sort), Seiton (Set in Order), Seiso (Shine), Seiketsu (Standardise), Shitsuke (Sustain)

The following shows our air emission reduction targets and the measures taken during the year:

Environmental Targets	Directional Statement	Annual Measures
Reducing Environmental Emissions	Reducing Air Emissions	• Phasing out diesel vehicles until they are completely replaced by electric vehicles • Replacing diesel forklifts completely with electric forklifts • Upgrading activated carbon treatment technology

The following table presents the Group's air emissions data for the reporting year:

Names of emissions (unit)	2024	2025
Nitrogen Oxides (NO_x)	218.14	210.83
Sulphur Oxides (SO_x)	0.71	0.67
Particulate Matter (PM)	20.93	20.16

Note:

- Air emission is calculated in accordance with the "How to Prepare an ESG Report? Appendix 2: Reporting Guidance on Environmental KPIs" issued by HKEX.

5.1.2 Waste management

The Group is committed to managing all types of waste in a systematic, compliant, and waste-reduction-oriented manner. Through rigorous classification, collection, temporary storage, and transfer processes, the Group ensures resource recycling and minimises environmental impact. Based on the “Waste Disposal Procedures” and “Waste Management Regulations”, the Group has established a comprehensive waste management system that fully regulates the classification, collection, temporary storage, declaration, transfer, and final disposal processes of waste, ensuring compliance and transparency in the management process. The document clearly classifies waste into three categories: recyclable waste, non-recyclable waste, and hazardous waste. It requires all departments to classify and identify waste according to material codes, properties, and specifications to avoid mixing, cross-contamination, or improper disposal. The Group manages waste based on the principles of Reduction, Recycling, and Reuse. All recyclable waste is prioritised for return to manufacturers or suppliers for reuse, with secondary options being handled by qualified recyclers. Electronic equipment waste generated during production is also fully disposed of by qualified entities. For hazardous waste, the Group identifies it in accordance with the “Directory of National Hazardous Wastes (2025 Edition)” and cooperates with legally qualified environmental protection companies in accordance with the requirements of the “Law on Prevention and Control of Environmental Pollution of Solid Waste” and the “Measures for Administration of Joint Disposal of Hazardous Wastes”. The logistics department is responsible for establishing transfer manifests, classifying and packaging, temporarily storing in special areas and verifying weight, and declaring, transporting and delivering it for disposal in accordance with regulations. Furthermore, the Group adheres to strict regulations regarding the labeling, designated isolation areas, categorised storage, and record-keeping of hazardous waste to prevent leakage, misuse, and secondary pollution. For general non-hazardous waste, the Group implements categorised disposal and collection in accordance with the “Law on Prevention and Control of Environmental Pollution of Solid Waste” and the “Urban Domestic Waste Management Regulations”, and entrusts qualified entities with recycling to improve resource recycling efficiency. Through these institutionalised classification and control measures, standardised operating procedures, professional transfer channels, and legal disposal methods, the Group ensures that all types of waste are properly managed in accordance with national laws and regulations, avoiding environmental pollution and truly fulfilling its commitment to environmental protection and sustainable development.

At the same time, the Group has strengthened its management of environmental and social risks in the supply chain, requiring all suppliers to sign a “Supplier Corporate Social Responsibility Management Agreement” to ensure that they adhere to environmental protection, compliance, and social responsibility principles when manufacturing products or providing services. The agreement covers core requirements such as using environmentally friendly materials and reducing the environmental impact of production. If any supplier is found to be in violation, the Group will immediately initiate handling procedures, taking measures including suspending or terminating cooperation and requiring the supplier to propose and implement corrective actions, in order to maintain the sustainability and responsible operation of the supply chain.

The following shows our waste reduction targets and the measures taken during the year:

Environmental Targets	Directional Statement	Annual Measures
Waste Reduction	Reducing paper waste from office operations	- Improving electronic operations and file management to reduce office paper usage; - Maximizing the use of double-sided printing.
	Reducing all types of waste from office and factory operations	- Setting up recyclable waste sorting areas in each workshop, including metals, plastics, and cardboard, to facilitate sorting and collection and improve recycling rates; - Using reusable plastic boxes instead of cardboard boxes for the turnover of production materials within the factory areas.

The following presents the Group's data on hazardous and non-hazardous waste emissions and related treatment for the reporting year:

Names of emissions (unit)	2024	2025
Total hazardous waste (tonne)	40.25	63.51
Intensity of hazardous waste (tonne/million revenue in HK\$)	0.0074	0.0114
Electronic equipment waste (kg)	15,840.00	10,840.00
Total non-hazardous waste (tonne)	894.72	2,121.40
Intensity of non-hazardous waste (tonne/million revenue in HK\$)	0.16	0.38
Among which:		
Metals		543.65
Plastics		780.56
Papers		576.52
Food waste		94.67
Other domestic waste		126.00
Total non-hazardous waste recycled (tonne)	894.72	1,995.40

Note:

- During the reporting year, the production bases in Dazhou, Sichuan and Huizhou, Guangdong both constructed and expanded related factories and workshops, and Huizhou Ten Pao Chuangneng Technology Co., Ltd. needed to relocate part of its factory areas, resulting in an increase in the amount of hazardous and non-hazardous waste discharged in the reporting year compared with the previous year.

5.2 Use of Resources

The Group strictly complies with the relevant laws and regulations of the regions in which it operates and is committed to treasuring resources and improving efficiency, and formulates corresponding energy-saving and water-saving measures in accordance with the national “14th Five-Year Plan” for Energy Conservation. By promoting more efficient resource management and consumption reduction measures, we are committed to improving the efficiency of energy and water resource use, avoiding unnecessary waste at the source, and achieving a green, safe, and sustainable operating model.

5.2.1 Energy management

In accordance with the “Energy Conservation Management Regulations”, “Energy Management Operation Control Procedures”, and “Energy Review Control Procedures”, the Group has established a comprehensive and systematic energy management framework, covering core aspects such as energy conservation target setting, operation control, data monitoring, and continuous improvement. Each year, based on the results of energy reviews, the Group sets quantifiable energy conservation targets, including energy consumption per RMB10,000 of output value to be reduced or maintained compared to the previous year, and energy consumption per unit of product to be reduced by 0.098% or remain unchanged compared to the previous year. Specific energy efficiency indicators have also been established for major products. The following are the Group’s main product energy consumption targets for this reporting year:

Target Unit	Target Item	Baseline Year (2023)	2025 Target Value	Achievement Rate
Production Department Targets	Power consumption per unit of charger (including mobile phone chargers)	0.6464 kWh/set	≤0.5696 kWh/set	100%
	Power consumption per unit of switching power supply	0.6460 kWh/set	≤0.5696 kWh/set	100%
	Power consumption per unit of smart charger (including smart battery swapping cabinet)	2.2649 kWh/set	≤2.1970 kWh/set	100%

Note:

- 2023 was chosen as the baseline because the ISO 50001 energy management system was newly established in 2024, and the data from the previous year (i.e., 2023) was used as the baseline, which continued to be used for this reporting year.

To ensure the achievement of targets, the Group conducts monthly statistics and analysis of electricity consumption and energy performance in each plant area, breaks down energy consumption structure by purpose, initiates immediate rectification of any abnormalities, and evaluates the improvement results the following month. Simultaneously, we implement daily energy-saving requirements through measures such as equipment operation management, process energy-saving optimisation, office area energy control, and water resource management; and conduct at least one energy review annually to comprehensively examine energy usage, major energy-consuming equipment, and energy performance parameters, identify further improvement opportunities, refine energy benchmarks and annual energy-saving plans, forming a continuously optimised energy management cycle, comprehensively improving energy efficiency, and promoting low-carbon operations.

Regarding energy-saving technology upgrades, the Group, due to the large demand for lighting in its production scenarios and the significant energy-saving potential, has been gradually implementing LED lighting upgrades since 2021, with the overall replacement essentially completed by the end of 2023. During the current reporting year, the Group further upgraded the lighting system in its underground parking garage, replacing the existing 18W LED energy-saving lamps with 8W low-power LEDs, which is expected to save nearly 50,000 kWh of electricity consumption annually. In the future, we will continue to assess the lighting needs of more scenarios and promote the expanded application of low-power LEDs as appropriate. In addition, the Group is actively expanding the use of clean energy to mitigate the environmental impact of its operations; besides using liquefied petroleum gas as a lower-emission energy option, it has also installed solar panels in its factories as a daily power source. During the current reporting year, Guangdong Ten Pao Electronics Technology Co., Ltd. added more than 3,300 photovoltaic panels to Ten Pao Chuangneng Technology factory, further replacing traditional energy with renewable energy, reducing carbon emissions and other pollutants at the source, and continuously driving the Group's operations towards a green and low-carbon transformation. During this reporting year, we implemented a frequency converter energy-saving retrofit project for our wind turbines to improve equipment operating efficiency and reduce overall energy consumption. We installed frequency converters and time controllers on existing operating wind turbines to adjust their operating speed according to actual needs, avoiding prolonged full-load operation and thus achieving energy savings. This retrofit involved wind turbine power of approximately 646.5 kW in total, and is expected to reduce the electricity consumption by approximately 900,000 kWh annually, effectively reducing operating energy consumption and related carbon emissions, further supporting the Group's energy conservation and emission reduction goals.

The following shows our energy efficiency targets and measures taken during the year:

Environmental Targets	Directional Statements	Annual Measures
Efficiency of Energy Use	- Gradually increasing the use of appliances with energy-saving labels to 100%; - Reducing the use of the Company's vehicles by adopting alternative methods to reduce fuel consumption; - Reducing energy-consuming office equipment.	- Regular maintenance and overhauling of air-conditioning systems to extend the service life of air-conditioners and enhance energy efficiency; and evaluation and replacement of old air-conditioners to improve the overall energy efficiency of air-conditioners; - Controlling the air-conditioning system to maintain an indoor temperature of 26°C in the office, and adjusting the temperature in the production workshop according to the working demand of the equipment; - Modifications to the compressed air supply pipeline and assessment and replacement of emergency equipment to maintain the air compressor system at a high energy efficiency; - Recovery of residual heat of the air compressor; - Installation of inverters for the exhaust fans in each workshop to adjust the power consumption frequency.

The relevant energy performance data during the reporting year of the Group is set out below:

Types of Energy	Unit	2024	2025
Total energy consumption	Megawatt-hour ("MWh")	72,536.75	77,699.17
Intensity of total energy consumption	MWh/million revenue in HK\$	13.30	13.98
Direct energy consumption	MWh	1,086.40	1,514.49
Intensity of direct energy consumption	MWh/million revenue in HK\$	0.20	0.27
Among which:			
Diesel	Litre ("L")	27,012.54	10,450.03
	MWh*	271.03	104.85
Gasoline	L	31,976.20	33,510.96
	MWh*	291.18	305.16
Solar Energy (Set up and used by the Group)	MWh	524.19	1,104.49
Indirect energy consumption	MWh	71,450.35	76,184.67
Intensity of indirect energy consumption	MWh/million revenue in HK\$	13.10	13.71
Among which:			
Power	MWh	71,450.35	76,184.67

Note:

— During the reporting year, the production bases in Dazhou, Sichuan and Huizhou, Guangdong constructed or expanded relevant factories and workshops, thereby enhancing overall production capacity. Meanwhile, the expanded plant area of Huizhou Ten Pao Chuangneng Technology Co., Ltd. also gradually commenced operation. With the increase in production capacity and output, energy consumption during this reporting year rose compared to the previous year.

* The coefficients used to convert diesel and gasoline consumption from volume units to energy units are in reference to CDP Technical note: Conversion of fuel data to MWh.

5.2.2 Management of water resources and wastewater

Based on the Logistics Service Management System, the Group has established a comprehensive water resources and wastewater management mechanism, covering requirements for water conservation practices, maintenance of water equipment, and management of drainage facilities. The system clearly stipulates that employees must cultivate water-saving habits and promotes the reuse of domestic water. Concurrently, it mandates regular cleaning and water quality testing of factory pools and underground storage tanks to ensure water safety. Furthermore, the Group stipulates that drainage facilities such as grit chambers and septic tanks must be cleaned regularly, with inspections and maintenance conducted quarterly. If necessary, emergency response procedures are initiated to prevent sewage overflow and environmental pollution. The wastewater generated by the Group is primarily domestic sewage. After collection, it is channeled through the municipal pipeline network to the industrial park's wastewater treatment plant. In accordance with the requirements of the Water Pollution Control Ordinance, the Group applies for relevant discharge permits to ensure compliant discharge of sewage. We also arrange for a third-party testing company to conduct an annual inspection; all wastewater discharges during the reporting year were compliant. Through systematic management, clear division of responsibilities, and regular maintenance, the Group has effectively enhanced its water resource utilisation efficiency, ensured compliance in wastewater management, and continues to promote water conservation and the protection of the water environment for sustainable development.

