JUTAL 巨濤海洋石油服務有限公司
Jutal Offshore Oil Sevices Limited

(INCORPORATE IN THE CAYMAN ISLANDS WITH LIMITED LIABILITY)

CODE 03303

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

2025

CONTENTS

About this Report

(I) Scope and Reporting Period

This is the Environmental, Social and Governance (the "ESG") report of Jutal Offshore Oil Services Limited ("the Company", and together with its subsidiaries referred to as "Jutal" or "the Group"), highlighting the Group's management and practical performance in ESG matters, with disclosure references made to the ESG Reporting Code as prescribed in Appendix C2 of the Listing Rules and Guidance set out by The Stock Exchange of Hong Kong Limited (the "HKEX").

The core business operations of the Group are primarily manufacturing and engineering services in the energy and refining industries, mainly focusing on large-scale module construction, offshore engineering, and new energy equipment construction. It should be noted that subsidiaries located in Hong Kong, China and Singapore, as well as any operations beyond the core business, are excluded from the scope of this report.

Unless otherwise stated, the temporal and organizational scope of this ESG report is the overall environmental, social and governance performance of the Group's principal business operations in the People's Republic of China (the "PRC") from 1 January 2025 to 31 December 2025 (the "Reporting Period"). This report covers operating sites including offices located in Shenzhen, Tianjin, Penglai, Dalian, and Zhuhai, as well as construction and service sites located in Tianjin, Penglai, Zhuhai, and Huizhou. These sites are collectively referred to as Shenzhen Jutal, Tianjin Jutal, Penglai Jutal, Dalian Jutal, Zhuhai Jutal and Huizhou Jutal.

Compared with the previous period, namely 1 January 2024 to 31 December 2024 (the "Previous Reporting Period"), there are no significant changes in the scope covered by this report.

(II) Reporting Principles

Materiality

A materiality assessment is conducted to identify material environmental and social issues that have a significant impact on investors and other stakeholders. The involved key stakeholders, procedures, and the results of the materiality assessment are presented in the "Stakeholder Engagement and Materiality" section of this report.

Quantitative

Measurable key performance indicators (KPIs) are established to be applicable for effective comparisons under appropriate conditions; information regarding the standards, methodologies, assumptions, and calculation tools used, as well as the sources of conversion factors, needs to be disclosed where applicable.

Consistency

Consistent statistical methodologies and presentation formats are adopted to display key performance indicators, so as to enable meaningful comparisons of relevant data over time.

Balance

The Group's performance during the Reporting Period is presented in an unbiased and fair manner. If omissions are unavoidable, the reasons for such omissions must be disclosed.

(III) Communication Feedback

The Group welcomes feedback from stakeholders regarding its ESG policies and performance. Please send your suggestions or comments to us via email at **yxy@jutal.com** or by telephone at **+86-755-26694111.**

ESG Governance

(I) ESG Governance Structure of The Board of Directors

The Board of Directors ("the Board") of the Company is fully responsible for the ESG strategy and reporting of the Group. The Group ' s considerations for environmental, social and governance aspects in its daily operations reflect the Group's commitment to environmental protection, employee care, and meeting community needs. As a responsible corporate citizen, the Group prioritizes the recruitment of local labor, providing employment opportunities for local workers and supporting the development of local communities.

The Group has incorporated environmental and social issues into its corporate governance structure and established an ESG Working Group to monitor and promote ESG strategies. The ESG Working Group plays a vital role in supervising the Group's ESG performance and reporting. Comprising responsible executive directors and relevant management personnel, the ESG Working Group ensures the establishment of an appropriate and effective risk management and internal control system to address material ESG-related risks.

The Board

- Receive reports submitted by the ESG Working Group on risk management and internal control systems.
- Decisions regarding sustainability issues, strategies, and plans are made based on these reports.
- Coordinate all parties to ensure that relevant policies and measures are effectively implemented by all departments and employees of the Group.

ESG Working Group

- Provide a communication platform for exchanging information on environmental, health, and safety issues between employees and the Board.
- Assist in improving the risk management system in ESG aspects.
- Address potential risks currently faced by employees and regularly review relevant performance.
- Report findings and recommendations to the Board.

When severe ESG issues are identified, the ESG Working Group can report directly to the Board for discussion, which helps the ESG Working Group ensure that the Group's ESG activities are aligned with overall business objectives. The ESG Working Group has delineated the responsibilities of various departments as follows:

Department	Scope of Management Issues
Health, Safety and Environmental Department	Emissions control, use of resources, environmental management, and addressing climate change
Health, Safety and Environmental Department, Human Resources and Corporate Management Department	Employee health and safety
Human Resources and Corporate Management Department	Employment, development and training, and labour standards
Procurement Department	Supply chain management
Production Department, Quality Control Department	Product responsibility
Human Resources and Corporate Management Department and Internal Audit Team	Anti-corruption
Care Committee, Human Resources and Corporate Management Department	Employee health and safety, community investment

Furthermore, the Board also authorizes the Safety Production Committee at each principal operating site of the Group to be responsible for implementing environmental protection, responsible production, and ensuring health and safety. The Safety Production Committee is chaired by the General Manager of each subsidiary, with members including Deputy General Managers, Department Managers, the Chairman of the Labor Union, and employee representatives for occupational health and safety.

With the assistance of a third-party consultant, the Board identifies and prioritizes the Group's material ESG issues for ESG reporting. The survey collects insights from internal and external stakeholders, and the results of the survey are used to conduct a materiality assessment, evaluating the significance of each identified ESG issue to the Group. By consulting the views of stakeholders, the Board ensures that the ESG report focuses on disclosing the most relevant and material ESG issues. This process clearly reflects the Board's transparency, accountability, and effective ESG management.

(II) Three Pillars of Sustainable Development

The Group attaches great importance to addressing environmental impacts and the potential risks associated with the transition to a low-carbon economy. To ensure sustainable operations and long-term business growth, the Group has established ESG-related goals and targets, including reducing emissions and conserving energy, which are crucial for minimizing the Group's carbon footprint.

The Group monitors the progress of achieving its ESG-related targets through various means, such as meetings, inspections, and regular monitoring of production facilities. The ESG Working Group reviews environmental targets annually and evaluates the Group's overall ESG performance, ensuring through comprehensive supervision and management that the Group continues to advance on the track of sustainable development.

In addition to improving environmental performance, the Group focuses on providing high-quality products and services, safeguarding the occupational health and safety of employees, and closely monitoring supply chain risks to ensure responsible business operations. By prioritizing ESG-related issue areas, the Group conducts its business in an environmentally and socially responsible manner.

The Group has established three pillars to guide its sustainable development efforts:

Employee Management and Well-being	Environment and Natural Resources	Business Operations and Product Responsibility
Health and safety	Addressing climate change	Stakeholder Engagement
Employee rights and protection	Water resource management	Business Ethics and Compliance
Employment system	Greenhouse gas emissions and management	Product Quality and Responsibility
/	Waste management	/

The Group use the three pillars of employee management and well-being, environment and natural resources, and business operations and product responsibility as a framework. Through this framework, the Group analyzes and discusses how to manage risks, seize opportunities, set targets, and allocate resources, fully responding to the concerns of stakeholders and ensuring that the Group remains continuously on the path to sustainable development.

(III) ESG Risk Management

The Group has formulated the *Risk and Opportunity Management Procedures* and established an Environmental Management Risk Assessment Group, which is responsible for identifying and evaluating current and potential ESG risks and opportunities. Various business units and departments identify and monitor the Group's current and potential risks and opportunities according to their respective responsibilities and authorities. During the Reporting Period, the Group identified seven ESG risks from the three pillars of sustainable development: Environment and natural resources, Employee management and well-being, and Business operations and product responsibility. The details are as follows:

Sustainable Development Pillars	Risk Category	Risk Description	Response
Environment and natural resources	Air and greenhouse gas emissions	Due to the tightening of national and regional environmental protection policies, the Group needs to invest more resources to cope with stricter regulations, which may lead to an increase in operating costs.	- Increase the use of renewable energy; - Formulate low-carbon policies/measures; - Formulate emission reduction targets and action plans.
	Hazardous waste	The disposal process of hazardous waste must comply with safe storage standards. If a leakage accident occurs, it will increase the risk of non-compliance and affect reputation.	- Identify and formulate a hazardous waste management inventory; - Properly store relevant hazardous waste; - Engage qualified contractors to collect and dispose of hazardous waste; - Provide training and emergency drills for employees; - Formulate emergency response plans for hazardous waste leakage accidents.
	Impact on the surrounding environment	If the Group fails to identify and effectively control relevant environmental factors, it may increase the risk of non-compliance, including litigation, fines, and orders to suspend project operations, further affecting the Group's reputation.	- Regularly monitor the impact of corporate operations on the surrounding environment and communities; - Carry out greening activities; - Maintain communication with stakeholders in neighboring communities.
	Climate change	Increasingly frequent extreme weather events affect the operation of production equipment and worker safety, putting pressure on corporate operations.	- Incorporate climate change into the corporate risk framework; - Formulate relevant policies to regulate business conduct; - Enhance the Group's resilience to climate change.
Employee management and well-being	Health and safety	Due to the particularity of the oil and gas industry, some inherent safety risks, such as major safety accidents resulting in severe injuries or deaths of employees, will seriously affect the Group, including damaging the Group's reputation, and may also lead to litigation and fines.	- Regularly update safety equipment for employees; - Strengthen on-site risk management and safety supervision; - Formulate special work arrangements for severe or extremely hot weather conditions; - Strengthen health and safety training.
Business operations and product responsibility	External situation and compliance	Changes in the international political and economic situation may lead to business stagnation, cash flow constraints, and an inability to maintain normal system operations; Updates to laws and regulations, coupled with untimely identification of compliance clauses by the Company, may result in non-compliant operations and the risk of administrative penalties.	- Closely monitor changes in the external situation, assess their impact, track industry market opportunities, and adjust operational and market strategies in a timely manner; - Designate responsible personnel to track policy and compliance requirements, and regularly update the compliance obligations list; - Conduct compliance training, establish a compliance review mechanism, and perform compliance audits on all external collaborations and material procurement.
	Business ethics	Acts such as bribery, corruption, collusion, fraud, kickbacks, and embezzlement not only damage the Group's own interests, but also constitute serious commercial crimes, bringing significant legal risks to the Group's operations, including prosecution, fines, or imprisonment of relevant personnel. Furthermore, even if the Group is only suspected of violating relevant laws and regulations, its reputation will be severely damaged.	- Formulate mechanisms and procedures to ensure business ethics; - Regularly evaluate business ethics risks and impacts; - Provide regular training for the Board and employees; - Designate anti-corruption as one of the Group's key performance indicators (KPIs); - Regularly review complaint mechanisms and compliance investigation/reporting procedures.

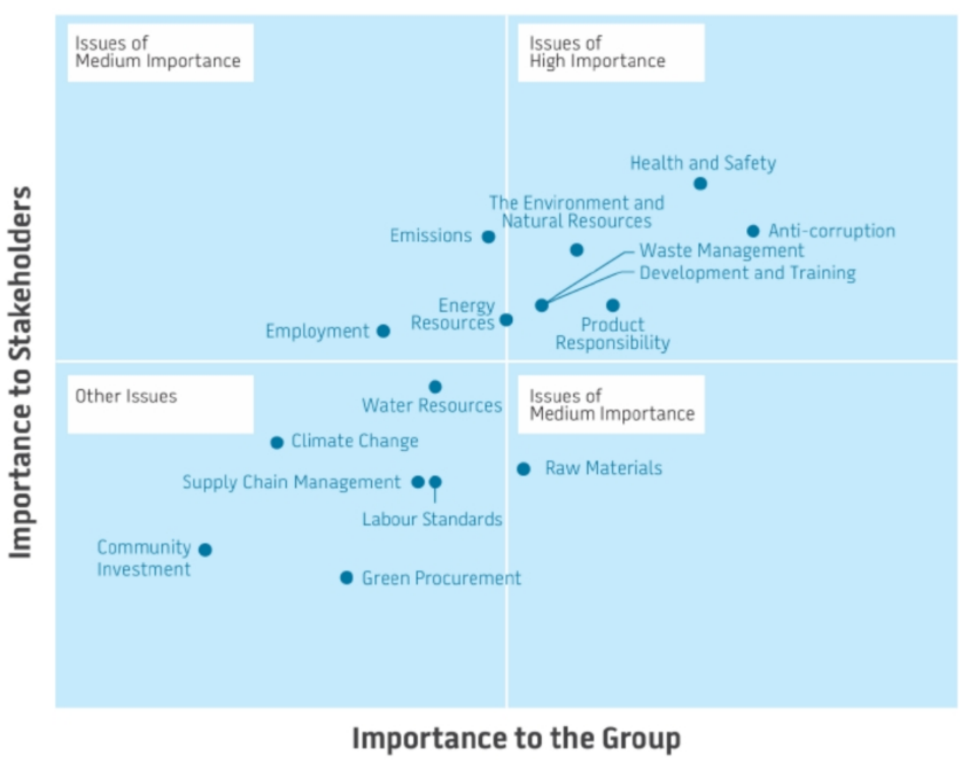
Members of the relevant working group will analyze and evaluate these risks in accordance with the Risk and Opportunity Management Procedures to reduce the uncertainties and impacts of sustainable development risks on business operations, ensure smooth daily business operations, provide response plans to the management, and rectify problems at an early stage to avoid losses in property, liability, and personal safety, thereby improving the Group's service quality.

In the future, the Group will identify more climate change risks that have a significant impact on its business, evaluate climate-related risks and opportunities under different climate scenarios, and actively respond to and manage such risks in its operational activities, in order to enhance the Group's adaptability and resilience to climate change.

（IV）Stakeholder Engagement and Materiality

To identify material ESG issues, the Group actively engaged with internal and external parties (i.e., the Board, senior management, shareholders, frontline employees, suppliers, and customers) during the Reporting Period to gain an in-depth understanding of material ESG issues and the challenges faced by the Group's operations. In the materiality assessment, stakeholders were required to score an updated list of 16 issues during the Reporting Period, evaluating the relevance and importance of these issues to the Group's business development, sustainable development, and the wider community.

▼ Materiality Matrix



All the above issues are strictly managed through the Group's policies and systems and are elaborated in detail in this report. The Group will continue to maintain close communication with stakeholders to understand their expectations and views on the Group's ESG policies, and actively and proactively respond to the concerns of all stakeholders.

（V）Stakeholder Communication

The Group consults with key stakeholders, such as shareholders, employees, suppliers, and customers, to understand their needs and concerns. In addition to the annual stakeholder survey, the Group also communicates with stakeholders through various communication channels, such as written memoranda, regular meetings, and interviews.

Key Stakeholder Groups	Communication Channels
The Board, Management and Employees	Board meetings Performance reviews and appraisals Regular meetings and management communication (e.g., emails and telephone calls)
Shareholders	General Meetings Corporate communications Company website Announcements
Customers	Company website Emails and telephone calls
Government	On-site inspections Preparation and submission of work reports Financial reports
Suppliers and Contractors	Procurement processes Annual reviews and assessment
Communities	Participation in community activities

A. Environmental Protection

As a responsible enterprise, the Group plays an important role in environmental protection. The Group has obtained the ISO 14001 Environmental Management System certification and formulated various institutional policies, including environmental protection management procedures, waste management systems, and construction site environmental management systems, to mitigate potential environmental impacts. The Group has formulated a comprehensive Occupational Health, Safety and Environment (HSE) policy, which serves as the foundation of the Group's operations, reflecting the Group's commitment to implementing responsible operating practices. The Group regularly reviews the HSE policy and updates it in due course.

The Group strictly complies with all national and local laws and regulations relating to environmental protection and pollution control, including but not limited to the following laws and regulations:

- *Environmental Protection Law of the PRC*
- *Law of the PRC on the Prevention and Control of Atmospheric Pollution*
- *Water Pollution Prevention and Control Law of the PRC*
- *Emission Standards for Odor Pollutants of the PRC*
- *Law of the PRC on the Prevention and Control of Environmental Pollution by Solid Wastes*
- *Specifications for Continuous Emissions Monitoring of SO2, NOx, and Particulate Matter in the Flue Gas Emitted from Stationary Sources of the PRC*
- *Emission Standard for Industrial Enterprises Noise at Boundary (GB 12348—2008)*
- *Energy Conservation Regulations of Guangdong Province*
- *Integrated Emission Standard of Regional Air Pollutants of Shandong Province (2019)*
- *Volatile Organic Compounds Emission Standard of Shandong Province Part 5: Surface Coating Industry*
- *Integrated Emission Standard of Regional Air Pollutants of Shandong Province*
- *Wastewater Quality Standards for Discharge to Municipal Sewers*

During the reporting period, the Group did not experience any violations of relevant laws and regulations related to air and greenhouse gas emissions, discharges to water and land, or the disposal of hazardous and non-hazardous waste, nor were there any incidents that had a material adverse impact on the Group.

Emission Reduction Measures

By implementing the ISO 14001 Environmental Management System in its operations, the Group can effectively manage risks related to climate change, energy, and carbon management in its daily operations. The Group strives to reduce emissions and mitigate the environmental impact of its operations. To ensure effective emission control, the Group implements several key policies and measures. These include the formulation of the *Environmental Operation Control Procedure* to ensure the normal operation and continuous improvement of the environmental management system; and the formulation of the *Regulations on the Safety Management of Waste* and *Waste Collection, Identifying, Storage and Handling Procedure* to provide clear guidelines for the management of emissions and waste.