During the reporting period, the Group did not encounter any difficulty in sourcing water that is fit for its operational and domestic purposes. To ensure the achievement of water conservation targets, the Group has established water consumption targets for each major domestic wastewater generation point:

Target Unit	Target Item	Baseline (2023)	2025 Target Value	Achievement Rate
Office and Canteen	Company Water Consumption	≤32,000 tonnes/ month	≤32,000 tonnes/ month	100%
	Canteen Water Consumption	≤0.681 tonnes/ person/month	≤0.647 tonnes/ person/month	100%

The following are the Group's water resource efficiency targets and the measures taken during the year:

Environmental Targets	Directional Statements	Annual Measures
Water use efficiency	• Adopt water-saving devices; • Use wastewater that has been treated and meets specified standards for non-production purposes.	• Transformed the method of cleaning solar panels in living areas to manual watering with hoses; • Recycle compressed air-cooling water and convert it into shower water for Company's employees; • Recycle and reuse water from metal grinding processes; • Use water-saving flow controllers and equipment marked with water-saving labels; • Use water supply monitoring facilities and review water consumption regularly; • Use recycled water for domestic purposes, toilet flushing and irrigation, etc.
	• Employee education	• Encourage employees to consciously cultivate water-saving habits, such as using an appropriate water flow when turning on taps and promptly turning them off after use, to prevent incidents of "running, dripping, leaking and seeping"; • Employees are advised to use containers for water when washing, doing laundry, rinsing fruit, or cleaning mops in dormitories, to avoid leaving taps running continuously and thereby reduce water wastage; • Post "Save Water" signs next to all water sources; • Rationally utilise water resources through secondary use, such as using water from rinsing fruit or washing clothes to clean rags and mops.

The Group's water consumption figures during the reporting year are indicated as follows:

	2024	2025
Total water consumption (thousand m³)	569.14	638.94
Total water consumption intensity (thousand m³/million revenue in HK\$)	0.10	0.11

Note:

- During the reporting year, the production bases in Dazhou, Sichuan and Huizhou, Guangdong constructed or expanded relevant factories and workshops, thereby enhancing overall production capacity. Meanwhile, the expanded plant area of Huizhou Ten Pao Chuangneng Technology Co., Ltd. also gradually commenced operation. With the increase in production capacity and output, water consumption during this reporting year rose compared to the previous year.

5.2.3 Use of packaging materials

The Group has established a systematic packaging material management mechanism based on the Reusable Materials Management Regulations, covering the requisition, purchase, usage, recycling, cleaning, and scrapping of reusable packaging materials such as plastic bins, pallets, cartons, and blister trays, aiming to reduce packaging material consumption and enhance resource recycling efficiency. The system requires all departments to requisition materials based on demand and establish accounts for the management of reusable packaging materials. After use, intact packaging materials must be sorted, cleaned, and returned to designated areas in the warehouse and logistics department to ensure reuse. For finished product shipments, the Group has implemented a client-end packaging material recycling mechanism with certain customers, with the aim of achieving a circular economy. Damaged packaging materials are separately scrapped according to regulations or recycled by the Injection Molding Department. Concurrently, the Group also requires suppliers to comply with the packaging material recycling system. All cartons, plastic bins, and blister trays recycled by suppliers must be sorted, labelled, and centrally managed according to specifications, with handover records established to ensure reusable materials are traceable and recyclable. The Group has effectively reduced the use of single-use packaging materials to minimise resource waste, and promoted players in the supply chain to jointly participate in the circular packaging model, thereby comprehensively enhancing the environmental sustainability of packaging materials.

The Group also actively enhances the environmental performance of its product design. While ensuring that packagings and products remain intact during transportation and handling, we continuously assess the feasibility of reducing packaging materials to minimise unnecessary material usage. This approach helps control production costs on the one hand, and reduce resource consumption associated with packaging and the generation of potential waste on the other. Meanwhile, the Group actively adopts packaging materials that meet environmental requirements to ensure compliance with environmental regulations in product export or sales regions, as well as the higher sustainability standards of certain customers, and continuously promotes the packaging process to become greener and generate lower environmental impact.

The following sets out the Group's consumption of product packaging materials during the reporting year, which mainly consists of paper and plastic:

	2024	2025
Total packaging materials (tonne)	4,059.76	4,107.23
Including:		
Paper (tonne)	3,005.38	3,170.23
Plastic (tonne)	1,054.38	937.00

Note:

- During the reporting year, the production bases in Dazhou, Sichuan and Huizhou, Guangdong constructed or expanded relevant factories and workshops, thereby enhancing overall production capacity. Meanwhile, the expanded plant area of Huizhou Ten Pao Chuangneng Technology Co., Ltd. also gradually commenced operation. With the increase in production capacity and output, consumption of product packaging materials during this reporting year rose compared to the previous year.

5.3 Environment and Natural Resources

Although the Group, given the nature of its business, has a relatively limited impact on the environment and natural resources, and its factories are not located in areas of high ecological sensitivity or value, the Group remains firmly committed to mitigating the potential environmental impact of its production and operational activities, and continuously promotes a more responsible and sustainable operating model. The Group has established a CSR Management Committee, which works in coordination with the ESG Committee. Through the three-tier governance structure of "Board — ESG Committee — ESG Working Group", we jointly lead environmental stewardship efforts, ensuring that environmental management benefits from clear, scientifically sound, and implementable deployment from decision-making to execution, and effectively promotes top-down environmental education and related initiatives across the Group.

To enhance employees' environmental awareness, the Group regularly organises training sessions on environmental protection laws and regulations, equipping employees with fundamental environmental consciousness and compliance capabilities. The Group firmly abides by national and local environmental laws and regulations. In accordance with the requirements of the "Environmental Monitoring Management Regulations", we conduct internal audits of the environmental management system's operational status twice a year, while also engaging independent third-party professional organisations to conduct annual external audits of the environmental management system. Once any issues are identified, we immediately initiate corrective action procedures to ensure that corporate practices are lawful, compliant, and transparent. Through the above management measures, the Group continuously enhances the effectiveness of its green initiatives, maximizing the reduction of environmental impact and protecting natural resources more effectively.

The Group also actively collaborates with its supplier partners to co-organise environmental protection seminars, such as the Introduction to Supply Chain ESG and Best Practices and the Environmental Compliance: Interpretation of Latest Policies and Blue Map Corporate Case Studies, aiming to enhance the sustainable management capabilities of its partners. At the operational level, the Group has integrated eco-design and packaging requirements into its green procurement policy and gives priority to local sourcing models, collectively striving to build a low-emission supply chain. We also ensure that supply chain management and the entire product life cycle align with sustainable manufacturing principles, continuously promoting the production of high-quality, environmentally friendly green products.

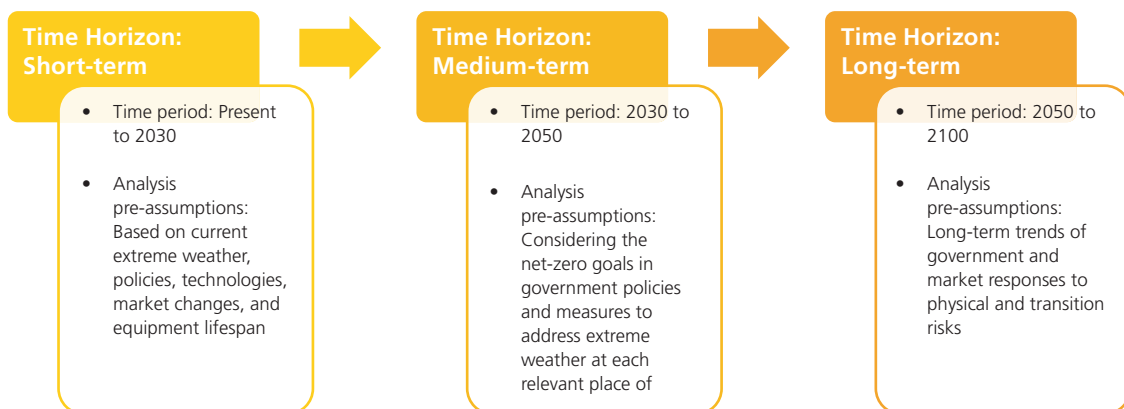
5.4 Climate-Related Disclosures

5.4.1 Strategy

The Group considers climate change a critical issue affecting corporate sustainable development, which may have significant impact on business operations, the value chain, strategic decisions, and financial performance in the short, medium, and long term. Given such, we continuously conduct scenario analysis to identify and assess climate-related physical risks and transition risks, and subsequently formulate and implement mitigation and adaptation measures to reduce the adverse effects of climate change on the Group. The related opportunities, strategies, plans, and implementation details are currently assessed as commercially sensitive information for the Group. Therefore, the commercial sensitivity exemption is deemed to apply to this Report. The Group will actively explore, identify, and disclose the long-term opportunities presented by climate change and their potential.

5.4.1.1 Time frame for scenario analysis

The selection of time frame for assessing climate-related risks based on the nature of the industry and the Group's climate targets aligns with our comprehensive climate adaptation measures and direction, goals, and strategic decisions. Furthermore, the time frame are also consistent with the target years of the GHG emission targets under the Paris Agreement. The definitions of the time frame are as follows.



5.4.1.2 *Climate scenarios*

The Group has adopted the Shared Socioeconomic Pathways (SSP) scenarios from the Sixth Assessment Report (AR6) of the Intergovernmental Panel on Climate Change (IPCC) and the Global Energy and Climate (GEC) Model of the International Energy Agency (IEA) to conduct climate-related scenario analysis, in order to assess the physical risks and transition risks faced by the Group under different scenarios and to analyse the impact of climate change on the Group's climate resilience. Through scenario analysis, the Group is able to evaluate its climate adaptability and operational stability under different climate evolution pathways, understand the potential impact of climate change on the Group's financial position, operating model, and value chain in the short, medium, and long term, identify the Group's vulnerabilities and gaps concerning climate change issues, and formulate and optimise risk mitigation strategies and climate adaptation measures to strengthen the overall resilience of the business model and value chain. Through this systematic approach, the Group can gain insight into the potential impact of climate change on itself more comprehensively and take proactive actions to enhance long-term operational reliability and sustainable development capabilities.

Scenario Analysis Principles

To more accurately assess climate-related physical risks and transition risks, the Group employs a multi-scenario analysis framework to conduct a forward-looking analysis of potential risks in its main operating regions under scenarios where the global temperature rises by 1.5°C and 3°C. This assessment covers different time frame, including the short term (2030), medium term (2050), and long term (2100), to assist the Group in identifying and understanding the potential climate impacts it may face in the future.

For the physical risk assessment, we selected the representative IPCC Shared Socioeconomic Pathways (SSPs) scenarios:

- SSP1–2.6: A sustainable development pathway representing active emission reduction, highly consistent with the Paris Agreement's 1.5°C temperature control target;
- SSP3–7.0: A scenario representing heightened regional competition and high greenhouse gas emissions, corresponding to severe physical risks under a relatively high temperature rise (close to 3°C or above).

In terms of transition risk assessment, we mainly refer to two core scenarios from the International Energy Agency (IEA)'s Global Energy and Climate Model:

- **Net Zero Emissions by 2050 Scenario (NZE):** This scenario sets out a possible pathway for the world to achieve net-zero emissions by 2050 and limit global temperature rise to 1.5°C, along with the profound impacts on energy, finance, and industries. It is highly consistent with the Group's climate transition plan and carbon reduction commitments;
- **Stated Policies Scenario (STEPS):** This scenario reflects the actual outcomes of currently implemented and announced policies. It is used to examine the potential exposure to transition risks under the Group's existing policy environment and business conditions. According to the International Energy Agency (IEA)'s assessment, the STEPS scenario projects a global temperature rise of approximately 3°C, serving as an important reference for the Group to assess risks under medium-to-high temperature rise scenarios.

The selection of the aforementioned scenarios ensures that the risk assessment results maintain a high degree of consistency with the Group's business planning, strategic direction, climate transition plan, and announced medium-term to long-term carbon reduction targets, providing a scientifically robust analytical foundation for subsequently formulating targeted climate adaptation and mitigation strategies.

	Low emission scenario	High emission scenario
Scenario Definition	Ambitious climate action aims to limit global temperature rise to 1.5°C or well below 2°C, achieving carbon neutrality (NZE) by 2050	Global climate policy has nearly stalled, the economy is highly dependent on fossil fuels, the development of clean technologies is severely lagging, greenhouse gas emissions remain persistently high, and temperature rise exceeds 3°C by the end of this century

	Low emission scenario	High emission scenario
Rationale for Selection	Achieving net-zero greenhouse gas emissions by 2050 and limiting the temperature increase to 1.5°C above pre-industrial levels by 2100. This scenario is selected to assess the impact of ambitious climate action aimed at achieving the Paris Agreement's goal of 1.5°C or well below 2°C. Under this scenario, we will focus more on transition risks.	Maintaining stable greenhouse gas emission levels until 2050, with emissions reductions by 2100, leading to a temperature rise exceeding 3°C. This is used as a worst-case scenario stress test to assess the maximum impact of extreme physical risks on the Group's asset portfolio, supply chain, and operational sites in the event of a collapse in international cooperation and stalled transition, ensuring the Group remains resilient even under the most severe conditions.
Scenario Narrative	The world recognises the severity of climate change, and countries are ramping up climate action by immediately implementing stringent policies and measures to reduce emissions, aiming to limit global temperature rise to 1.5°C or well below 2°C by the end of this century. Technological advancements and increased awareness promote a low-carbon, low-energy transition, while markets also shift towards more climate-friendly production and consumption. Pressure from civil society and consumers on corporate climate action is also increasing.	International climate agreements have failed, and countries are restarting coal, oil, and gas extraction, with carbon pricing and emission reduction policies being abolished. Technological innovation is deviating from low-carbon pathways, while population and resource demands surge. Extreme weather, rising sea levels, and ecological collapse occur frequently, posing major physical risks to the Group's Asia-Pacific operational bases and investment portfolio.

	Low emission scenario	High emission scenario
Main Reference	IPCC SSP1–2.6: The world implements strong climate policies and technological innovation, primarily centred on clean energy, to achieve the temperature control target of 1.5°C or well below 2°C. IEA NZE: Rapid decarbonisation of the energy system, relying on renewable energy, electrification, and technological breakthroughs, requiring strong international policy support. The world achieves carbon neutrality by 2050.	IPCC SSP3–7.0: Climate policy has nearly stalled. The economy is highly dependent on fossil fuels, and greenhouse gas emissions remain persistently high, with temperature rise exceeding 3°C by the end of this century. The risks of extreme weather, sea-level rise, and ecosystem collapse are extremely high. IEA STEPS: New climate policies are introduced, with emission levels stabilizing or declining slightly by 2050, but still far from net-zero targets. Global temperature tends to rise by 3°C or higher, exacerbating physical risks.

5.4.1.3 Risk identification

To determine the impact on the Group's value chain, business model, financial performance, and short-, medium-, and long-term cash flows, the Group conducted climate scenario analysis based on two internationally recognised scenarios and three time frame to assess physical risks and transition risks. Climate-related risks fall into two main categories: risks related to the transition to a low-carbon economy and risks related to the physical impacts of climate change, as follows:

Transition Risks	Physical Risks
• Policy and Law • Technology • Market • Reputation	• Acute/Immediate • Chronic/Long-term

Conducting climate change scenario analysis	Assessing the timing and extent of climate change impacts on the Company's operations
• Define the two climate scenarios of low emission and high emission • Conduct analysis with reference to public scenario models • Obtain qualitative parameters under the two respective scenarios	• Based on the scenario analysis results, assess the short-term, medium-term, and long-term impacts of climate-related risks, taking into account the business characteristics and geographical locations of the Group and its member companies.

Risk Type	Risk Drivers	Scenario	Risk Level within the Time Frame			Affected Assets	Impact Description	Mitigation/Adaptation Plans or Measures
			Short term	Medium term	Long term			
			Climate-related Transition Risks					
Policy and Regulation	Implementation of carbon tax or carbon trading	NZE Scenario	Moderate	Moderate		Traditional high-carbon equipment, supply chain, and operational awareness of carbon emissions	A rise in overall operational and compliance costs due to carbon pricing, along with adjustments in asset valuation, leads to an increased tax burden and a decline in return on investment.	The Group has fully converted its existing forklifts to electric vehicles, reducing the use of non-renewable energy. Questions such as "Does the supplier have a project for carbon information disclosure?" and "Has the supplier calculated greenhouse gas emissions and established a reduction plan?" have been included in the "Supplier Audit Checklist" to encourage suppliers to participate in emission reduction practices. Concurrently supporting green procurement, the Group has procured environmentally friendly materials that comply with EU regulations and customer requirements, in accordance with the control requirements of the "Supplier Management Procedure", "New Supplier Introduction Specification", "Supplier Environmental Data Confirmation Specification", and "Environmental Management Substance Control Standards". Conducting comprehensive climate risk and vulnerability assessments for operations, supply chains, and geographical locations; investing in the research and development of sustainable technologies; establishing a complete emissions database to proactively meet HKEX and IFRS S2 requirements, thereby avoiding penalties and rework. Actively cooperating with consulting firms to provide climate-related training for employees and establishing relevant databases to ensure reporting compliance.
		STEPS Scenario	Very low	Very low			Tighter disclosure requirements result in higher compliance costs. Policy changes cause the impairment or even scrapping of existing assets, while the implementation costs for installing efficient equipment increase.	
Technology	A higher proportion of renewable energy in the energy supply structure.	NZE Scenario	Moderate	Moderate		Factory production equipment and infrastructure supporting facilities	As more renewable energy is integrated into the grid, energy prices may become volatile. Coupled with green power premiums or contract-locked costs, the enterprise's energy procurement costs may increase in the short term.	The new factory of Guangdong Ten Pao Electronics Technology Co., Ltd. has newly added 3,348 solar panels (195W each) to enhance its capacity to use renewable energy. Actively implements a series of energy-saving action plans and regularly reviews internal policies to ensure alignment with sustainable development goals and regulatory requirements.
		STEPS Scenario	Very low	Low			The enterprise may need to invest capital to support the use of renewable energy, including purchasing or installing solar energy and energy storage equipment.	

Risk Type	Risk Drivers	Scenario	Risk Level within the Time Frame			Affected Assets	Impact Description	Mitigation/Adaptation Plans or Measures
			Short term	Medium term	Long term			
			Climate-related Transition Risks					
Technology	Electrification of end-use energy consumption	Net Zero Emission Scenario	Medium	Medium	Factory production equipment and infrastructure supporting facilities	Following electrification, the enterprise's energy costs will be more directly affected by fluctuations in electricity prices; if electricity prices rise, it may drive up operating costs.	The Group has installed energy storage equipment at its new factory of Guangdong Ten Pao Electronics Technology Co., Ltd., enabling the use of stored electricity during peak electricity tariff periods. This reduces the financial risk associated with high electricity prices and alleviates the load on energy consumption during peak hours. The Group is researching new technologies to convert to electric power while retaining existing production equipment, thereby mitigating the risk of equipment scrappage.	
		STEPS Scenario	Very Small	Very Small		Traditional high-carbon equipment may accelerate its path to becoming "stranded assets", with premature depreciation or scrapping, thereby impacting the balance sheet.		Investing in the training of technical staff and co-organizing seminars and lectures with relevant stakeholders to explore the potential of new technologies, in order to adapt to technological changes driven by climate-related transitions, ensuring a smooth transition and minimizing unsuccessful investments.
Reputation	Choosing lower per capita energy consumption behaviour	NZE Scenario	Very low	Moderate	Existing products and designs, raw materials, and supply chain	Consumers and corporate customers increasingly favour products and services with lower environmental impact, leading to a decline in revenue due to reduced demand for traditional products.	Conducting market research and reviewing relevant market reports to understand climate-related market trends, including shifts in consumer preferences and regulatory changes.	
		STEPS Scenario	Very low	Very low				Identifying multiple key raw material suppliers to mitigate risks associated with price volatility or shortages. The "Supplier Admission Basic Threshold Requirements" already mandate that suppliers obtain ISO14001 environmental management system certification.

			Risk Level within the Time Frame					
Risk Type	Risk Drivers	Scenario	Short term	Medium term	Long term	Risk Type	Risk Drivers	Scenario
Climate-related Transition Risks								
Immediate and Long-term	Increased severity of extreme weather events such as typhoons, floods, and high temperatures.	SSP 1–2.6	Very low	Very low	Low	Production equipment and employees within the factory premises.	Increased risk of employee injury, impacting labour capital (e.g., safety and absenteeism), leading to higher labour costs or reduced productivity.	Increase budget allocation to strengthen responses to energy demands and enhance flood prevention and disaster preparedness measures.
		SSP 3–7.0	Very low	Low	Moderate		Potential for supply chain disruption, resulting in weakened sales.	Explore the feasibility of investing in climate-resilient infrastructure and building designs to withstand climate-related hazards (e.g., flood barriers, green roofs, stormwater management systems, seismic structures).
							Rising cooling demands and investment in disaster prevention facilities simultaneously increase operating and production costs.	Obtain or increase labour insurance coverage to mitigate financial losses and enhance employee protection; purchase adequate flood insurance, including property insurance and business interruption insurance, to reduce economic losses caused by floods. Actively explore changes to work and operational models.
								Provide employees with heat relief and cooling supplies, such as cold drinks and heatstroke prevention medicines; improve ventilation and cooling conditions in the workplace, such as installing air-conditioners and ventilation equipment; and conduct high-temperature adaptability checks on production equipment to ensure normal operation in high-temperature environments, increasing the frequency of equipment cooling system maintenance.

During the Reporting Period, in addition to conducting the aforementioned climate scenario analysis, identifying related physical and transition risks, and assessing the extent of each risk, the Group also completed the financial impact assessment for this reporting year. The results of the analysis and assessment indicated that no material climate risks or quantifiable financial impacts were identified. In accordance with the materiality principle advocated by the Hong Kong Stock Exchange's climate-related disclosure requirements, the Group believes that, in the context of non-material risks, the expected quantified financial impacts and opportunity-related information are immaterial information for stakeholders. Therefore, we only focused on the disclosure of the scenario analysis results, with the aim of enhancing the transparency of our findings at the outcome level.

5.4.1.4 Resilience to climate change

To enhance the Group's capacity to respond to climate change, the Group's climate resilience strategy focuses on minimizing the negative impacts of climate-related risks and maximizing climate-related opportunities. We utilise scenario analysis to assess physical and transition risks, as well as their associated impacts, enabling us to formulate strategies and implement detailed mitigation or adaptation plans or measures for each climate risk, thereby minimizing the potential impact on the Group. When conducting scenario analysis, we carefully considered various inherent uncertainties, such as the complex nature of climate systems, future climate planning, the effectiveness of planned adaptation measures, economic factors, and potential regulatory changes. While acknowledging these uncertainties, we adopt a flexible and adaptable approach to enhance our assessment of and resilience to potential climate-related impacts.

Regular climate scenario analysis empowers us to adapt our strategies and business models in a timely manner over the short, medium, and long term. We ensure the availability and flexibility of existing financial resources to respond to the impacts identified through scenario analysis. This includes mitigating climate-related risks and capitalizing on climate-related opportunities. We have the capacity to deploy, repurpose, upgrade, or retire existing assets when necessary. Furthermore, we actively invest in climate-related mitigation and adaptation measures to enhance our resilience to climate change. These investments not only consolidate our current operations but also enable us to seize opportunities encountered on the journey towards a low-carbon economy.

5.4.1.5 Limitations and future improvements

Since the beginning of this reporting year, the Group has formulated its climate-related disclosure framework by referencing the disclosure requirements of the HKEX ESG Code and IFRS S2, while integrating international and Chinese climate regulations (such as China's "30 • 60" carbon neutrality goals), industry practices, and the latest scientific research findings. However, scenario analysis inherently possesses limitations, making it difficult to comprehensively cover all potential climate risks, and its results may be constrained by factors such as data quality, the accuracy of underlying assumptions, and existing technical capabilities. Therefore, the Group will continuously monitor emerging risks and optimise its analysis processes, while simultaneously welcoming feedback from stakeholders to enhance the accuracy and reliability of future disclosures.

Although the Group has not identified any material climate risks or quantified financial impacts for the time being, moving forward, the Group will gradually strengthen its scenario analysis capabilities by introducing quantitative models to assess the financial impacts of climate-related risks and opportunities, including their potential magnitude and probability. Concurrently, the group will review the flexibility of its financial resource allocation and formulate specific response strategies for key risks identified through the analysis.

5.4.1.6 *Climate opportunities*

Although the strategies, plans, and implementation details regarding climate opportunities for this reporting year have currently been assessed as commercially sensitive information of the Group, the Group will nonetheless actively identify and disclose the long-term opportunities brought about by climate change.

Amidst the rapid global advancement of the low-carbon transition and the continuously rising investor demand for sustainable investments, the market demonstrates strong growth momentum for assets that possess climate resilience and align with net-zero emission pathways. The Group actively monitors long-term value-added opportunities arising from renewable energy, clean technologies, green financial instruments, and industry-leading enterprises with outstanding environmental performance, considering these as important directions for promoting portfolio upgrading and diversification. In its investment decisions, we systematically incorporate climate-related factors into its assessment framework, striving to capture the structural growth and long-term return potential within the fields of climate mitigation and adaptation, while maintaining risk controllability, thereby driving the investment portfolio towards greater sustainable competitiveness.