The Group has established the HSE Target Index at Penglai Jutal, as shown in the table below:

Emission Category	HSE Target	2025 Performance	2024 Performance
Hazardous Waste	Categorized collection of hazardous waste, disposed of by qualified units. Recovery and disposal rate is 100%.	✓	✓
Wastewater Discharge	Concentration of Suspended Solids (SS) ≤ 400 mg/L	✓	✓
	Concentration of Five-day Biochemical Oxygen Demand (BOD5) ≤ 300 mg/L	✓	✓
	Concentration of Chemical Oxygen Demand (COD) ≤ 500 mg/L	✓	✓
	Concentration of Ammonia Nitrogen (NH3-N) ≤ 45 mg/L	✓	✓
Gas & Dust Emission	● Benzene: emission concentration ≤ 0.5 mg/m³, emission rate ≤ 0.3 kg/h;	✓	✓
	● Toluene: emission concentration ≤ 5 mg/m³, emission rate ≤ 0.6 kg/h;	✓	✓
	● Xylene: emission concentration ≤ 15 mg/m³, emission rate ≤ 0.8 kg/h;	✓	✓
	● VOCs: emission concentration ≤ 70 mg/m³, emission rate ≤ 2.4 kg/h;	✓	✓
	● Particulate matter: emission concentration ≤ 10 mg/m³	✓	✓
Noise Emission	Compliance with noise emission standards. Factory noise does not exceed 60 decibels during the day and 50 decibels at night.	✓	✓

The Group actively implements various pollution control measures, including regular monitoring activities and proper maintenance of production facilities, to reduce emissions generated from the Group's operations.

In the future, the Group will continue to monitor the progress of emission reduction targets, introduce the latest equipment and emission reduction technologies for application in production operations, pay attention to the development of the latest clean and energy-saving technologies in the construction services sector, and apply the latest clean and energy-saving technologies to the Company's operational activities.

(I) Emissions Control

1.1 Air Emissions

In accordance with the *Environmental Operation Control Procedure, Environmental Pollution Emergency Response Plan,* the *Comprehensive Treatment Plan for Volatile Organic Compounds* and other relevant management measures, the Group has established environmental treatment systems at various sites, including the installation of various equipment such as settling dust collectors, paint mist filters, explosion-proof centrifugal fans, paint solvent adsorption and catalytic devices, and activated carbon devices.

To ensure the continuous and effective operation of these systems, the Group conducts monthly maintenance and upkeep, including the regular replacement of filter cotton and activated carbon. In addition, the Group engages testing companies to conduct air pollution monitoring and installs online monitoring systems to analyze air emissions in real-time, ensuring that the Group's air emissions comply with the Group's own standards and the requirements of relevant local laws and regulations.

The Group's operations generate a variety of major air pollutants, namely nitrogen oxides, sulphur oxides, respirable suspended particulates, and volatile organic compounds (VOCs). These pollutants mainly originate from the operation of production equipment, kitchen equipment, and fossil fuel vehicles, as well as sandblasting and painting activities.

The table below presents the details of air emissions data during the Reporting Period.

Air Emissions	
Emission Type	**2025**
Nitrogen oxides (kg)	3,205.83
Sulphur oxides (kg)	3,621.24
Respirable suspended particulates (kg)	5,341.12
Volatile organic compounds (VOCs) (kg)	202.60

1.2 Waste Management

During the Reporting Period, hazardous waste only included the hazardous waste generated by Penglai Jutal, Tianjin Jutal, Zhuhai Jutal, and Huizhou Jutal. During the Reporting Period, the total amounts and intensities of hazardous and non-hazardous waste generated and disposed of by the Group are as follows:

Waste Type	2025
Total hazardous waste produced (tonnes)	153.28
Hazardous waste intensity (tonnes/RMB million revenue)	0.19
Total non-hazardous waste produced (tonnes)	490.49
Non-hazardous waste intensity[Note1] (tonnes/RMB million revenue)	0.61

Note1: Due to a decline in the Group's annual revenue during the reporting period, the intensity metrics increased compared with previous years.

The Group has taken active measures to minimize the generation and disposal of waste at all operating sites and projects. To achieve this goal, the Group implements various waste management and reduction measures and has formulated comprehensive procedures and guidelines, such as the *Waste Collection, Identification, Storage and Treatment Procedures,* the *Wastewater Quality Standards for Discharge to Municipal Sewers,* the *Hazardous Waste Treatment and Disposal Service Contract,* and the *Hazardous Waste Management Plan*, to standardize the recycling, storage, and disposal of hazardous and non-hazardous waste.

The Group is committed to practicing the concepts of saving, recycling, and reusing resources at all operating sites, and actively encourages employees to reduce resource consumption. At each operating site, waste is classified and controlled according to its type, physical properties, hazardous characteristics, and other relevant factors. Hazardous waste is collected and disposed of by qualified hazardous waste contractors in accordance with prescribed procedures.

Furthermore, the Group emphasizes the adoption of advanced technologies, the utilization of clean energy, and the improvement of pollution prevention and control measures to reduce the generation of hazardous waste. These measures are elaborated in detail in the *Hazardous Waste Management Plan*, which serves as a guiding principle for employees.

Measures for Reducing Hazardous Waste Generation and Mitigating Associated Risks	
Adoption of Advanced Technologies and Equipment	Utilize advanced technologies and equipment to reduce paint consumption, improve utilization efficiency, and minimize waste.
Use of Cleaner Energy and Raw Materials	Procure high-performance paints to reduce overall paint usage and minimize the generation of hazardous waste.
Management Improvement	Implement a hierarchical responsibility and categorized control management system for processes generating hazardous waste, aiming to minimize waste generation.
Enhancement of Pollution Prevention and Control	Apply treatment methods such as activated carbon adsorption combined with catalytic combustion for organic exhaust gases. Establish a comprehensive management system for the collection, storage, and transportation of hazardous waste. Hazardous waste is classified, centrally stored at designated sites, and regularly transferred to qualified disposal contractors for proper treatment.

The non-hazardous waste generated by the Group is classified by category and collected by approved recycling companies. All waste is strictly disposed of in accordance with legal requirements.

The Group continuously implements waste reduction measures at the source. For example, the Group has established a paperless office system, saving paper usage by promoting digital applications; encourages double-sided printing, promotes the use of electronic documents, and tracks paper consumption to drive a paperless office; and sets up waste recycling bins in the office to encourage waste paper recycling. The Group pays attention to the updates and revisions of national environmental protection laws, regulations, and standards, and timely revises the Group's relevant management policies.

1.3 Wastewater Management

To effectively manage wastewater discharge and ensure compliance with discharge standards, the Group has implemented various measures at its operating sites and offices.

The Group has installed drainage ditches and sedimentation tanks equipped with steel meshes at all operating sites to prevent sludge, sewage, and other harmful solids from being discharged into general drainage ditches and the municipal sewage pipeline network, ensuring the quality of wastewater before discharge.

In addition, the Group has taken measures to ensure that domestic sewage from employee dormitories and operating sites meets water quality standards. To achieve this goal, toilets, kitchens, and canteens are equipped with septic tanks and ditches. This infrastructure enables domestic sewage to be properly treated before being discharged into the municipal sewers and subsequently entering the sewage treatment plant for further processing.

To ensure that the Group's wastewater treatment continuously complies with discharge standards, the Group has engaged environmental monitoring agencies to conduct regular assessments. Production wastewater and domestic sewage are monitored annually, aiming to keep the Group informed of the effectiveness of its wastewater management practices, identify deficiencies, and make improvements.

(II) Resource Utilization

The Group continuously optimizes the utilization efficiency of energy, water, and other resources to reduce resource consumption in business operations and minimize waste. To this end, the Group has formulated and implemented various measures and systems, such as the *Energy Conservation and Consumption Reduction Management System* and the *Water Conservation Management Procedure*.

2.1 Energy Consumption Management

The Group's energy consumption mainly derives from electricity facilities in offices and construction sites, production machinery and vehicles for production, as well as natural gas and liquefied petroleum gas (LPG) consumed for cooking. During the Reporting Period, the energy consumption at the Group's operating sites is shown in the table below:

Energy Type[Note1]	
Direct Energy	**2025(MWh)**
Gasoline	1,667.69
Diesel	4,209.18
Liquefied petroleum gas (LPG)	0.26
Natural gas	109.08
Acetylene	79.57
Propane	452.72
Propene	1,782.62
Indirect Energy	**2025(MWh)**
Purchased electricity	17,311.62
Total energy consumption	23,830.11
Total energy intensity[Note2] (MWh/RMB million revenue)	29.79

Note[1]: Energy calculations are based on the 2006 IPCC Guidelines for National Greenhouse Gas Inventories.
Note[2]: Due to a decline in the Group's annual revenue during the reporting period, the intensity metrics increased compared with previous years.

The Group implements the *Energy Conservation and Consumption Reduction Management System* in accordance with national energy-saving standards. The system aims to reduce energy consumption and promote energy-saving activities within the Company. It tracks product production and energy use, establishes energy consumption indicators, and reduces the unit energy consumption of the Company's products. In addition, the Group implements energy management, monitoring resource consumption and minimizing energy waste during the production process. During the Reporting Period, Penglai Jutal specified the targets of "water consumption per unit of output not exceeding 3 cubic meters/tonne, and actual electricity consumption not exceeding 1% of the rated electricity consumption."

The Group has announced and strictly implemented the *Office Behavior* Standards internally to promote energy-saving awareness and encourage employees to conserve resources. Energy-saving and emission reduction measures have been formulated for construction site facilities, such as replacing central air conditioning in canteens, implementing control measures to reduce the idling of large equipment, and lowering the outlet water temperature of central air conditioning. The Group also regularly organizes training courses to educate employees on energy-saving practices and posts "Turn off the lights when leaving" signs throughout office areas.

2.2 Water Resource Management

Although the Group's business operations do not involve significant water consumption or generate large amounts of wastewater due to water usage, the Group still makes every effort to save water in its daily operations. Water consumption mainly derives from domestic use, and fresh water is sourced from the municipal water supply system. During the Reporting Period, there were no issues in water procurement.

Water Consumption	2025
Total water consumption (m^3)	177,655.00
Water consumption intensity (m^3/employee)	59.50
Water consumption intensity[Note1] (m^3/RMB million revenue)	222.09

Note[1]: Due to a decline in the Group's annual revenue during the reporting period, the intensity metrics increased compared with previous years.

To promote water conservation, the Group has taken several measures, including the installation of smart water meters to replace traditional water meters, thereby enabling better monitoring and digital management of water usage in different areas. Restroom facilities are adjusted based on personnel distribution, and timers are set to regulate intermittent water supply. Water-saving signs are posted in prominent locations within the premises, and staff conduct regular inspections to identify and address any water wastage.

2.3 Use of Packaging Materials

During the Reporting Period, the Group used a total of 2.06 tonnes of packaging materials, mainly for daily office operations and construction project packaging. These were primarily wood pulp paper packaging materials, while other materials included stretch film, plastic wrap, cardboard boxes, bubble wrap, adhesive tape, plastic film & plastic cloth, and folded film (double-layer plastic cloth).

The Group is committed to enhancing environmental awareness and promoting sustainable development by purchasing environmentally certified paper and packaging materials. Meanwhile, the Group requires all departments to implement annual budgets and quota management, strengthening internal controls to improve the efficiency of material use.

2.4 Office Supplies

Penglai Jutal has formulated the Regulations on the *Office Supplies Management Regulations*, setting office supply consumption targets to regulate consumption levels, with the goal of maintaining monthly per capita consumption of office supplies below RMB 8. During the Reporting Period, Penglai Jutal's monthly per capita consumption of office supplies was RMB 2.54, and the target indicator has been successfully achieved.

(III) Environment and Natural Resources

The Group strives to minimize the impact of its business operations on the environment and protect natural resources. To achieve this goal, the Group has established and improved a corporate environmental management system to standardize environmental protection work for employees and management. In addition to complying with environmental laws and regulations, the Group promotes clean production and a circular economy to reduce pollutants at the source. The environmental protection measures are as follows:

- Establish and improve environmental protection policies and systems, and implement the Group’s environmental protection plans;
- Regularly inspect environmental protection facilities and maintain necessary records;
- Monitor the Group’s emissions of wastewater, exhaust gas, and solid waste to ensure compliance with standards;
- Provide reports on pollutant emissions, operation of pollution prevention and control facilities, and pollution reduction to relevant departments as required; assist in promoting clean production, energy conservation, water saving, and pollution prevention and control;
- Participate in the formulation of emergency response plans for environmental incidents, notify environmental protection departments of any pollution incidents in real-time, and actively participate in the handling process;
- Organize environmental protection training for employees to enhance their environmental knowledge.

The Group’s major operating sites regularly update the *Health, Safety and Environment Target Index Control Scheme* and implement various plans to prevent, control, reduce, and eliminate the potential impacts and risks of harmful factors such as wastewater, emissions, waste, and noise generated during daily operations and construction activities, minimizing the impact on the environment.

The Safety Production Committee at the Group’s major operating sites is responsible for environmental protection management and technical supervision, cooperating with the General Manager to formulate long-term environmental protection plans, conducting internal environmental monitoring, reducing pollutant emissions, improving the environmental quality of the operating areas and natural resources, and promoting sustainable development. During the Reporting Period, the Group received no complaints from neighboring communities regarding environmental pollution incidents such as air pollution, odors, or noise.

Looking ahead, the Group will continue to strengthen efforts to create a healthy working environment for employees and further reduce the environmental impact of operations.

(IV) Climate Change

4.1 Greenhouse Gas Emissions

During the Reporting Period, the Group's business activities emitted 11,584.98 tonnes of carbon dioxide equivalent (tCO_2e), mainly comprising carbon dioxide, methane, and nitrous oxide. The Group operates on a project basis, and project activities are highly reliant on diesel and electricity consumption.

During the reporting period, the overall greenhouse gas emissions intensity of Company was 3.88 tCO_2e per employee (calculated based on the total number of employees at the end of the reporting period) and 14.48 tCO_2e per RMB million revenue (calculated based on revenue generated during the reporting period). Reported GHG emissions include the following activities and scopes:

Direct (Scope 1) GHG Emissions: Energy consumption from stationary sources, including diesel, gasoline, natural gas, acetylene, and propane used by equipment, as well as energy consumption from mobile sources, including diesel and gasoline used by the Group-owned vehicles.;

Energy Indirect (Scope 2) GHG Emissions: Purchased electricity;

Other Indirect (Scope 3) GHG Emissions: Business air travel and waste paper disposal.

GHG Emission Scopes[Note1]	Source of Emissions		2025(tCO_2e)
Scope 1 Direct Emissions	Stationary source fuel combustion	Diesel Natural gas Liquefied petroleum gas (LPG) Acetylene and Propane Olefins (Propylene)	762.40
	Mobile source fuel combustion	Diesel Gasoline	1,411.82
Total Scope 1 Direct Emissions			2,174.22
Scope 2 Energy Indirect Emissions	Purchased electricity		9,185.54
Scope 3 Other Indirect Emissions	Business air travel		173.72
	Disposal of waste paper		51.49
Total GHG Emissions			11,584.98
Intensity (tCO_2e/workforce)			3.88
Intensity[Note2] (tCO_2e/RMB million revenue)			14.48

Note[1]: Unless otherwise stated, the emission factors are compiled with reference to Appendix C2 of the Listing Rules of The Stock Exchange of Hong Kong Limited and its designated documents.

Note[2]: Due to a decline in the Group's annual revenue during the reporting period, the intensity metrics increased compared with previous years.

4.2 Carbon Emission Reduction

The Group continuously improves and develops more targeted energy-saving systems to reduce greenhouse gas emissions. By regularly assessing, recording, and analyzing the greenhouse gas emissions and other environmental data of each unit, the Group reviews the effectiveness of existing measures and improves relevant greenhouse gas emission policies. The following energy-saving measures have been taken to further reduce and monitor greenhouse gas emissions in daily operations:

- Formulate electricity-saving rules in offices and construction sites;
- Prioritize energy-saving products when purchasing electrical equipment;
- Prioritize the use of energy-saving lamps for lighting and maximize the use of natural light during the day;
- Conduct regular electricity-saving inspections and analyze electricity consumption status;
- Regularly organize energy-saving and emission reduction training for employees to enhance their environmental awareness;
- Replace the Company's old gasoline vehicles with electric vehicles to reduce emissions.

4.3 Significant Climate-related Risks

Sustainable development risk management serves as a crucial component of enterprise risk management. In addition to establishing the *Risk and Opportunity Management Procedures*, the Group has formulated the *Climate Change Policy*, which clarifies four guiding principles: "Mitigation", "Adaptation", "Resilience", and "Disclosure". This policy strengthens the identification of climate change-related risks and opportunities, builds capacity to resist climate change, reduces business-related financial and non-financial impacts, and discloses sustainability risk management measures to meet the requirements of various regulatory bodies.

To further refine strategic planning, the Group has implemented the *Risk and Opportunity Identification and Assessment Management System*, requiring the Quality Inspection Department and the Health, Safety and Environmental (HSE) Department to identify and evaluate risks and opportunities related to quality, environment, operations, market, finance, and occupational health and safety management within their respective workflows. In terms of implementation, the Group's sites have formulated the *Adverse Weather Safety Management Procedure* together with *Emergency Plan for Typhoon Prevention* and *Heavy Pollution Weather Emergency Response Plan* to strengthen safety supervision and management during severe weather, prevent and reduce safety accidents and incidents, protect the health of employees and the safety of the Company's property, and promote the Company's development.

Looking ahead, the Group plans to integrate climate change considerations into the overall corporate risk framework to identify and manage the impact of climate change on business operations, review policies and measures that regulate operator behavior, enhance the resilience of existing operational facilities to climate change, and incorporate climate change defense into future facility planning. Through these proactive initiatives, the Group hopes to effectively respond to climate change risks and opportunities, ensuring long-term business sustainability and resilience.