Concurrently, the Group has also observed that its customers are placing increasing importance on climate and sustainable development issues. In the future, we will align with market trends and customer demands to appropriately expand our product lines and service scope. This includes, for example, launching more green investment solutions and enhancing our ESG integration strategies and research capabilities. Through these efforts, we aim to respond more comprehensively to market dynamics in sustainable investing and assist our customers in capitalizing on long-term growth opportunities related to climate. Through the above efforts, we aspire to contribute to the global transition towards a low-carbon and sustainable economy, while simultaneously promoting the long-term, steady appreciation of assets.

5.4.1.7 *Financial impact*

In terms of current financial impact, Ten Pao Group did not incur any material expenses due to extreme weather during this reporting year, such as significant additional costs resulting from asset damage caused by extreme weather events. Furthermore, the Group did not incur any material fines for violations of climate-related laws and regulations. Regarding financing, the group did not issue any green bonds to raise funds for investment in climate projects. Taking its factory premises as asset units, these assets were not susceptible to material climate-related transition and physical risks during the reporting year.

In alignment with the internationally agreed goal of achieving net-zero carbon emissions by 2050 and to ensure cleaner emissions in its production processes, the Group has installed a total of 4,740³ solar photovoltaic panels at its Guangdong Ten Pao Electronics Factory and Huizhou Ten Pao Chuangneng Factory. The total asset value of the Group's solar photovoltaic system is approximately RMB25,460,000, of which approximately RMB5,565,000 represents the cost of self-developed solar energy invested during this reporting year. We do not anticipate that these policies and market risks will necessitate material adjustments to assets and cash flows in the next reporting year. Regarding asset composition, assets utilizing fossil fuels, including diesel generators and fossil fuel-powered vehicles, have a total asset value of approximately RMB13,541,000, accounting for approximately 35% of energy equipment assets, with the remainder being low-carbon energy assets.

Business Activities Involving Climate-related Opportunities

All products manufactured by the Group are green products; therefore, the proportion of green products is 100%. During this reporting year, the revenue derived from green products amounted to HK\$5,558.6 million.

Capital Utilisation

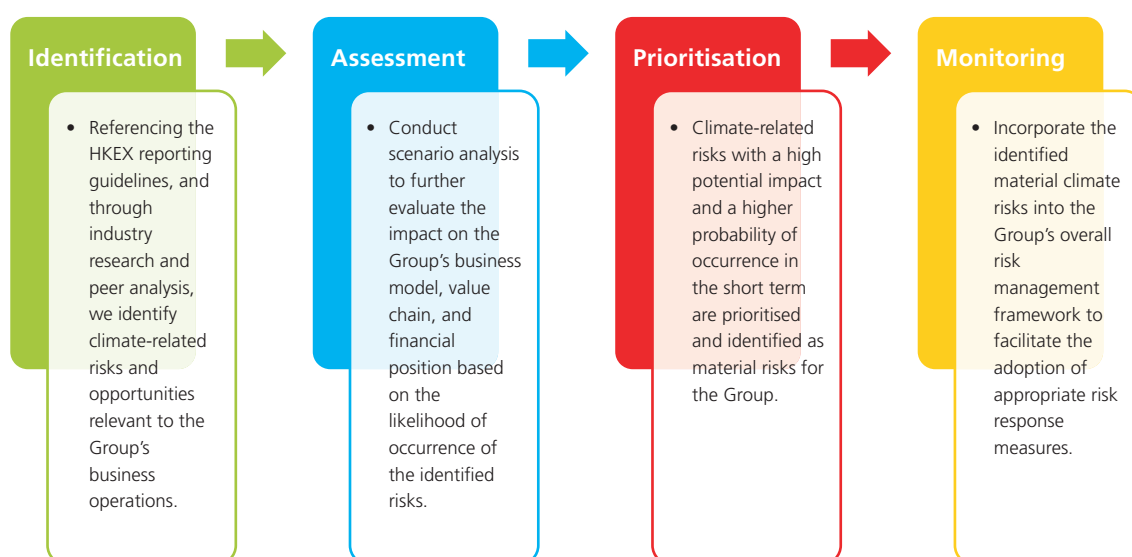
During the reporting year, the Group's expenditure for climate-related risks and opportunities was as follows. In addition, during the reporting year, the Group's financing activities were only related to the general funding arrangements for ordinary operations, rather than any financing projects related to climate-related risks or opportunities. For general financing information, please refer to the Group's financial report for the year.

Related Project Expenditure	Currency	2025 (0'000)
Installation of solar photovoltaic power generation system	RMB	556.5
Expenditure for addressing climate-related risks	RMB	556.5

³ With photovoltaic modules of 195W, 670W and 700W, respectively

5.4.2 Risk management

The Group has established a comprehensive risk management framework to regularly identify, assess, monitor, and manage climate-related risks. Climate risk analysis under this framework is conducted at least annually, with the results submitted to the Board and the ESG Committee for review. During the Reporting Period, we identified several climate-related risks with potential impacts on the business (including transition risks and physical risks). Through its governance structure and cross-departmental collaboration, the Group adopts a qualitative approach to managing climate-related risks, ensuring effective risk control and supporting sustainable business development.



5.4.3 Indicators and targets

The Group has established various climate-related indicators and targets for GHG emissions, energy consumption, and water management to effectively track performance concerning climate-related risks and opportunities. The Group also continuously monitors the management progress of such risks, helping the Group align with international climate goals and contributing to the transition towards a low-carbon economy.

5.4.3.1 Targets

The Group is committed to contributing to the Paris Agreement's goal of limiting the temperature rise under 1.5°C, and strives to achieve net-zero emissions across its value chain by setting carbon reduction targets. We utilise the Group's own carbon trend path method to set carbon targets, with the target scope consistent with the reporting scope of this Report. The GHGs included in the emission reduction targets are CO₂, CH₄, N₂O, among others. In the short to long term, we plan to, by 2030 (short-term target year) and 2050 (long-term target year), based on the baseline year of 2025, strive to reduce the Group's total emissions (absolute total value of Scope 1 and Scope 2) by 8% by 2030 and 55% by 2050. During the Reporting Period, the Group was not subject to any carbon targets required by laws or regulations.

GHG Targets (Scope 1 and Scope 2)

	Unit	2025	5-Year Target (2030)	25-Year Target (2050)
Total GHG emissions (absolute value)	tCO ₂	2025 as the baseline year*	8% reduction	55% reduction

Note:

* Baseline year (2025) : 40,912.49 tonnes of carbon dioxide equivalent ("tCO₂e")

5.4.3.2 Metrics**GHG Emissions**

The Group monitors its decarbonisation strategy and pathway by quantifying the total absolute GHG emissions generated during the reporting year, covering Scope 1 direct emissions and Scope 2 energy indirect emissions. Considering that the data collection for Scope 3 calculation involves upstream and downstream activities across the value chain, is extensive in scope, and requires the cooperation of stakeholders such as suppliers and customers, the Group considers adopting a reasonable data exemption to be appropriate.

The Group's GHG emissions are calculated and measured in accordance with the requirements and calculation methods of the GHG Protocol Corporate Accounting and Reporting Standard, utilizing activity data, emission factors, and global warming potential values in the relevant GHG emissions accounting. We apply the operational control approach to define the operational boundary for GHG emissions reporting, and the scope of GHG emissions reporting is consistent with the reporting scope of this report. Furthermore, Scope 2 emissions are calculated using the location-based method. Our GHG emissions are set out in the table below:

Scope of emissions (unit)	2024	2025
Total emissions (tCO ₂ e)	39,242.55*	40,912.49
Intensity of total GHG emission (tCO ₂ e/million revenue in HK\$)	7.20*	7.36
Scope 1: Direct emission (tCO ₂ e)	902.29*	488.90
Scope 2: Energy indirect emission (tCO ₂ e)	38,340.26*	40,423.59

Notes:

- The calculation was based on the Reporting Guidance on Environmental KPIs issued by the Stock Exchange, 2006 IPCC Guidelines for National Greenhouse Gas Inventories, IPCC Fifth Assessment Report, Specification with guidance at the ISO14064-1 organisation level for quantification and reporting of GHG emissions and removals, the Notice on Issuing the 2023 Carbon Dioxide Emission Factors for Electricity issued by the Ministry of Ecology and Environment of the People's Republic of China, and the Sixth Climate Change Assessment Report of IPCC.
- Scope 1 includes direct combustion emissions from mobile sources of diesel and unleaded gasoline, fugitive emissions from carbon dioxide (CO₂) fire extinguishers and refrigerants such as R410a, R32 and R22; and scope 2 includes indirect energy emissions from purchased electricity.
- During the Reporting Period, its production bases in Huizhou, Guangdong Province and Dazhou, Sichuan Province undertook new construction or expansion of such factories and workshops, thereby enhancing its overall production capacity; at the same time, the newly expanded factory field of Huizhou Ten Pao Chuangneng Technology Co., Ltd. commenced operations gradually. With the increased production capability and production volume, GHG emissions during the Reporting Period increased compared to the previous year.
- * Given the need to cover the actual refrigerant usage data, all the emission data for the year 2024 has been adjusted.

Internal Carbon Pricing

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

Remuneration

At present, the Group has not incorporated climate-related performance or climate-related considerations into remuneration policies, as the Group is still in the process of enhancing its climate governance framework, metrics, and data systems. The Group considers that linking remuneration to climate-related performance should be based on mature, reliable, and measurable indicators to ensure fairness and effectiveness. The Group will continue to monitor best practices and regulatory developments and may consider incorporating climate-related considerations into remuneration arrangements to incentivise management and employees in the future when appropriate.

Industry-based Metrics

During the reporting year, the Group reported in accordance with the ESG Reporting Code of the Hong Kong Stock Exchange. Relevant industry indicators (energy consumption, water consumption and packaging material consumption, etc.) were disclosed in accordance with the "comply or explain" provisions. For details, please refer to section 5.2 in this Report.

6. SOCIETY

6.1 Employment

The Group fully understands the value of human capital and is committed to providing employees with a working environment that is fair and free from discrimination and harassment, and meets ethical and safety requirements. We respect and are committed to comprehensively protecting the basic human rights and personal freedoms of our employees, striving to create a diverse, equitable, and inclusive work atmosphere. We ensure that in recruitment, promotion, training, remuneration, and other employment-related arrangements, no discriminatory treatment is tolerated based on genders, ages, nationality, races, religious beliefs, marital status, physical conditions, or other personal characteristics, so that all employees receive fair treatment and due respect in the work environment.

The Group has established a comprehensive and institutionalised human resource management framework, covering the Recruitment and Training Management Procedures, Performance Management System, and Employee Onboarding and Offboarding System. This framework standardises the entire process of employee recruitment, onboarding, in-service management, and departure, ensuring that all human resource management activities are conducted in a transparent, fair, and compliant manner. In recruitment, the Group adheres to the principles of Fair Treatment and Merit-based Selection, treating all applicants equally and establishing clear qualifications and standards for different positions to maintain a reasonable and professional employee structure. Furthermore, the Group has established a rigorous and prudent dismissal process in accordance with national and local laws and regulations. For employees who commit serious misconduct or violate laws, regulations, or company rules and regulations, their employment contracts will be terminated in accordance with the law, and relevant procedures will be handled according to the established system, ensuring a fair and compliant process. To maintain the fairness, transparency, and market competitiveness of its compensation system, the Group has established a Compensation Management System, which, together with the Performance Management System, takes into account factors such as employee work performance, performance reviews, Group operational performance, business needs, market compensation levels, and job value and skill requirements when making compensation adjustments. These systems also regulate the salary determination principles for new hires and existing employees, ensuring that compensation is commensurate with job requirements and adheres to the principle of fairness. The Group also closely monitors employees' development needs and career planning, establishing an assessment system integrating talent cultivation, evaluation, and promotion, as well as an Employee Promotion Management System. This provides employees with a clear promotion process and development path, forming a sound talent cultivation and selection mechanism to support employees' professional growth. The Group is committed to continuously reviewing and improving its compensation policies, human resource management, and promotion systems to ensure that employees receive fair, reasonable, and market-competitive compensation and to promote the Company's long-term sustainable development.

The Group has established a comprehensive employee welfare system and continuously optimises its benefits structure. The Group implements a standard 8-hour workday, 5-day workweek system, and approved overtime work is calculated and paid accordingly. To enhance employee sense of belonging and corporate cohesion, we offer a variety of diversified benefits, including paid leave (such as statutory holidays, marriage leave, maternity leave, paternity leave, bereavement leave, lactation break, work-related injury leave, and compensatory leave), wedding cash gifts, meal allowances, accommodation benefits, and telephone allowances. In addition, the Group has established a welfare committee to regularly organise employee birthday activities and distribute birthday gifts to enhance employee care. Furthermore, the Group pays five social insurances and one housing fund for its employees, including pension insurance, work injury insurance, medical insurance, maternity insurance, unemployment insurance, and housing provident fund, comprehensively protecting employees' life and work safety; and provides subsidies for eligible employees to pursue higher education and professional training to support their career development. The Group has also established a Special Protection System for Female Employees and Underage Workers to safeguard the legitimate rights and interests of the relevant groups and provide necessary protective measures based on their physiological characteristics. These measures include prohibiting pregnant and breastfeeding female employees from engaging in work involving exposure to occupational hazards, restricting the work scope of pregnant female employees, providing flexible breastfeeding time, and ensuring that female employees enjoy the same rights as male employees in terms of welfare benefits, so as to promote their physical and mental health and workplace security.