In this context, the Group has assessed climate-related risks and their impacts on business operations with reference to the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), categorizing risks into two major types: physical risks and transition risks. To measure their significance and potential impact on the Group's business operations, the Group determines the risk levels of climate risks by assessing the likelihood and severity of their occurrence.

Climate Risk Type		Time Horizon	Impact on Business	Risk Level
Physical Risks	Acute Risk	Short-term	Increased frequency and severity of extreme weather events may affect daily operations, potentially leading to equipment damage, reduced revenue, and increased maintenance costs.	Moderate
	Chronic Risk	Long-term	Rising temperatures increase energy consumption and equipment maintenance costs.	Moderate
Transition Risks	Policy and Legal Risk	Long-term	Increased pricing of carbon credits used to offset greenhouse gas emissions, leading to higher operating costs.	Moderate
	Technology Risk	Long-term	Replacement of existing equipment and services increases operating costs; shifts in customer and market preferences reduce demand for services.	Moderate
	Market Risk	Long-term	The shift from oil and gas to clean energy leads to a decline in demand for oilfield services.	Moderate
	Reputation Risk	Long-term	Reduced demand for services leads to a decline in revenue.	Moderate

Overall, the Group is relatively more susceptible to transition risks, particularly in terms of market risk and technology risk. Transition risks refer to the related risks arising from the transition to a low-carbon economy. To address the risks and opportunities brought by climate change, the Group has made a strategic decision to integrate climate change into the overall corporate risk framework.

4.4 Significant Climate-related Opportunities

By recognizing the potential impact of climate change on business operations, the Group proactively identifies and manages risks while seizing opportunities in an evolving market environment. These include development of new energy products, such as wind power equipment.

By meeting the growing demand for renewable energy solutions, the Group can not only mitigate the risks brought by climate change but also benefit from the market expansion brought by sustainability, participating in the creation of a greener future and making long-term business development more resilient.

B. Social

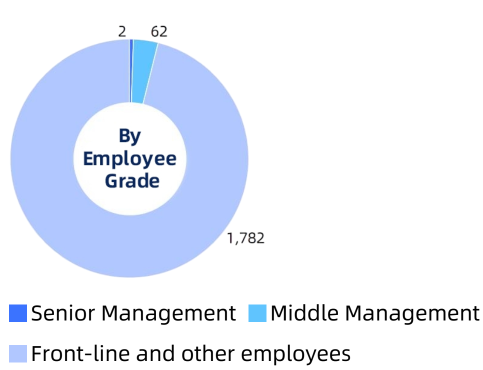
(I) Employment and Labor Practices

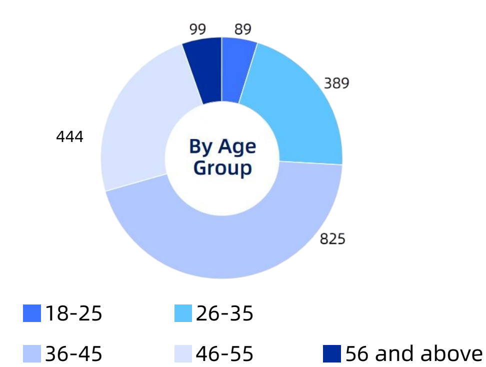
Jutal is well aware of the growing importance of social-related issues to stakeholders. Prioritizing employee well-being, the Group attaches great importance to the health and safety of its employees, hoping to attract and retain talent to accumulate strength for the Group's development. The Group strictly abides by business ethics and is committed to creating a working environment that safeguards employees' rights and interests. To achieve this goal, Jutal has formulated and implemented comprehensive safety management and employment systems to build harmonious labor relations within the organization. By providing a favorable working environment for employees, Jutal motivates them to continue creating win-win value for the Group, the environment, and the entire community.

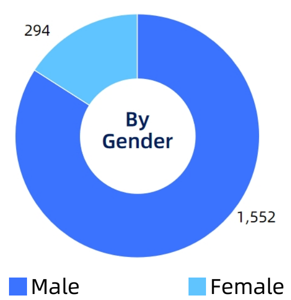
1.1 Equal Employment

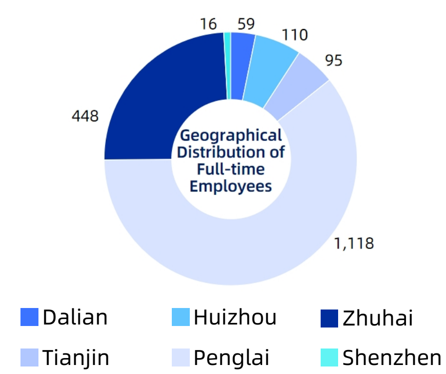
The Group strictly complies with the *Labor Law of the PRC*, the *Labor Contract Law of the PRC*, and the requirements of other applicable laws, regulations, and international conventions in the locations where it operates, abiding by all national and local laws and regulations relating to employment and labor. It complies with the *Law of the PRC on the Protection of Women's Rights and Interests* and the *Special Rules on the Labor Protection of Female Employees* to protect the legitimate rights and interests of female employees, safeguard their physical and mental health, and is committed to creating a fair and transparent workplace, providing competitive remuneration and fair human resource guarantees.

As of December 31, 2025, the operating sites within the Group's reporting scope employed 1,846 employees and 1,140 outsourced personnel (from China), with a total workforce of 2,986 people. During the Reporting Period, the Group reviewed and improved its existing policies and measures, complying with laws and regulations relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.









Employment contracts clearly specify the details of employment, such as position, start date, labor remuneration, compensation and dismissal policies, probation period, leave entitlements, social insurance and benefits, and other employment terms and conditions mandated by relevant laws and regulations. The Group's policies, standards, and expectations for employees are all detailed and communicated through relevant policy documents in the *Code of Conduct for Employees and the Employee Handbook.*

During the Reporting Period, there were no reported incidents of non-compliance with relevant laws and regulations relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare that would have a significant

Competitive Compensation and Benefits Package

The Group continuously optimizes its compensation and welfare policies by formulating systems such as *the Remuneration and Benefits Management System*, ensuring that employees enjoy relevant benefits and rights in accordance with the law. It provides employees with competitive remuneration, subsidies, social insurance, and housing provident funds to attract outstanding talent; establishes an effective performance evaluation mechanism to regularly assess employees' work performance, and rewards outstanding performers with bonuses or promotion opportunities, encouraging employees to be proactive, improve performance, and fostering a sense of belonging.

Dismissal Process

The Group has formulated the *Recruitment Management Procedure*, which clarifies the methods and procedures for the Company to manage employee recruitment and dismissal. During the recruitment and selection process, relevant departments and employees follow the principles of fairness and impartiality, selecting employees based on objective assessment criteria such as personal ability, experience, and performance to ensure equal opportunities for all, contributing to the Group's success.

Regarding the termination of employment, employees have the right to terminate the contract at any time in accordance with the resignation procedures. However, if an employee engages in misconduct that conflicts with their duty of loyalty or company policies, the Group will terminate the employment and settle the employee's remuneration in accordance with the law, ensuring compliance with all applicable laws and regulations.

For labor personnel provided by subcontractors, the contract term shall be determined based on the specific circumstances of the project. The payment and settlement of subcontracting progress payments are conducted in accordance with company procedures and the provisions of the subcontract.

Appraisal and Promotion

The Group has formulated the *Performance Appraisal Management System* to evaluate employees' abilities annually through year-end examinations and performance appraisals, carrying out promotion selections and performance assessments. Managers of each department evaluate the extent to which employees have met their performance targets. The Group promotes employees based on their abilities and suitability for higher positions.

Working Hours and Rest Periods

The Group strictly prohibits forced labor and safeguards employees' rights and interests. Department heads ensure appropriate working hour arrangements for employees in accordance with the *Employee Attendance Management Regulations*. If overtime is required, employees must obtain prior approval from their superiors in accordance with the *Personnel Management Working Procedure*. In addition to national statutory holidays, the Group also provides various types of leave, such as annual leave, marriage leave, maternity leave, and paternity/nursing leave, to meet the diverse needs of employees.

Equal Opportunity

The Group is committed to building a harmonious and inclusive working environment, valuing equal opportunity, diversity, and anti-discrimination, and does not treat any employee or job applicant unfairly due to factors such as age, gender, race, religion, marital status, or disability. By establishing a grievance and whistleblowing management system, a complaint mechanism has been set up to achieve the goal of allowing employees to report any form of intimidation, insult, or harassment that infringes on their personal rights to the Human Resources Department. The Group has established a labor union to protect employees' rights and arranges for relevant departments to conduct detailed investigations to ensure all employees are treated equally. During the Reporting Period, Penglai Jutal participated in the "2025 Mock Collective Bargaining Competition" organized by the Yantai General Trade Union.

Employee Care

The Group firmly believes that employees are its most valuable asset. To enhance employees' sense of belonging, the Group organizes a variety of recreational and sports activities, including employee symposiums, lunch gatherings, team-building activities, and sports events, allowing employees to get to know each other and enhance mutual understanding. During the Reporting Period, Penglai Jutal participated in sports activities, organizing participation in the Penglai District Sports Games, which demonstrated the vitality and spirit of the enterprise; it also held an Employee Family Day event, inviting employees and their families to visit the Company and engage in cultural interactions, thereby enhancing employees' sense of belonging and cohesion.

Employee Turnover Rate

During the Reporting Period, a total of 431 employees left the Group, resulting in a turnover rate of 21.50%. The employee turnover rates broken down by employee grade, age group, gender, and geographical region are as follows:

Employee Category	2025
By Employee Grade	
Front-line and other employees	21.68%
Middle Management	16.53%
Senior Management	0.00%
By Age Group	
18-25 years old	58.09%
26-35 years old	28.51%
36-45 years old	18.48%
46-55 years old	13.22%
56 years old and above	11.76%

Employee Category	2025
By Gender	
Female	19.97%
Male	21.79%
Geographical Distribution of Full-time Employees	
Dalian	106.29%
Huizhou	5.38%
Tianjin	1.06%
Penglai	24.77%
Zhuhai	3.27%
Shenzhen	20.00%

1.2 Employee Health and Safety

The Group attaches great importance to the health and safety of its employees, has obtained the ISO 45001 Occupational Health and Safety Management System certification, and fulfills the Group's HSE commitments. The Group strictly complies with laws and regulations related to occupational health and safety, including but not limited to the following:

- *Law of the PRC on the Prevention and Control of Occupational Diseases*
- *Law of the PRC on Work Safety*
- *Road Traffic Safety Law of the PRC*
- *Regulation on Work-Related Injury Insurances*
- *Regulations of Guangdong Province on Production Safety*
- *Law of the PRC on the Prevention and Control of Occupational Diseases*
- *Law of the PRC on Work Safety (2021 Edition)*
- *Fire Protection Law of the PRC*
- *Labor Law of the PRC*
- *Workplace Occupational Health Management Regulations*
- *Labor Contract Law of the PRC*

Work Safety Inspection and Improvement

The Group prioritizes the well-being and safety of its employees and proactively takes measures to manage major risks. It has formulated systems such as the *Environmental Factor And Hazard Identification, Risk Assessment Procedure*, conducts regular on-site safety inspections, assesses potential hazards in business operations, and develops countermeasures and measures to improve overall safety management efficiency.

Each year, the Group coordinates with third-party testing companies to evaluate occupational disease hazards in the workplace. Any areas that do not meet monitoring standards are actively improved to safeguard the occupational health of employees.

In accordance with the OHSAS 18001:2007 certified Occupational Health and Safety Management System, the Group conducts daily monitoring and measurement, and has compiled a series of safety systems, including the *Safety Manual, Health, Safety and Environment (HSE) Manual, Occupational Health, Safety and Environmental Management Manual, and Caring Guidelines*, to guide employees in preventing potential hazards during the production process.

Occupational Health and Safety Measures

- Provides annual physical examinations for employees;
- Conducts annual testing of occupational disease hazards in the workplace to identify potential risks;
- Distributes and lends corresponding Personal Protective Equipment (PPE), and purchases heatstroke prevention and cooling supplies for employees during high-temperature weather in summer;
- Employees are provided with ample rest time;
- Equipped with suggestion boxes, "Hazard Observation Cards" by the HSE Department, and an online platform to collect relevant opinions and feedback;
- Conducts annual fire safety training and participates in annual fire emergency drills to simulate emergency evacuation during a fire and learn about fire safety knowledge and the use of fire-fighting equipment.

Safety Education, Training, and Emergency Management

The Group focuses on enhancing employees' safety knowledge by regularly providing safety training courses and health and safety seminars to various types of employees. This deepens their understanding of safe operating procedures, minimizes the occurrence of safety accidents, and strengthens safety awareness. Regarding safety protective equipment, Personal Protective Equipment (PPE) is provided according to the individual needs of employees. In the event of major risks or serious accidents — such as fires, explosions, mechanical injuries, or hazardous substance leaks — the Group will immediately notify the emergency rescue command center and handle the situation in accordance with systems such as the *HSE Accidents and Incidents Management Procedure and the Emergency Response Plan for Production Safety Incidents*. During the Reporting Period, Penglai Jutal participated in the 3rd Marine Engineering Safety and Health Professional Committee Annual Meeting and Academic Exchange Conference to continuously improve the Company's safety level.

Safe Working Environment

In addition to providing medical insurance benefits and annual check-ups, the Group provides facilities such as employee rest areas, psychological counseling centers, indoor basketball courts, and fitness equipment at construction sites to promote the physical and mental health of employees. This enhances overall health, work vitality, and efficiency, fostering a culture of care and support and building a work environment that prioritizes overall employee well-being. To effectively respond to potential safety risks, Jutal has formulated the *Hazardous Chemical Leakage Response Plan*, clarifying accident response processes and specific disposal measures to minimize injuries and losses caused by such incidents.

Before subcontractors commence work, the Group provides them with administrative and safety training to ensure they possess the necessary knowledge and skills to work safely and efficiently.

Case

Electrical Shock Emergency Drill at Zhuhai Jutal

Zhuhai Jutal conducted an electrical shock emergency drill in October 2025. By simulating a real accident scenario, this drill focused on testing the feasibility of the emergency plan and strengthening on-site operators' mastery of risk identification, control measures, and standardized emergency procedures. The drill effectively verified the team's rapid response and disposal capabilities in the event of an accident, achieving the expected goals.

During the Reporting Period, no cases of material non-compliance with relevant laws and regulations relating to providing a safe working environment and protecting employees from occupational hazards that may have a significant impact on the Group were identified. The number of working days lost due to work-related injuries was 410 days.

Indicator	2025	2024	2023
Number of work-related fatalities (person)	0	0	0
Rate of work-related fatalities (%)	0	0	0

1.3 Development and Training

Jutal strengthens employee training by providing comprehensive and professional talent development programs, enabling employees to maximize their potential with the Group's support. Each year, the Group consolidates annual training plans from all departments and conducts training needs assessments, covering internal and external courses to enhance job-specific knowledge and skills, as well as specific plans for acquiring and renewing certifications for professional roles. Retraining for professional skills or certifications is conducted before the expiration of current credentials and is integrated into the annual training plan.

To align with business strategies and future development needs, the Group has formulated specific training policies and guidelines to ensure that employees receive training courses that match their individual development aspirations. These include: the *Internal Training Management Measures, Lecturer Management Method, Employees Education Training Control Procedures, Human Resources Education and Training Procedure, Employee Career Management System.*

By enhancing management, technical, and vocational skills, employees and workers can improve their efficiency and build a reliable internal talent pool.

During the Reporting Period, a total of 1,815 employees (including those who departed during the year) received training. The total training hours and average training hours per employee were 45,869 hours and 25.27 hours, respectively.

Employee Category	Indicator	2025
By Employee Grade		
Senior Management	Percentage of trained employees (%)	0.33%
	Average training hours per employee (hours)	14.67
Middle Management	Percentage of trained employees (%)	2.92%
	Average training hours per employee (hours)	18.94
Front-line and other employees	Percentage of trained employees (%)	96.75%
	Average training hours per employee (hours)	25.50
By Gender		
Male	Percentage of trained employees (%)	84.85%
	Average training hours per employee (hours)	25.85
Female	Percentage of trained employees (%)	15.15%
	Average training hours per employee (hours)	22.05

1.4 Labour Standards

The Group strictly complies with the *Labor Law of the PRC*, the *Provisions on the Prohibition of Using Child Labor*, and internal recruitment guidelines, prohibiting the employment of workers under the age of 16 at its operation sites.

Jutal resolutely opposes child labor and forced labor and strictly abides by local and national laws and regulations. The Group has implemented various policies and measures to safeguard the legitimate rights and interests of employees and prevent the employment of child labor or forced labor. These measures include the implementation of systems such as the *Child Labor Rescue And Juvenile Employee Management Control Regulation*, the *Personnel Management Working Procedures,* and the *Employee Attendance Management Regulations*. If any non-compliance is discovered, the Group will immediately terminate the employment of the relevant personnel and take necessary disciplinary actions against those in violation of applicable laws and regulations.

The Employees may report any non-compliance to legal entities in the regions where it operates (for example, the Labor and Social Security Bureau of the PRC).

If working hours need to be extended due to special circumstances, employees must apply for overtime to their supervisors and receive overtime compensation in accordance with the provisions of the *Personnel Management Working Procedures*. Department heads must arrange working hours flexibly while ensuring compliance with legal requirements and standards.

During the Reporting Period, the Group had no cases of child labor or forced labor, nor were there any material incidents of non-compliance with laws and regulations relating to labor standards.