To further enhance employee cohesion and morale, the Group regularly organises cultural performances, festival celebrations, and various recreational activities, such as the "Surrounded by Light, Igniting A Wise Future" (與光同塵·智啟未來) Spring Festival Gala, Dragon Boat Festival activities and parent-child rice dumpling wrapping competitions, the Ten Pao Club Badminton Tournament, and the "Celebrating National Day and Welcoming the Mid-Autumn Festival" (歡度國慶喜迎中秋) activities, striving to create a positive, healthy, and vibrant corporate culture. For employees recognised as outstanding performers each year, the Group provides domestic travel rewards according to relevant incentive programmes to recognise their outstanding performance. Meanwhile, the Group has set up a library and other recreational and sports facilities in the living area, providing employees with comfortable leisure and exercise spaces to help them maintain a good work-life balance. To facilitate employees' smooth return home during the Spring Festival, the Group also assists employees in booking train or plane tickets, genuinely caring for employees' travel needs. In addition, the Group has established a charity fund to provide necessary assistance to employees facing special difficulties or emergencies, demonstrating the Company's care and commitment to its employees.



**“Surrounded by Light, Igniting A Wise Future”
Spring Festival Gala**
(與光同塵，智啟未來)春節聯歡晚會



**Dragon Boat Festival Activities and Parent-Child Rice
Dumpling Wrapping Competition**
端午節活動及親子包粽子大賽

The Group strictly complies with the Hong Kong Employment Ordinance and all applicable labour laws and regulations in Mainland China, and the Group recorded no breach of relevant labour laws and regulations during the Reporting Period. The Group will continue to uphold its people-oriented philosophy, continuously improve its employee management mechanisms, strive to create a better, safer, and more supportive working environment for its employees, and promote the mutual growth of employees, thereby achieving long-term and sustainable development.

The following is the employee distribution within the Group in 2025:

		Unit	Total
Total number of employees		Person	6,071
By gender	Male	Person	3,288
	Female	Person	2,783
By employment type	Full-time	Person	6,071
	Part-time/contract	Person	0
By position category	Senior management	Person	57
	Middle management	Person	116
	Technical staff	Person	975
	General staff	Person	4,923
By age	Below 30	Person	2,162
	31–50	Person	3,028
	51–60	Person	867
	Above 60	Person	14
By geographical region	Hong Kong	Person	4
	China	Person	6,067
	Other regions	Person	0

The following is the employee attrition rate within the Group in 2025:

		Unit	Total
By gender	Male	%	73.9
	Female	%	62.6
By age	Below 30	%	82.3
	31–50	%	51.6
	51–60	%	43.9
	Above 60	%	36.4
By geographical region	Hong Kong	%	0
	China	%	69.7
	Other regions	%	0

Note:

- The formula for calculating the employee attrition rate is: the number of employees leaving in the month/(the number of employees at the end of the month + the number of employees leaving in the month)

6.2 Health and Safety

Health and safety remain core priorities in the Group's operations and management. We adhere to the "Safety First" principle, regarding the physical and mental health of our employees and workplace safety as an uncompromising commitment, and continuously strive to create a safe, healthy, and protective work environment. The Group has established a comprehensive occupational health and safety management system and implements daily management in a scientific and systematic manner to ensure that all operational activities are conducted in a controlled and compliant manner. Regarding regulatory compliance, the Group strictly follows the Law of the People's Republic of China on the Prevention and Control of Occupational Diseases, the Measures for the Management of Occupational Health Surveillance, and the Regulations on Labour Protection in Workplaces Using Toxic Substances in its health and safety-related work, protecting employees from occupational hazards and unsafe work risks. Furthermore, the Group obtained the ISO 45001:2018 certification for its Occupational Health and Safety Management System and continuously improves the effectiveness of its health and safety management through ongoing monitoring, evaluation, and management process improvement. To ensure the effective implementation of the system, the Group has established an EHS Management Team and a 5S Management Committee to regularly review occupational health and safety performance and promote continuous improvement. At the same time, through standardised, visualised and participatory management methods, the Group creates a clean, safe and efficient working environment and further strengthens the Group's overall occupational health and safety governance capabilities.

The Group fully implements the 5S management system, creating a clean, safe, and efficient work environment through Standardisation, Visualisation, and full employee participation. The Group has established a 5S Management Committee, an Implementation Committee, and an Audit Team to coordinate policy formulation, annual planning, training and promotion, and on-site audits. Each unit implements daily operations, weekly inspections, monthly inspections, and continuous improvement according to its designated responsibility area. Through the “three fixed points” (fixed location, fixed capacity, fixed quantity) and area signage standards, the Group ensures that items, equipment, and passageways are managed in a standardised manner. Simultaneously, the Group further enhances the neatness, safety, and efficiency of the work site through cleaning inspections, anomaly rectification, and behavioural standards. Monthly audits and performance linkage mechanisms ensure a closed-loop rectification process, making 5S a conscious daily behaviour for all employees, supporting multiple ESG management outcomes such as stable quality, improved efficiency, reduced costs, and operational safety. The Group also adheres to the “three unacceptance” and “three simultaneity” occupational health and safety management principles to ensure that all health and safety issues are thoroughly rectified. The “three unacceptance” principle includes: no letting go until the cause of the accident is thoroughly investigated, no letting go until the relevant personnel are educated, and no letting go until effective preventive measures are taken. The “three simultaneity” principle requires that occupational health and safety facilities for newly built, renovated, expanded, or technologically upgraded projects must be designed, constructed, and put into use simultaneously with the main project to ensure that all projects meet health and safety requirements from the commissioning stage.

To ensure the health and safety of all Ten Pao employees, the Group has formulated and strictly implemented the Occupational Health Management Procedures and the Occupational Health and Safety Management Manual. In accordance with industry standards and local laws, we prevent, control, and eliminate occupational hazards, providing employees with a legal, safe, and dignified working environment. We implement full-cycle health surveillance for employees in positions involving exposure to hazardous factors. Employees must undergo and pass a pre-placement medical examination and a post-employment medical examination to assess potential occupational health impacts. Additionally, we arrange annual periodic medical examinations for all employees exposed to hazardous work factors to identify potential health risks at an early stage. The Group also maintains complete health surveillance records for continuous tracking and management. In accordance with the Regulations on the Administration of Occupational Hazard Notification and Warning, the Group regularly identifies high-risk work sites and posts risk notification signs and sets up warning signs, cordon lines, and occupational hazard notification cards that comply with GB/T 15566 standard, covering hazards factors such as dust, toxic chemicals, noise, and radioactive factors, ensuring that the signs are clear, intact, and functional. Furthermore, each unit must conduct workplace hazard factor testing at least once a year and complete a status assessment every three years to ensure the continued effectiveness of risk management. The management organisation will also conduct regular inspections to check the implementation of the notification system and provide relevant employees with pre-placement and periodic training in occupational health protection knowledge and operational skills to strengthen their risk identification, prevention and emergency response capabilities and comprehensively improve the level of occupational health management.

In accordance with EHS management requirements and the principles of Compliance, Safety, and Suitability, the Group provides employees with necessary work equipment, facilities, and tools to ensure that employees with different functions and risk levels can work under safe and controlled conditions. To enhance the standardisation and operability of equipment configuration, the Group has developed guidelines covering equipment configuration standards, risk protection requirements, and record management. Appropriate production equipment, office facilities, and mobile work tools are provided according to different work scenarios to ensure that equipment has necessary safety protection functions and meets ergonomic requirements. Regarding personal protective equipment (PPE), the Group distributes mandatory protective equipment based on job risk types, such as cut-resistant gloves and safety helmets for machinery operations, acid and alkali resistant protective equipment for chemical operations, full-body safety harnesses for working at heights, dust masks and earplugs for dust and noise operations, and insulating gloves and calibrated voltage detectors for electrical operations. A record system and regular inspection mechanism have been established to ensure protective effectiveness. Simultaneously, the Group uniformly equips basic emergency equipment such as fire extinguishers, first-aid kits, and evacuation signs, and adds specialised emergency equipment in high-risk areas such as confined spaces, lifting operations at height, and chemical storage areas. Through a systematic approach of tiered allocation, risk-oriented management, and ledger management, the Group ensures that all work equipment and protective equipment effectively support operational safety, and through continuous monitoring and improvement, enables controllable, traceable, and sustainable EHS risks throughout the entire process.

The Group also adheres to EHS compliance requirements and various workplace hygiene standards, and follows the principles of “Zoning Adaptation, Compliance, and Regular Maintenance” to equip production areas, office areas, and special work positions with sufficient and compliant hygiene and safety facilities. These facilities include general amenities such as handwashing facilities, toilets, and drinking water dispensers, as well as specialised hygiene equipment for positions involving chemical contact, high-temperature operations, dust and oil contamination, and food handling, such as emergency showers, eyewash stations, cooled lounge, shower rooms, three-basin disinfection sinks, and ultraviolet disinfection lamps, ensuring they meet safety, hygiene, and ergonomic requirements. The Group has also established a comprehensive maintenance and inspection mechanism, requiring all hygiene facilities to be cleaned, inspected, and documented regularly; eyewash stations, water dispensers, and ventilation systems are also inspected and disinfected periodically. For high-risk areas, the Group further strengthens the configuration of emergency hygiene equipment and ensures all facilities remain in good working order through record management, routine inspections, and rectification mechanisms. Furthermore, in accordance with the requirements of GBZ 1–2010, Hygienic Standard for Industrial Enterprise Design, GB/T 38144, Emergency Sprinkler and Eyewash Stations, GB 50016, Code for Fire Protection Design of Buildings, and GB 51309, Technical Standard for Emergency Lighting and Evacuation Guidance Systems in Buildings, the Group has equipped all workplaces with comprehensive first aid and emergency hygiene facilities. Specifically, at least one first aid kit is provided for every 200 employees in the production area, and one first aid kit is available on each floor of the office area. These kits contain bandages, disinfectant wipes, tourniquets, burn ointment, medical gloves, and other supplies, and are stored in easily accessible locations marked with red labels. Dedicated yellow medical waste bins are also provided in each area for the centralised collection of used medical waste such as cotton swabs and gloves, and these are regularly collected by qualified recycling facilities. The Group also kept ledgers in a secure manner and collection records to ensure that the entire process complies with relevant regulations and remains traceable.

To systematically implement inspections, risk management, equipment maintenance, and drills and training, the Group is simultaneously improving its fire safety management level and has established a comprehensive fire safety management system in accordance with relevant fire regulations. This continuously enhances its fire risk prevention and control capabilities, ensuring the safety of employees' lives and property. The Group has formulated a standardised fire protection facility management system, covering the configuration, maintenance, and inspection requirements for fire extinguishers, fire hydrants, fire pumps, emergency lighting, evacuation alarms, and related electrical devices. All facilities are subject to periodic inspections as required, and records are kept using forms such as Fire Equipment Inspection Cards to ensure that equipment status is traceable, intact, and readily available for use. Each unit assigns part-time safety officers to be responsible for daily inspections and fire equipment maintenance within their assigned area. The EHS team of the Administration and Logistics Department is responsible for supervising the management of power and electrical fire protection facilities and reviewing the subscription and disposal of fire equipment. For abnormal or malfunctioning equipment, the Group will immediately initiate repair or replacement procedures to ensure that risks do not accumulate. On-site management is also clearly regulated, strictly prohibiting the obstruction of fire exits, damage to or unauthorised operation of fire protection facilities. Hot work operations must be applied according to procedures and appropriate protective measures must be implemented. Regarding personnel capacity building, the Group implements a three-level safety education system for new employees, including company-level, department-level and team-level safety training. It also conducts two fire safety training sessions and drills annually to ensure employees are capable of identifying fire risks and extinguishing initial fires. Each workshop has a dedicated safety officer responsible for daily inspections and passageway management, ensuring evacuation routes and safety exits are always unobstructed. Through systematic inspections, risk management, equipment maintenance, and training drills, the Group comprehensively strengthens its fire safety management level and effectively enhances its overall fire prevention and control capabilities.

In addition to the physical health and safety of its employees, Ten Pao also prioritises the mental health and psychological well-being of all its staff. The "Ten Pao Uncles and Aunts" team, established for many years and staffed by experienced and long-serving employees, is dedicated to providing timely psychological counseling and assisting employees in resolving life and work-related issues. The company also has an employee grievance channel, allowing employees to voice any opinions or concerns through the Group's intranet, providing a safe and confidential feedback platform for all employees. The Group values the physical and mental health and work-life balance of its employees. Diverse after-work social activities not only promote communication and cohesion among employees but also help them relax and unwind outside of work. This year, the Group actively promoted employee mental health care and the development of mental-body balance, and partnered with the Huizhou Mental Health Culture Association to hold a special lecture on mental health, inviting senior psychological counsellors to share with female employees' topics such as workplace stress management, work-family balance, self-awareness, and emotional management. Meanwhile, the Group also partnered with the Huizhou African Drum Association to hold the "Drumming Up Dopamine, Unleashing Her Power" African drum stress-relief activity, helping employees release stress, soothe emotions, and enhance mental and physical well-being through rhythmic movements and group interaction. The Group will continue to strive to create a supportive and resilient work environment to enhance the overall well-being and psychological resilience of its employees.

In the past three years, including the Reporting Period, the Group has not experienced any work-related fatal accidents. For the year ended 31 December 2025, a total of 539 lost workdays were recorded. In the event of any work-related injury, the Group provides immediate necessary support and assistance, initiates accident investigation procedures, conducts an in-depth analysis of the root causes, and develops corrective and preventive measures to prevent recurrence of similar accidents. During the Reporting Period, the Group maintained a good record of compliance with occupational health and safety regulations, with no violations to any relevant laws and regulations. Looking ahead, the Group will continue to improve its safety management level and employees' operational safety awareness, strengthen occupational health education, daily risk prevention and control, and on-site management, and through continuous improvement, foster a more protective, safer, and healthier working environment.

6.3 Development and Training

The Group highly values the professional growth and skills development of its employees, considering it a core aspect of talent development to support the realisation of corporate strategic goals and long-term sustainable development. To comprehensively enhance employee skills, the Group provides all employees — from new hires to senior management — with job-related professional skills training and soft skills training. For new hires, the Group arranges comprehensive induction training, covering company background, corporate introduction, facilities introduction, employee handbook, and corporate social responsibility, employing a mentorship model where experienced employees guide newcomers to ensure smooth integration into the corporate culture and work environment, familiarisation with job responsibilities, and mastery of necessary skills. Furthermore, in the fourth quarter of each year, each department reviews its own needs based on company strategy, customer needs, and employee personal growth requirements, submitting an Education and Training Needs Survey to assist the Group's Organisational Development Centre in developing the annual education and training plan for the following year.

To enhance employees' professional skills, general competencies and overall production efficiency, the Group regularly conducts diverse internal training courses and workshops covering topics such as lean manufacturing, team management, project management, and switched-mode power supply technology. All course costs are fully covered by the Group. During the current reporting year, the Group further increased the average training hours for its employees and, without affecting training opportunities at other levels, focused on providing more targeted advanced training for middle management. This included professional courses such as PFMEA⁴, DFMEA⁵, high-frequency magnetic technology, process audit VDA 6.3, and ESD⁶ protection, to strengthen their capabilities in product development, process and quality management. In addition, the Group promoted various development, coaching, and soft skills training programmes to help managers deepen their role awareness, strengthen team building and leadership skills, thereby improving management effectiveness and cross-departmental collaboration. Besides top-down training arrangements, the Group also actively encourages employees to pursue self-study, providing full or partial funding according to established standards to support employees in continuously enhancing their professional knowledge and career competitiveness, thereby building a more professional, adaptable, and high-potential team.

⁴ Process Failure Mode and Effects Analysis

⁵ Design Failure Mode and Effects Analysis

⁶ Electrostatic Discharge

The Group has long promoted university-enterprise cooperation, actively providing employment and career development opportunities for recent graduates. Through the Campus Talent Selection and Development Management System, we have established an institutionalised and systematic talent development framework, covering the entire process of selection, training, job rotation, mentorship, project practice, job placement evaluation, and follow-up tracking. This comprehensive approach fully supports students' skill enhancement and talent pipeline development. Training content includes corporate culture, professional ethics, safety education, professional technical courses, and on-the-job guidance, ensuring training effectiveness through a combination of theoretical learning, practical training, and project participation. The system also features a dual-mentor mechanism between universities and enterprises, quantitative assessments, and regular career guidance, as well as awards for outstanding students and employee care measures to improve training quality and talent retention. This programme effectively strengthens the professional capabilities and career development of new talent, fully demonstrating the Group's commitment and achievements in human capital investment, talent cultivation, and sustainable development.

The Group is committed to establishing a talent management culture oriented towards competence and performance, and ensures a fair, just, and transparent employment mechanism through a comprehensive promotion system. Adhering to the principle that "the capable are promoted, the mediocre are reassigned, and the underperforming are released", the Group promotes the rational flow of talent and motivates employees to improve their skills and proactively take on responsibilities. Simultaneously, we focus on cultivating high-quality personnel with integrity, responsibility, and professionalism, providing robust talent support for the company's long-term development. Through systematic training and diversified development programmes, employees can obtain opportunities for continuous growth based on their aspirations and abilities, thereby achieving a win-win situation for both personal growth and corporate development.

The following is the percentage of the Group's employees trained in 2025:

		Unit	2024	2025
By position category	Senior management	%	0.7	0.8
	Middle management	%	4.8	7.6
	Technical staff	%	22.4	23.6
	General staff	%	72.1	68.0
By gender	Male	%	59.1	55.3
	Female	%	40.9	44.7

Note:

- Calculation of "Percentage of Employees Trained" = number of employees trained in that category/total number of employees in that category* 100%. Data as at 31 December 2025 is used for "total number of employees in the category".

The following is the average training hours per employee to complete training for the Group in 2025:

		Unit	2024	2025
By position category	Senior management	Hours	9.52	6.93
	Middle management	Hours	12.11	89.00
	Technical staff	Hours	22.62	27.12
	General staff	Hours	8.90	8.92
By gender	Male	Hours	10.90	13.71
	Female	Hours	10.69	12.93

Note:

- Calculation of “average training hours per employee” = total training hours for that category of employees/total number of employees in that category. Data as at 31 December 2025 is used for “total number of employees in the category”.

6.4 Labour Standards

The Group upholds human rights principles and strictly adheres to relevant laws, regulations, and international labour standards to ensure the full protection of our employees’ legitimate rights and interests. We have formulated and implemented numerous policies and measures to eliminate the employment of child labour and forced labour, and through a comprehensive compliance management system, we ensure that our business operations comply with applicable laws and ethical standards, creating a work environment that respects human rights and safeguards the well-being of our employees.

To prevent child labour and forced labour, the Group has established and strictly enforces policies such as the “Recruitment and Training Management Procedures” and the “Prohibition of Child Labour and Remedial Measures System” to ensure that recruitment and employment arrangements fully comply with relevant laws, regulations, and labour standards. During the recruitment process, all applicants must undergo a pre-interview verification process conducted by the Group. Recruiters verify the authenticity and validity of their identity documents, confirming that their age and identity information are accurate, to prevent the use of forged, expired, or unqualified documents. Furthermore, the Group has established comprehensive internal supervision and review mechanisms to regularly identify and review potential child labour and forced labour risks during the recruitment, onboarding, and employment stages. The Group also has diversified reporting and whistleblowing channels. Upon discovering any situation involving child labour or forced labour, the relevant personnel will be immediately removed from their work positions and all their labour activities will be stopped. The Group will promptly report to the company’s management representative and the Human Resources Centre. The Group will initiate remedial measures in accordance with laws, regulations, and company policies, including assisting the relevant personnel in undergoing necessary health checks, paying them for completed work in accordance with laws and regulations, and ensuring their safe return to their place of residence to protect their legal rights and personal safety. At the same time, the Group attaches great importance to the compliance of its partners with labour laws and conducts regular audits and assessments of the risks of child labour and forced labour on its suppliers and subcontractors in accordance with the Supplier Management Procedure, in order to maintain responsible and sustainable supply chain management.

The group is committed to protecting the legitimate rights and interests of every employee and has established rigorous management procedures that explicitly prohibit and do not support any form of forced labour, contract labour, corporal punishment, imprisonment, or threats of violence. In the recruitment and employment process, we adhere to the principles of “Voluntariness” and “Integrity”, strictly prohibiting the hiring of employees through coercion or deception, and ensuring that all overtime arrangements in the factory are based on voluntary participation. Employees who do not wish to participate in planned overtime can inform their department supervisor in advance; management must not use their position to force employees to perform work with significant safety or health risks or assign work that violates operating procedures.

Furthermore, the Group respects employees’ freedom of association and right to collective bargaining, supports employees in establishing labour unions in accordance with the law, and requires labour unions to operate in compliance with regulations such as the “Ten Pao Labour Union Election Procedures and Methods” and the “Ten Pao Group Labour Union Organisation and Management System”. At the same time, the Group values employees’ right to know and right to speak. To promote labour-management harmony and fully understand employee opinions, we hold regular labour-management meetings, and the Human Resources Department, in conjunction with the Welfare Committee, the Labour Union, the Party Branch, and the “Ten Pao Uncles and Aunts” (a community service team), conducts “Sunshine Project” on-site service activities to provide open and effective communication channels. The company also sets up suggestion boxes and complaint windows in office and factory areas and provides diverse feedback channels such as email to ensure that employee opinions are smoothly reflected and promptly addressed.

The Group conducts regular internal reviews to ensure its operations comply with the Hong Kong Employment Ordinance, the Labour Law of the People’s Republic of China, and other relevant laws and regulations. During the Reporting Period, the Group did not find any violations of relevant labour laws including the abovementioned Labor Law of the People’s Republic of China, Labor Contract Law of the People’s Republic of China, Special Provisions on Labor Protection for Female Employees and Hong Kong Employment Ordinance. These management measures have established a systematic and standardised operating procedure for recruitment and training management, ensuring that all operational activities comply with international and local labour standards, and consistently upholding the core values of respecting human rights, promoting fairness, and safeguarding employee well-being. The Group will continue to review and optimise relevant policies and procedures, striving to create a safer, more diverse, inclusive, and equitable working environment for its employees to support the company’s long-term and sustainable development.

6.5 Supply Chain Management

Business partners and suppliers play a crucial role in the Group's commitment to sustainable development. In light of this, the Group has gradually integrated sustainable development principles into its procurement processes and has established and rigorously implemented a series of policies, procedures, and monitoring mechanisms, including the Supplier Management Process, New Supplier Onboarding Management Standards, Supplier Performance Evaluation Management Standards, and Procurement Management Procedures, to ensure that suppliers' sustainable development performance meets the Group's standards. The Group recognises the importance of supplier involvement and continuously strengthens collaboration with business partners and suppliers to ensure the stability and resilience of the supply chain, thereby jointly promoting the long-term sustainable development of the enterprise and the overall value chain.

To ensure fairness and transparency in the procurement process, the Group has established the "Bidding Management Standards", requiring all review panel members to participate in the bidding process in accordance with the principles of Openness, Impartiality, and Independence. Bidding meetings are led by the General Manager or their authorised Strategic Procurement Director, who briefly explains the bidding rules and introduces the composition of the review panel, emphasizing that all review members have no procurement background to maintain the independence of the review process. The review panel is responsible for collecting and reviewing bids and consists of personnel from strategic procurement, finance, audit, and requirements departments (if necessary) to ensure multi-party participation and compliance in decision-making. Furthermore, before introducing a new supplier, the Group will sign a "Supplier Integrity Cooperation Agreement" with them, requiring suppliers to truthfully declare any conflicts of interest to avoid conflicts of interest and improper transfer of benefits.

When selecting new suppliers, the Group strictly adheres to the evaluation criteria and procedures stipulated in the "New Supplier Onboarding Management Standard" to ensure that new suppliers possess high quality, compliance, and reliability, thereby enhancing the overall quality, stability, and resilience of the supply chain. Before formal onboarding, the Group requires suppliers to sign the "Supplier Integrity and Cooperation Agreement" as a commitment to integrity and compliance before cooperation. Simultaneously, suppliers must possess quality management and environmental management capabilities that meet industry requirements, including having obtained ISO 9001, ISO 14001, IATF 16949 (required for automotive product material suppliers), and ISO 13485 management system certifications; or be able to provide a comprehensive product inspection system and qualified outgoing inspection reports. Suppliers must also develop business continuity plans and conduct regular risk assessments and continuous improvement to ensure operational resilience. If necessary, the Group will conduct background checks in accordance with the "Basic Threshold Requirements for Supplier Onboarding", with multi-dimensional compliance assessments jointly conducted by the R&D, quality, and procurement departments; only after passing the review can the next stage of on-site inspection proceed to fully ensure their onboarding eligibility.