(II) Operating Practices

2.1 Supply Chain Management

Jutal firmly upholds the principles of fairness, impartiality, and transparency, selecting suppliers in accordance with the *Supplier Management Procedure*. The Group has established a rigorous classified screening mechanism covering preliminary screening, qualification audit, and professional product category management, and conducts on-site audits and evaluations for key suppliers. By comprehensively considering the background of suppliers and the importance of their products and services, the Group has achieved effective planning, supervision, and control of the supply chain system. Jutal aims to identify and collaborate with environmentally and socially responsible suppliers to establish sustainable partnerships.

The Group integrates the concept of sustainable development into supply chain management to identify environmental and social risks associated with the supply chain. The procurement department, in collaboration with other departments responsible for quality management assessment, monitors the quality and progress of materials supplied by suppliers in accordance with *Procurement Department HSE Management Procedures*, ensuring that suppliers meet requirements in terms of materials, equipment, logistics, health and safety, and environmental management.

Supplier performance is integrated into the Group's Occupational Health and Safety Management System. The procurement team communicates regularly with suppliers and conducts comprehensive evaluations to assess their Environmental, Social and Governance (ESG) performance, focusing on reducing greenhouse gas emissions within the supply chain and prioritizing local suppliers as well as those with environmental certifications. For high-quality suppliers, the Company enters into long-term cooperation agreements to strengthen partnerships.

The Group requires all suppliers to assume environmental and social responsibilities, encouraging them to formulate and implement sustainable development policies and practices, promote business ethics, and adopt sustainable procurement practices to build a sustainable value chain. In case of any violation of the Group's sustainable development principles, inspections and follow-up actions will be conducted in accordance with existing mechanisms, including the consideration of terminating cooperation to safeguard the best interests of the Group and its customers. For example, suppliers are required to sign documents such as the Instructions for *Qualified Suppliers* and the *Letter of Commitment to the Code of Business Conduct for Partners*.

During the Reporting Period, the Group had a total of 747 raw material and equipment suppliers. Most suppliers are from Mainland China, accounting for 97.32% of the total, while other suppliers are from various countries such as Singapore, the United Kingdom, and Germany.

Region	Number of Suppliers (units)	Category of Suppliers
Mainland China	727	Equipment suppliers, raw material suppliers
Others	20	Equipment suppliers, raw material suppliers

2.2 Product Responsibility

The Group strictly complies with laws and regulations relating to health and safety, advertising, labeling, and privacy matters relating to products and services provided, such as the *Product Quality Law of the PRC*, the *Contract Law of the PRC*, the *Law of the PRC on the Protection of Consumer Rights and Interests*, and the *Arbitration Law of the PRC*. It regularly reviews relevant regulatory ordinances and promptly adjusts and updates company policies and procedures to meet new regulatory requirements.

Quality Assurance

The Group attaches great importance to the quality management of its products and services, implementing the ISO 19001 Quality Management System and strict systematic management regimes to maintain standardized procedures for product quality control. This system covers the management, identification, processing, storage, and inspection of raw materials. The Group has formulated a series of quality management inspection procedures, including the *Quality, Occupational Health, Safety and Environment Management Manual, Operation Rules for Self-purchasing Materials, Project Material Labeling and Tracking Procedures, Installation Management Procedures, Warehousing Management Procedures*, and *Secondary Warehouse Management Procedures*. It has established a sound occupational health, safety, and environmental (HSE) management system and regularly undergoes external audits by DNV to ensure products meet relevant quality standards. The Group's operating sites conduct annual audit of its Quality, Health, Safety, and Environment (QHSE) management systems.

Furthermore, the Group has implemented the *Product Process Inspection Control Procedure*. The quality control department conducts regular spot checks and quality inspections on raw materials for projects. Inspections cover product dimensions, weld appearance, sandblasting and coating processes, heat treatment, and pressure testing, ensuring that the raw materials used in projects meet construction requirements.

Product Labeling, Health and Safety, and Advertising

Based on the nature of the Group's business, most products are manufactured according to specifications required by customers, and no labels were printed during the Reporting Period. Applicable laws and regulations relating to the advertising and labeling of products and services include the *Trademark Law of the PRC* and the *Anti-Unfair Competition Law of the PRC*.

During the Reporting Period, the products and services provided by the Group did not violate any relevant laws and regulations relating to health and safety, advertising, labeling, and privacy matters that would have a significant impact on the Group.

The Group maintained a sound news approval system. The responsible departments have the authority to publish information on platforms such as WeChat official accounts. However, any content must be approved by management before being released to the public, ensuring that all provided information and content comply with relevant laws and regulations, including ensuring the accuracy and truthfulness of the information.

Product Recall

The Group's commitment to the quality management of its products and services is reflected in the improvement of standardized procedures for product quality control. It has formulated a series of institutional and normative quality management inspection procedures, such as the *Operation Rules for Self-purchasing Materials, Project Material Labeling and Tracking Procedures, Installation Management Procedures, Warehousing Management Procedures, and Secondary Warehouse Management Procedures*. The Group implements a strict systematic management regime across all stages, including the management, identification, processing, storage, and inspection of raw materials, to ensure that products meet relevant quality standards.

During the Reporting Period, there were no products subjected to recalls for safety and health reasons, and no cases of material non-compliance with laws and regulations relating to product health and safety and customer service that would have a significant impact on the Group were identified.

Customer Service

The Group is committed to providing professional and customized services to meet the diverse needs of different customer groups. To achieve this goal, the Group has built a robust after-sales service system and formulated the *After-sales Service Management Procedure*, aiming to monitor the usage status of products by customers and assist them in resolving any operational problems they may encounter. The Group provides support and assistance as needed, including dispatching technical personnel to customer sites to conduct maintenance and resolve all technical difficulties.

Furthermore, the Group has established a comprehensive customer feedback and complaint mechanism to ensure effective communication with customers. Feedback and complaints are collected and analyzed by the Group's project departments, which conduct a comprehensive investigation into the customers' concerns, and subsequently develop improvement plans to resolve the issues and prevent similar incidents from recurring in the future.
During the Reporting Period, the Group did not receive any complaints.

Data Protection and Confidentiality Measures

The Group takes strict measures to ensure the protection of personal privacy and commercially sensitive data, requiring employees to comply with the *Employee Confidential Information Management Regulation* and relevant laws and regulations to prevent the leakage of customer information for personal gain. To prevent data leakage and unauthorized access to systems, the Group has migrated its email service to a secure third-party cloud platform, while implementing firewalls, encryption systems, and strengthening network security measures. Simultaneously, the Group has increased the complexity of administrator passwords and enhanced the security of application servers, demonstrating the Group's determination to maintain data security and confidentiality, protect sensitive data, and provide peace of mind to customers.
During the Reporting Period, no loss of customer data or leakage of privacy was identified, nor were there any incidents of non-compliance with laws and regulations relating to customer data and privacy protection that would have a significant impact on the Group.

Data Protection Measures

- Network and System Security: Adopts multi-operator line access and ensures high availability and stability of the network through intelligent routing equipment; meanwhile, deploys internal and external network firewalls and enterprise-level anti-virus software to build a defense-in-depth system, effectively resisting network attacks.
- Data Security Management: Internal data is permanently stored centrally on servers, with backups retained for 7 days in principle, which can be flexibly adjusted according to the specific needs of relevant departments, ensuring data is recoverable and protected against loss.
- Personnel Confidentiality Management: The Human Resources Department integrates information security into the induction training system for new employees, effectively enhancing the confidentiality awareness of all staff, and signs confidentiality agreements with key personnel based on the sensitivity of their positions.

Intellectual Property Protection

The Group has formulated systems such as the *Knowledge Management Procedure*, and incorporates confidentiality agreement clauses and other provisions when formulating supplier contracts to protect the mutual interests of both the Group and suppliers, clarifying the protection of confidential and sensitive information (including intellectual property rights). The Group explicitly requires that, without mutual consent, business partners shall not disclose, leak, or use any company confidential information or intellectual property, aiming to prevent infringement, theft, or any unauthorized use of intellectual property. In the event of a breach of contract or unauthorized disclosure of confidential information or intellectual property, the Group will take legal action to protect its intellectual property, and the relevant responsible parties will be held accountable for their actions.
Regarding the Group's internal scientific and technological innovation achievements, the Group has clarified that the achievements and results of the R&D team belong to the Group. The Group can fully utilize these inventions, creations, computer software, and other trade secrets within its business scope for reproduction, operation, or transfer to third parties, thereby clearly defining the ownership of the intellectual property rights for the Group's scientific and technological innovation achievements.