Following the introduction of new suppliers, the Group will conduct ongoing management according to established monitoring procedures to ensure the quality and stability of supplied materials. For products or components delivered by suppliers, the Group will continuously monitor and evaluate them using management indicators such as incoming material inspection pass rate, material defect rate, and routine process audits. Furthermore, if changes to materials or components are involved, the Group will initiate relevant procedures in accordance with the "Supplier Component Change (PCN) Management Agreement" and the "Component Change (PCN) Management Specification" to ensure that all changes are evaluated, reviewed, and approved before implementation, thereby avoiding any impact on product quality or production operations. If supplier quality is abnormal, the Group will initiate anomaly handling procedures in accordance with the "Supplier Material Anomaly Analysis and Improvement Management Specification", including immediate notification, root cause analysis, improvement implementation, and follow-up, and will require suppliers to submit specific corrective and preventative measures. If necessary, the Group will conduct follow-up inspections or strengthen audits to ensure that improvement measures are effectively implemented and to continuously improve supply chain quality performance and risk management capabilities. The Group also systematically monitors and evaluates the overall performance of suppliers, including actual or potential environmental, social, and operational impacts, through monthly supplier performance assessments and annual on-site audits. Suppliers will be comprehensively rated based on factors such as product quality, cost-effectiveness, delivery capability, technological strength, and sustainable development. Their ratings will be dynamically adjusted to A, B, C, or D based on performance. Suppliers scoring 70 points or above are considered qualified; those failing to meet standards must improve within a specified period. For those failing to improve or continuing to fail to comply with regulations or the Group's standards, the Group reserves the right to reduce orders, suspend cooperation, or terminate contracts. In the event of significant quality problems, delivery delays, or environmental management non-compliance by suppliers, the Group will take appropriate measures based on the level of risk to maintain the stability and sustainability of the supply chain. Furthermore, the Group actively promotes green industrial transformation and held a corporate green supply chain management training conference during this reporting year, working with suppliers to jointly promote sustainable development.

During the Reporting Period, the Group audited a total of 36 new suppliers and 99 existing suppliers. Of these, 7 new suppliers and 86 existing suppliers underwent on-site audits. All 135 suppliers passed the audits. All of the Group's suppliers during the Reporting Period were from Mainland China, and the total number of major suppliers increased to 135, an increase of 22 from the previous year.

6.6 Product Responsibility

The Group's core objective is to enhance product quality and innovation capabilities. It has established and implemented a number of comprehensive management systems, employing institutionalised and systematic management from product development and process control to quality supervision. Simultaneously, the Group actively strengthens its intellectual property protection mechanisms to ensure the effective protection of technological and innovative achievements, further enhancing the competitiveness and compliance of its products in the market.

The Group has established a comprehensive and systematic product quality management and inspection process and conducts regular quality assessments of the entire production process in accordance with the "Process Quality Control Procedure" to ensure that products meet established quality requirements at every stage from design, manufacturing, testing to delivery. Simultaneously, in accordance with the "Process Non-conforming Product Management Standard", the Group implements a mechanism for the recovery, isolation, analysis, and disposal of non-conforming products, ensuring that all non-compliant products are effectively intercepted internally, preventing them from entering the market and improving overall quality consistency. Furthermore, the Group has established a customer monitoring and after-sales feedback mechanism in accordance with the "Customer Service Management Procedure" to ensure that customer quality issues are addressed, analysed, and incorporated into the improvement process in a timely manner, serving as a basis for continuous improvement in quality performance. All products manufactured by the Group comply with the regulations and mandatory safety standards of relevant countries and regions. In addition to obtaining China's CCC certification, the Group's products have also passed multiple international certifications, including US UL and FCC, EU CE, Japanese PSE, Taiwan BSMI, and South Korean KC. Products undergo safety testing in accordance with standards such as IEC 62368-1, EN 62368-1, UL 62368-1, IEC/EN 60335-1, UL1310, and GB 4943.1. When necessary, reputable third-party testing and verification organisations are commissioned to conduct product safety and compliance testing to ensure product reliability and safe use. The Group's in-house professional laboratory is ISO/IEC 17025 certified and accredited by the China National Accreditation Service for Conformity Assessment (CNAS), making it a national-level testing laboratory capable of independently performing comprehensive quality, safety, and environmental testing, demonstrating the Group's comprehensive and standardised product testing capabilities. Regarding management systems, the Group has established an ISO9001 quality management system and conducts regular internal audits according to the "Internal Audit Management Procedure" to review quality processes, inspection records, risk control, change management, and safety compliance, ensuring effective operation and continuous improvement of the system. Meanwhile, the Management Review Procedure conducts annual management reviews on product safety, risk identification, quality performance, non-conformity improvement, customer complaint analysis, and resource allocation to ensure that quality and safety management continuously meets the latest regulations, standards, and customer needs. Furthermore, the Group has established a "Quality/ Environment/ Occupational Health and Safety Risk and Opportunity Response Control Procedure". In addition to monitoring environmental and occupational safety risks, quarterly risk and opportunity assessments are conducted on product quality, change control, equipment monitoring, business development, market demand, customer satisfaction, non-conforming output risks, and compliance obligations. The Risk and Opportunity Assessment Analysis and Control Table serves as the basis for control, ensuring that risks throughout the entire product lifecycle, from R&D, pilot production, mass production to customer use, are properly managed. Through the integration of quality audits, management reviews, and risk response mechanisms, the Group effectively ensures that product quality, safety, and recycling procedures are systematic, transparent, and traceable, continuously improving product reliability and customer trust.

The Group places great importance on the security and confidentiality of customer data and has obtained ISO 27001 information security management system certification. Furthermore, the Group has established a comprehensive mechanism for information asset classification, sensitivity assessment, risk control, and continuous monitoring in accordance with the "Information Security Risk Management Procedure". Information assets are rated for confidentiality, integrity, and availability to ensure that highly important information is adequately protected. Through risk identification, threat analysis, vulnerability assessment, and the planning and verification of cybersecurity measures, the Group ensures that customer data is not subject to unauthorised access, alteration, or disclosure. In accordance with the "Organisational Knowledge Management Procedure", the Group implements controlled management of customer-related knowledge and technical data, including processes for data collection, classification, authorisation, storage, updating, and disposal, and clearly defines the confidentiality requirements for customer data, proprietary technology, and trade secrets. All customer data processing is limited to predetermined purposes and is stored, backed up, and managed securely to prevent data leakage due to system failures or human negligence. Meanwhile, the Group adheres to the principles of Integrity and Fair Market Communication, ensuring that all product and service information is truthful, accurate, and free from exaggeration or misleading content. It also clearly regulates the professional conduct of its sales personnel to prevent the provision of incorrect or false information to customers. Through these combined systems, the Group comprehensively protects the privacy, security, and confidentiality of customer data from three aspects: systems, technology, and management.

The Group has established a comprehensive customer service system and a clear customer complaint handling mechanism to ensure timely response and follow-up to customer needs. Based on the "Customer Complaint Handling Procedure", the Group has established a traceable complaint management mechanism, systematically standardising the entire process from acceptance, investigation, improvement, verification to case closure, ensuring efficiency, transparency, and continuous improvement capabilities in customer complaint handling. The procedure requires the leading unit to complete internal notification within 2 hours of receiving a complaint; in emergencies, this must be completed within 0.5 hours. All cases must be filed in the QMS⁷ system to ensure traceability. Complaints must be described using the 5W2H⁸ method, and a cross-departmental team will conduct root cause analysis, develop temporary and permanent improvement measures, and respond to the customer with an 8D⁹ report. Improvement results will be included in the customer complaint overview and monthly reports for trend analysis to prevent similar problems from recurring. Improvement plans must be approved by the customer before the case can be closed; those that fail to pass must be resubmitted and implemented. The system also requires updating relevant operating documents to prevent similar problems from recurring. Through this institutionalised process, the Group demonstrates its commitment to customer management, quality improvement, and systemic enhancement. During the Reporting Period, the Group's product recall rate due to safety or health factors was 0% and there were no major customer complaints. The Group views every complaint as an opportunity for improvement and continuously strengthens its quality and service standards.

⁷ QMS refers to the Quality Management System.

⁸ 5W refers to When, Where, What, and Who; 2H refers to How and How Many.

⁹ 8D refers to the Eight Disciplines Problem Solving: D1 — Establish the Team; D2 — Describe the Problem; D3 — Develop Interim Containment Actions; D4 — Determine and Verify Root Causes; D5 — Identify and Verify Permanent Corrective Actions; D6 — Implement and Validate Permanent Corrective Actions; D7 — Prevent Recurrence; D8 — Close the Problem and Recognise the Team.

To ensure prompt, effective and standardised handling of customer returns, the Group has also established and implemented a “Customer Return Handling Procedure”. This procedure provides a structured framework to manage and control the entire return process, including product return execution, receipt and verification of returned goods, internal assessment, and follow-up actions such as re-ordering or replacement where applicable.

Intellectual property management and technological innovation are also among the Group’s key tasks. The Group comprehensively manages its intellectual assets, including R&D technologies, design data, process standards, trade secrets, and patented technologies, in accordance with its “Organisational Knowledge Management Procedures”, ensuring the effective preservation and proper management of intellectual property. Simultaneously, the Group has established a “Patent Incentive System” to encourage employees to actively participate in technological innovation and patent applications, and incorporates patent achievements into employee performance, appointment, and promotion evaluations, comprehensively enhancing R&D momentum. Regarding product development, the Group clearly defines and standardises the design and development process according to its “Product Development Planning Procedures”. From project initiation, design input, scheme formulation, DFMEA, electromagnetic compatibility/ safety/ environmental assessments, EVT/DVT/PVT¹⁰ testing to mass production and change management, all documented processes and approval requirements are established to ensure that product technical data, processes, and key designs are under control, reducing infringement and quality risks. During the reporting year, the Group added 23 non-invention patents and 7 invention patents. As of December 31, 2025, the Group had accumulated a total of 279 non-invention patents and 48 invention patents, demonstrating the Group’s strength in independent research and development and technological innovation. Through the integration of knowledge management, patent incentives, R&D process control and change management, the Group effectively safeguards R&D results and promotes the industrialisation of technology, while maintaining the compliance and effectiveness of intellectual property governance.

The Group strictly complies with laws and regulations related to product health and safety, advertising and labeling standards, remedial measures, privacy and intellectual property protection, including the Copyright Ordinance, the Intellectual Property Ordinance, and the Trade Descriptions Ordinance. In Mainland China, the Group also complies with the Advertising Law of the People’s Republic of China, the Consumer Rights Protection Law, and relevant personal information protection regulations. Through a rigorous compliance management process, the Group ensures that all product and marketing communications are free from misleading, false, or intellectual property infringement content. During the Reporting Period, the Group did not violate any of the aforementioned laws and regulatory requirements, further demonstrating the Group’s commitment to legal and compliant operations.

¹⁰ EVT refers to Engineering Verification Test; DVT refers to Design Verification Test; PVT refers to Pilot-run Verification Test.

6.7 Anti-Corruption

The Group adheres to the highest legal and ethical standards, with integrity, openness, and transparency as our core values. We are committed to preventing and eliminating all forms of corruption and misconduct. We actively promote a culture of integrity and self-discipline, ensuring that all business activities follow principles of Fairness, Impartiality, and Compliance, maintaining the trust of our stakeholders, and promoting the long-term, stable, and sustainable development of the company.

The Group has established a comprehensive internal control system and corporate governance structure to strengthen internal oversight, enhance risk management, and improve anti-fraud capabilities. The Internal Audit Department monitors the fraud risks of audited entities in its daily audit work, supervises relevant projects, and regularly assesses the Group's corruption risks to mitigate potential risks. Furthermore, the Chairman of the Group's ESG Committee is one of the Company's executive directors of the Board, ensuring the accountability and compliance of the governance structure.

Adhering to the principle of integrity in business operations, the group has formulated the "Integrity Management System" to regulate and strengthen the honest business practices of employees and suppliers, improve the company's economic and social benefits, and implement it in accordance with national laws and the company's actual operations. All employees must uphold the principle of integrity, be loyal to their duties, and are strictly prohibited from using their position to seek improper benefits or harm the company's interests. They must also adhere to the "Six Nos and One Commitment" requirements (no bribery, no gifts, no association, no falsification, no cutting corners, no commercial fraud, and keeping promises). Any form of bribery is strictly prohibited. All new employees must sign an "Integrity Commitment Letter" and a "Confidentiality Agreement" and receive training related to integrity and ethical conduct to ensure a full understanding of the company's anti-fraud policies. Simultaneously, the company strictly implements pre-qualification screening for positions, conducting background checks on managers and above, as well as positions involving key assets (such as finance, purchasing, and logistics); drivers must obtain guarantees, and security guards and cashiers must provide certificates of no criminal record. Those who fail the assessment will not be hired. The Group regularly conducts integrity and anti-corruption training and case-based cautionary education and incorporates the results of integrity supervision into performance evaluations, recognizing and rewarding employees who are honest, law-abiding, and dedicated to their duties. During the reporting year, the Group's Strategic Procurement Centre also arranged for procurement professionals to visit Huizhou Prison in Guangdong Province for anti-corruption culture education activities. Through on-site visits and case studies, employees gained a deeper understanding of the legal consequences of corruption and its long-term impact on the company and individuals, thereby strengthening the procurement team's awareness of integrity, risk prevention capabilities, professional ethics, and sense of responsibility. Furthermore, the Group has established effective reporting and complaint channels, including suggestion boxes, complaint hotlines, and email, providing employees with a confidential and secure reporting mechanism. The company will strictly protect the personal data and privacy of whistleblowers. After accepting a report, the company will conduct an investigation according to established procedures and, if necessary, further communicate with the whistleblower to clarify the relevant circumstances. If the report is verified, the company will reward the whistleblower accordingly; the accused will be dealt with according to relevant regulations and investigation results.



Visit to Huizhou Prison in Guangdong Province for Anti-Corruption Culture Education Activities
(前往廣東省惠州監獄開展廉政文化教育參訪活動)

For suppliers, the Group requires all newly introduced suppliers to sign an “Integrity Agreement”, which clearly defines the requirements for honest operation and reporting channels. Annually, the Group also sends “Integrity Reminder Letters” to all suppliers to continuously strengthen supply chain integrity management. The Group also incorporates integrity into the monthly performance evaluation of suppliers; if a supplier is found to have provided false reports, its quality score will be reset to zero, or the incident will be directly classified as a “major quality incident”, and corresponding handling procedures will be initiated.

The Group strictly adheres to all applicable laws and regulations relating to anti-corruption, anti-bribery, anti-extortion, anti-fraud and anti-money-laundering including but not limited to the Prevention of Bribery Ordinance of Hong Kong, the Anti-Corruption and Bribery Law of the People’s Republic of China, and other relevant laws and regulations in the jurisdictions where the Group operates. It has established a comprehensive internal control and compliance management system to effectively prevent and eliminate corruption, bribery, fraud, and other misconduct. The Group continuously promotes its anti-corruption policies, codes of conduct, and related compliance requirements to its employees and business partners, fostering a culture of integrity, self-discipline, and a firm “zero-tolerance” approach to ensure that all business activities are based on integrity and responsibility. During the Reporting Period, the Group did not experience any major non-compliance incidents involving bribery, corruption, extortion, fraud, or money laundering, and no employee or member of the Group was prosecuted or subject to regulatory sanctions for such conduct. Looking ahead, the Group will continue to strengthen its compliance management and internal oversight mechanisms, uphold the principle of honest operation, promote ethical behaviour and a culture of good governance, and strive to become a model for responsible operation and sustainable development in the industry.

6.8 Community Investment

The Group actively fulfills its corporate social responsibility and is committed to promoting sustainable community development. We view community investment as an important part of our corporate value chain and have established long-term partnerships with government agencies at all levels, non-governmental organisations, and local communities. We participate in diverse activities such as public welfare, charity, publicity, arts, sports, and skills competitions, providing necessary resource support to demonstrate the Group's positive corporate citizenship through concrete actions. At the same time, the Group continues to focus on areas such as education, environmental protection, and assistance to vulnerable groups, promoting the equitable distribution of resources, enhancing community well-being and sustainability, and improving community resilience and inclusion.

During the reporting year, the Group continued to invest resources in supporting local education, poverty alleviation, and talent development projects, and actively participated in environmental protection actions, such as the "Green and Beautiful High-tech Zone, Building a Shared Future" (綠美高新•共樹未來) Tree Planting Day event in Huicheng High-tech Zone and the "Let's Plog' for a Better, Low-Carbon Future — Ten Pao Zero Carbon Action to Practice ESG Concepts" (『益』起撿跑『碳』尋美好 — 天寶零碳行動 踐行ESG理念) event. In 2025, the Group invested over RMB1.2 million to support various community development and charitable activities, including charitable medical care, the Huizhou Ganghui Charity Foundation's Spring Festival visits to disadvantaged families in Huicheng District, the "Caring for the Next Generation — Scholarship and Aid" (關愛下一代 • 獎學助學) project, and donations to the charity reserve fund of the Huicheng District Foreign Investment Enterprises Association. The Group also received several awards in the field of social welfare during the reporting year, including the "Annual Caring Enterprise" (年度愛心企業) and "Annual Outstanding President Unit" (年度優秀會長單位) titles awarded by the Huicheng District Foreign Investment Enterprises Association. Meanwhile, Mr. Hung Kwong Yee, founder and chairman of Ten Pao Group, was elected as the permanent honorary president of the Hong Kong Shande Foundation, further demonstrating the Group's continuous investment and positive influence in philanthropy.

Looking ahead, the Group is committed to further expanding its community investment scope, continuing to support more impactful community development and charitable projects, and integrating community engagement into its corporate sustainability strategy to drive synergistic growth in economic and social benefits and continuously create long-term positive value for the community.



Huizhou Foreign Investment Enterprises Association
"Caring for the Next Generation • Scholarships and Aid" Project
 (惠州市外商投資企業協會「關愛下一代 • 獎學助學」項目)



Visiting and extending care to Huicheng District Comprehensive Welfare Home during the 2025 Spring Festival
 (慰問惠城區綜合福利院 2025年春節送關懷活動)



Huicheng High-tech Zone Tree Planting Day Activity: "Greening the High-tech Zone, Building a Shared Future"
 (惠城高新區「綠美高新 • 共樹未來」植樹節活動)



"Let's Plog' for a Better, Low-Carbon Future"
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 (天寶零碳行動踐行ESG理念「益」起撿跑「碳」尋美好)

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Part D: Climate-related disclosures		
(I)	Governance	Section
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.	3.1 Governance Structure 3.1 Governance Structure

Part D: Climate-related disclosures**(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:
- (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; 5.4.1.3 Risk identification
 - (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; 5.4.1.3 Risk identification
 - (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 5.4.1.3 Risk identification
 - (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. 5.4.1.1 Time frame for scenario analysis

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:
- (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 5.4.1.3 Risk identification
No significant risks have been identified. The disclosure is based on the principle of materiality.
 - (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). 5.4.1.4 Resilience to climate change
No significant risks have been identified. The disclosure is based on the principle of materiality.

Part D: Climate-related disclosures**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:
- (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;
 - (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).
- 5.4.1.3 Risk identification
According to the principle of materiality, no significant impact was identified, disclosure is not material to stakeholders.
- 5.4.1.3 Risk identification
According to the principle of materiality, no significant impact was identified, disclosure is not material to stakeholders.

Part D: Climate-related disclosures**Financial position, financial performance and cash flows****Current financial effect**

- 24 An issuer shall disclose qualitative and quantitative information about:
- (a) how climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period; and 5.4.1.7 Financial impact
 - (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. 5.4.1.7 Financial impact

Anticipated financial effect

- 25 The issuer shall provide qualitative and quantitative disclosures about:
- (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
- Due to the uncertainties in external scenario parameters, the granularity of internal data, and the current maturity of models, we believe that a sufficiently robust foundation is not yet available to make specific quantitative forecasts or range estimates of future financial impacts. Therefore, this report does not disclose the projected financial impact of climate-related risks on profit and loss, balance sheet, cash flow, or capital requirements in the medium and long term.

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 or 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:

Part D: Climate-related disclosures

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| <ul style="list-style-type: none"> (a) the issuer's assessment of its climate resilience as at the reporting date, which shall enable an understanding of: <ul style="list-style-type: none"> (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; (b) how and when the climate-related scenario analysis was carried out, including: <ul style="list-style-type: none"> (i) information about the inputs used, including: <ul style="list-style-type: none"> (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. | <ul style="list-style-type: none"> 5.4.1.4 Resilience to climate change 5.4.1.5 Limitations and future improvements 5.4.1.6 Climate opportunities 5.4.1.2 Climate scenarios 5.4.1.2 Climate scenarios 5.4.1.2 Climate scenarios 5.4.1.3 Risk identification |
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Part D: Climate-related disclosures**(III) Risk Management**

27	An issuer shall disclose information about:	
(a)	the processes and related policies it uses to identify, assess, prioritise and monitor climate-related risks, including information about:	3.1 Governance Structure 5.4.1.2 Climate scenarios 5.4.1.3 Risk identification 5.4.2 Risk management
	(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;	No disclosures are provided as no changes were made to the processes used.
(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	5.4.1 Strategy
(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.	5.4.2 Risk management

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Part D: Climate-related disclosures**Climate-related transition risks**

- 30 An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related transition risks.
- At present, the Group has not identified any assets or business activities that are materially vulnerable to climate-related transition risks or climate-related physical risks. Accordingly, the Group has not disclosed the amount or percentage of assets or business activities exposed to such risks for the reporting period. The Group's current climate assessment covers only specified assets and business activities. The Group will continue to enhance its climate risk assessment methodology and may consider expanding the scope of assessment in the future as its data capabilities and analytical coverage evolve.

Climate-related physical risks

- 31 An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related physical risks.
- At present, the Group has not identified any assets or business activities that are materially vulnerable to climate-related transition risks or climate-related physical risks. Accordingly, the Group has not disclosed the amount or percentage of assets or business activities exposed to such risks for the reporting period. The Group's current climate assessment covers only specified assets and business activities. The Group will continue to enhance its climate risk assessment methodology and may consider expanding the scope of assessment in the future as its data capabilities and analytical coverage evolve.

Part D: Climate-related disclosures**Climate-related opportunities**

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| 32 | An issuer shall disclose the amount and percentage of assets or business activities aligned with climate-related opportunities. | Regarding the opportunities, strategies, plans and implementation details, these are currently assessed as commercially sensitive information for the Group. Therefore, we have adopted the commercial sensitivity exemption and will not disclose information related to these opportunities at this time. |
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Capital deployment

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| 33 | An issuer shall disclose the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities. | 5.4.1.7 Financial impact |
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Internal carbon prices

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| 34 | <p>An issuer shall disclose:</p> <ul style="list-style-type: none"> (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; | We have not yet incorporated an internal carbon price into our decision-making process. We will explore using an internal carbon price in the future. |
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Remuneration

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| 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). | We will explore the feasibility of incorporating climate-related metrics into the remuneration considerations for senior management. |
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Industry-based metrics

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| 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. | During the reporting year, the Group reported its climate performance in accordance with the climate-related disclosure requirements of the Hong Kong Stock Exchange, without referring to the Industry Disclosure Guidelines for IFRS S2 or other industry indicators. |
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Part D: Climate-related disclosures**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:
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| (a) the metric used to set the target; | 5.4.3.1 Objectives
5.4.3.2 Indicators |
| (b) the objective of the target (for example, mitigation, adaptation or conformance with science-based initiatives); | 5.4.3.1 Objectives |
| (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); | 5.4.3.1 Objectives |
| (d) the period over which the target applies; | 5.4.3.1 Objectives |
| (e) the base period from which progress is measured; | 5.4.3.1 Objectives |
| (f) milestones or interim targets (if any); | Not applicable |
| (g) if the target is quantitative, whether the target is an absolute target or an intensity target; and | 5.4.3.1 Objectives |
| (h) how the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target. | 5.4.3.1 Objectives |
- 38 An issuer shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target, including:
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| (a) whether the target and the methodology for setting the target has been validated by a third party; | We have set five-year (short-term) and twenty-five-year (long-term) greenhouse gas emissions targets. |
| (b) the issuer's processes for reviewing the target; | |
| (c) the metrics used to monitor progress towards reaching the target; and | As we move forward, we will explore the feasibility of having our targets validated by a third party. |
| (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.
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| | 5.4.3.1 Objectives
5.4.3.2 Indicators |
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Part D: Climate-related disclosures

40	For each greenhouse gas emissions target disclosed in accordance with paragraphs 37 to 39, an issuer shall disclose:	
	(a) which greenhouse gases are covered by the target;	5.4.3.2 Indicators
	(b) whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target;	5.4.3.2 Indicators
	(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;	Our target is a gross greenhouse gas emissions target.
	(d) whether the target was derived using a sectoral decarbonisation approach; and	5.4.3.1 Objectives The company adopts its internal strategic approach to set out the target.
	(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:	The Group currently does not plan to purchase or use carbon credits to offset its greenhouse gas emissions, as it prioritises direct emissions reduction through operational improvement measures. We will explore the feasibility of purchasing carbon credits to offset greenhouse gas emissions generated 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).	

**Part D: Climate-related disclosures****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).
- During the reporting year, the Group reported its climate performance in accordance with the climate-related disclosure requirements of the Hong Kong Stock Exchange, without referring to the Industry Disclosure Guidelines for IFRS S2 or other industry indicators as it has not yet conducted a comprehensive assessment to determine the relevance and applicability of such industry-specific metrics and cross-industry metrics to its business operations.