Category	Patents approved during the Reporting Period (pieces)	Patents approved prior to the Reporting Period
Invention patents	23	55
Utility model patents	5	149
Total	28	204

2.3 Anti-corruption

The Group strictly complies with national laws and regulations related to anti-corruption and anti-bribery, upholding high standards of business ethics in all its operating activities. The Group's anti-corruption policies, ethical standards, and requirements are clearly articulated in the *Employee Handbook*. Systems such as the *Code of Business Conduct* have been formulated, requiring employees to maintain a high degree of integrity in all business activities. The Group implements strict anti-corruption policies and management systems to prevent employees from engaging in corrupt or unethical behavior. These laws, regulations, and measures include:

Laws and Regulations	◆ *Anti-Unfair Competition Law of the PRC* ◆ *Criminal Law of the PRC*
Policy and Compliance	◆ Formulating anti-corruption policies and management systems. ◆ Strictly complying with the *Anti-Commercial Bribe Management Regulation* and the *Company Code of Trade Conduct.* ◆ Prohibiting the solicitation of bribes or participation in misconduct.
Preventive Measures	◆ Prohibiting corruption or embezzlement of company property. ◆ Discouraging the acceptance of unnecessary entertainment and gifts. ◆ Encouraging employees to follow designated whistleblowing guidelines and channels to report corruption or conflicts of interest.
Investigation and Consequences	◆ Handling reports or complaints through relevant grievance mechanisms. ◆ Transferring offenders to law enforcement agencies for prosecution.
Risk Assessment and Training	◆ Regularly identifying and assessing corruption-related risks. ◆ Providing training on integrity, ethical conduct, and anti-corruption for Directors and employees to enhance their understanding of anti-corruption laws and regulations.

The Group is committed to maintaining its reputation and promoting a culture of integrity. By implementing these policies and measures, the Group aims to prevent corruption, advocate compliance with business ethics, and ensure compliance with anti-corruption laws and regulations. All employees, regardless of seniority and employment nature, must fully comply with the following anti-bribery and anti-corruption regulations.

Whistleblowing System

The Group has formulated a whistleblowing policy to facilitate employees in reporting business misconduct or suspected improprieties. Whistleblowers can make confidential reports to the Impartiality and Integrity Supervision Team or the Human Resources Management Department and provide relevant evidence. If necessary, reports can be made to the General Manager. All reports and the identities of whistleblowers are kept strictly confidential. If any employee is found to have engaged in misconduct, the Group reserves the right to take disciplinary action, including the termination of employment.

The Group has not assisted, abetted, supported, or colluded with any individual engaging in or conspiring to engage in illegal activities. During the Reporting Period, no cases of material non-compliance with laws and regulations relating to corruption, bribery, fraud, and money laundering that would have a significant impact on the Group were identified, and there were no concluded legal cases regarding corrupt practices brought against the Group or its employees.

2.4 Community Investment

The Group actively fulfills its social responsibilities and carries out a variety of activities in terms of community contribution and investment. In the cultural sector, Penglai Jutal organized public welfare propaganda on disaster prevention and mitigation, explaining safety knowledge to local residents to enhance the safety awareness of the community. In terms of educational support, it carried out school-enterprise co-construction, building a platform for cooperation and exchange between schools and enterprises to support educational development. Through these initiatives, the Group has made positive contributions to community development, support for education, and the enhancement of corporate culture.

Case

Penglai Jutal Conducts Community Public Welfare

To actively respond to the call of the National "Disaster Prevention and Mitigation Day" and fulfill corporate social responsibility, Jutal organized a volunteer team in 2025 to go into surrounding communities and carry out public welfare propaganda activities with the theme of "Everyone Speaks Safety, Everyone Knows Emergency Response."

Appendix: HKEX ESG Reporting Code Content Index

Mandatory Disclosure Requirements		
Name	Description	Section
Governance Structure	A statement from the board containing the following elements: (i) a disclosure of the board's oversight of ESG issues; (ii) the board's ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer's businesses); and (iii) how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses.	ESG Governance Structure of The Board of Directors
Reporting Principles	A description of, or an explanation on, the application of the following Reporting Principles in the preparation of the ESG report: **Materiality:** The ESG report should disclose: (i) the process to identify and the criteria for the selection of material ESG factors; (ii) if a stakeholder engagement is conducted, a description of significant stakeholders identified, and the process and results of the issuer’s stakeholder engagement. **Quantitative:** Information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable) should be disclosed. **Consistency:** The issuer should disclose in the ESG report any changes to the methods or KPIs used, or any other relevant factors affecting a meaningful comparison.	Reporting Principles
Reporting Boundary	A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change.	Scope and Reporting Period
"Comply or Explain" Provisions		

Aspect		Description	Section
A. Environmental			
Aspect A1: Emissions	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. Note: Air emissions include NOx, SOx, and other pollutants regulated under national laws and regulations. Hazardous wastes are those defined by national regulations.	Emission Control
	A1.1	The types of emissions and respective emissions data.	Emission Control
	A1.2	[Deleted on 1 January 2025]	Emission Control
	A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Emission Control
	A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Emission Control
	A1.5	Description of emissions target(s) set and steps taken to achieve them.	Emission Control
	A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Emission Control
Aspect A2: Use of Resources	General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials. Note: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.	Resource Utilization

Aspect A2: Use of Resources	A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Resource Utilization
	A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Resource Utilization
	A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Resource Utilization
	A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Resource Utilization
	A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Resource Utilization
Aspect A3: The Environment and Natural Resources	General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	Environment and Natural Resources
	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Environment and Natural Resources
Aspect A4: Climate Change	General Disclosure	[Deleted on 1 January 2025]	Climate Change
	A4.1	[Deleted on 1 January 2025]	Climate Change
B. Social			
Aspect B1: Employment	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Equal Employment

Aspect B1: Employment	B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Equal Employment
	B1.2	Employee turnover rate by gender, age group and geographical region.	Equal Employment
Aspect B2: Health and Safety	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Employee Health and Safety
	B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Employee Health and Safety
	B2.2	Lost days due to work injury.	Employee Health and Safety
	B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Employee Health and Safety
Aspect B3: Development and Training	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. Note: Training refers to vocational training. It may include internal and external courses paid by the employer.	Development and Training
	B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Development and Training
	B3.2	The average training hours completed per employee by gender and employee category.	Development and Training
Aspect B4: Labour Standards	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Labour Standards
	B4.1	Description of measures to review employment practices to avoid child and forced labour.	Labour Standards
	B4.2	Description of steps taken to eliminate such practices when discovered.	Labour Standards

Aspect B5: Supply Chain Management	General Disclosure	Policies on managing environmental and social risks of the supply chain.	Supply Chain Management
	B5.1	Number of suppliers by geographical region.	Supply Chain Management
	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Supply Chain Management
	B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply Chain Management
	B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supply Chain Management
Aspect B6: Product Responsibility	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Product Responsibility
	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Product Responsibility
	B6.2	Number of products and service related complaints received and how they are dealt with.	Product Responsibility
	B6.3	Description of practices relating to observing and protecting intellectual property rights.	Product Responsibility
	B6.4	Description of quality assurance process and recall procedures.	Product Responsibility
	B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Product Responsibility

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

Climate-related Disclosures		
Aspect	Brief Description	Section
Governance	The issuer shall disclose information on the governance body(s) (which can include a board, committee or other equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities.	Climate Change
	The issuer shall disclose management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities.	Climate Change
Strategy	**Climate-related risks and opportunities:** The issuer shall disclose information that enables users to understand the 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.	Climate Change
	Business model and value chain: The issuer shall disclose information that enables users to understand the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain.	Climate Change
	Strategy and decision-making: The issuer shall disclose information that enables users to understand the effects of climate-related risks and opportunities on its strategy and decision-making.	Climate Change
	Financial position, financial performance and cash flows: The issuer shall disclose qualitative and quantitative information on current financial effects and anticipated financial effects.	Climate Change
	Climate resilience: After considering the climate-related risks and opportunities identified, the issuer shall disclose information that enables users to understand the resilience of the issuer's strategy and business model to climate-related changes, developments or uncertainties.	Climate Change
Risk Management	The issuer's processes and related policies to identify, assess, prioritise and monitor climate-related risks and opportunities.	Climate Change
	The processes the issuer uses to identify, assess, prioritise and monitor climate-related risks and opportunities (including information about whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related opportunities).	Climate Change
	The extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into the issuer's overall risk management process.	Climate Change

Metrics and Targets	**Cross-industry metrics: Greenhouse Gas Emissions:** The issuer shall disclose its absolute gross greenhouse gas emissions during the reporting period (expressed in metric tonnes of CO2 equivalent), classified as: (a) Scope 1 greenhouse gas emissions; (b) Scope 2 greenhouse gas emissions; and (c) Scope 3 greenhouse gas emissions. **As well as climate-related opportunities, capital deployment, internal carbon prices, and remuneration.**	Climate Change
	Industry-based metrics: The Exchange encourages the issuer to disclose industry-based metrics that are associated with one or more particular business models and activities or are associated with participation in an industry's common characteristics.	Climate Change
	Climate-related targets: The issuer shall disclose the quantitative and qualitative climate-related targets it has set to monitor progress towards achieving its strategic goals (metrics used to set the targets); and any targets it is required to meet by law or regulation, including any greenhouse gas emissions targets (the objective of the targets). The issuer shall disclose the approach to setting and reviewing each target, and how it monitors progress against the target. The issuer shall disclose information about its performance against each climate-related target and an analysis of trends or changes in the issuer's performance. Each greenhouse gas emissions target disclosed as part of the climate-related targets above.	Climate Change