CHEERWIN
朝雲集團有限公司

Cheerwin Group Limited
(Incorporated in Cayman Islands with limited liability)
Stock Code:6601

2025 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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ABOUT THIS REPORT

INTRODUCTION OF THE REPORT

This report is the sixth environmental, social and governance report (the "**Report**" or the "**ESG Report**") published by Cheerwin Group Limited (the "**Company**"), together with its subsidiaries (collectively, the "**we**", "**us**" or "**Cheerwin Group**"). The Report is published on a regular basis every year, for the purpose of providing information on the Group's environmental, social and governance ("**ESG**") system building and performance and objectively disclosing the Group's management and effectiveness in respect of sustainable development in response to the expectations of its stakeholders and the public, so as to strengthen communication and connection with various stakeholders.

SCOPE AND BOUNDARY OF THE REPORT

The Report discloses the management and results of ESG-related issues for the period from 1 January 2025 to 31 December 2025 (the "**Reporting Period**" or the "**Year**") and part of the information dates back to the previous year or covers the first quarter of 2026. For details of the Group's business, please refer to the annual report of the Company (the "**2025 Annual Report**").

BASIS OF PREPARATION

The Report has been prepared strictly in accordance with the requirements of the *Environmental, Social and Governance Reporting Code* (the "**ESG Reporting Code**") as set out in Appendix C2 to the Main Board Listing Rules on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"), responding to and based on the following principles:

Materiality: The Report discloses the procedures for identifying material ESG factors, including identifying, communicating and discussing with internal and external stakeholders and conducting assessment on material issues using the materiality matrix, and highlights the key factors and issues related to ESG.

Quantitative: The Report measures key performance indicators and discloses quantitative data as required by the *ESG Reporting Code* issued by the Stock Exchange. The Report also discloses the statistical scope and calculation methods.

Balance: The Report provides an unbiased and objective picture of our ESG-related work.

Consistency: The Report adopts a consistent data disclosure approach and explains relevant statistical methods and standards.

The content index of the *ESG Reporting Code* is set out in the Appendix III of the Report for easy and quick reference by readers.

DATA SOURCES AND RELIABILITY STATEMENT

The information and data disclosed in the Report are based on the statistical reports, formal documents and financial reports of the Group and have been reviewed by the relevant departments. The Group confirms that there is no misstatement or misleading representation contained in the Report and takes responsibility for the truthfulness, accuracy and completeness of the contents of the Report. All the currency amounts in the Report are denominated in RMB.

PROCESS OF PREPARATION

The contents of the Report have been determined based on a set of systematic procedures. Such procedures include, among others, forming a working group, identifying key stakeholders, conducting interviews with the stakeholders, identifying and prioritising material ESG issues, deciding the scope of the ESG Report, collecting relevant materials and data, determining the framework, report compiling, report designing and review by the relevant departments and the senior management.

ACKNOWLEDGEMENT AND APPROVAL

Subject to the acknowledgement of the management, the Report has been approved by the Board of the Company on 25 March 2026.

ACCESS TO AND FEEDBACK ON THE REPORT

The electronic version of the Report will be available on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.cheerwin.com). Should you have any advice or recommendation as to the Group's disclosure and performance in relation to ESG issues, please contact us through the following way.

Email: esg@cheerwin.com

MESSAGE OF THE MANAGEMENT

In 2025, the global consensus on sustainable development continued to deepen. China's consumer market, while pursuing growth and resilience, also demonstrated a broader focus on green and healthy lifestyles. Against this backdrop, Cheerwin Group continued to integrate ESG principles as a key consideration in its operations and development. Guided by the mission of "Life is Cheerful", the Group is committed to exploring the harmonious integration of business value and social value.

At the governance level, the Board of Directors maintains oversight and guidance over the Company's ESG-related objectives and practices to support the Group's operating principles of "high quality, sustainability, and stable profitability". We continuously refine our governance framework and risk management system to better embed sustainable development into decision-making processes. During the Reporting Period, the Group maintained steady overall performance and undertook several initiatives to better integrate ESG factors with business priorities. Looking ahead, we anticipate further advancements in our governance capabilities.

In terms of environment, aligning with the national "Dual Carbon" goals and based on relevant domestic and international standards and initiatives, we have begun systematically assessing the critical issue of climate change, exploring its potential risks and opportunities for the Company. In daily operations, we persistently explore viable pathways to enhance resource efficiency and reduce environmental impact. Examples include incorporating more environmental considerations into product design and focusing on optimising production processes to manage energy consumption and emissions. We recognise this as a long-term endeavour and will continue to learn and improve, striving for more environmentally friendly practices in our business development.

In terms of products and customers, we take consumer needs as a key starting point, continually investing in product R&D and innovation. During the Reporting Period, the Group made progress in emerging categories such as pet care, while several classic categories maintained their market positions. While pursuing product excellence and service quality, we also place great importance on customer data security and privacy protection, endeavouring to provide consumers with safe and reliable product and service experiences.

In terms of employees and development, we believe our people are a vital force driving the Company forward. We consistently provide training and development opportunities for our employees and are committed to maintaining a fair and safe working environment. By optimising our human resources policies, we aim to better support employee growth and enhance team cohesion.

In terms of supply chain and community, we focus on building long-term, stable relationships with our partners and gradually advocate for the concept of responsible sourcing in our collaborations. Concurrently, we participate in community development and public welfare activities within our capacity, hoping to contribute to social progress.

Looking forward, Cheerwin Group will continue to monitor changes in both internal and external environments, integrating ESG principles into the Company's development journey with a pragmatic approach. We look forward to working with all stakeholders to collectively advance towards a more inclusive and sustainable future.

STATEMENT OF THE BOARD

The Board and all the Directors of the Company warrant that there are no false records, misleading statements or material omissions in the Report. As the top leader of the Company, the Board assumes full responsibility for the ESG governance and work progress.

The Company has established an ESG governance structure to continuously strengthen the management of ESG-related work. The Board takes overall responsibility for the Company's ESG strategies and reporting, and is responsible for comprehensively overseeing the management of ESG-related risks and opportunities. In order to implement the concept of sustainable development and effectively manage ESG issues, the Company has established an ESG office to assist the Board in supervising and promoting the implementation of various ESG strategies. In addition, the Company has also set up an ESG working group, which is responsible for assisting the Board in identifying material issues and prioritising them depending on their materiality, and reporting regularly to the ESG office and the Board on the effectiveness of the ESG system operation and the Company's performance on environmental and social key performance indicators (KPIs).

In 2025, the Company conducted extensive and in-depth communication with key stakeholders through diversified channels, systematically identified issues of concern, and actively adopted constructive feedback. During the Reporting Period, the Company invited relevant internal stakeholders to review and update these material issues and has continued to respond to the key issues identified. The Board has implemented effective management measures for the key material issues. The related management approaches are detailed in this Report, with specific management policies and strategies elaborated in the ESG GOVERNANCE section.

The Company has formulated a comprehensive strategic framework for sustainable development and set clear objectives, aiming to systematically assess and manage ESG impacts while embedding sustainable development principles into daily operations. Looking ahead, the Board will continue to strengthen its oversight of sustainability and continuously optimise relevant mechanisms, striving to create long-term value for all stakeholders.

ABOUT US

COMPANY PROFILE

Cheerwin Group is a leading one-stop multi-category household care, pet business and personal care platform in the PRC, developing and manufacturing a variety of household care products, pet products and personal care products, and owning several physical pet stores.

INTEGRATED OPERATING SYSTEM

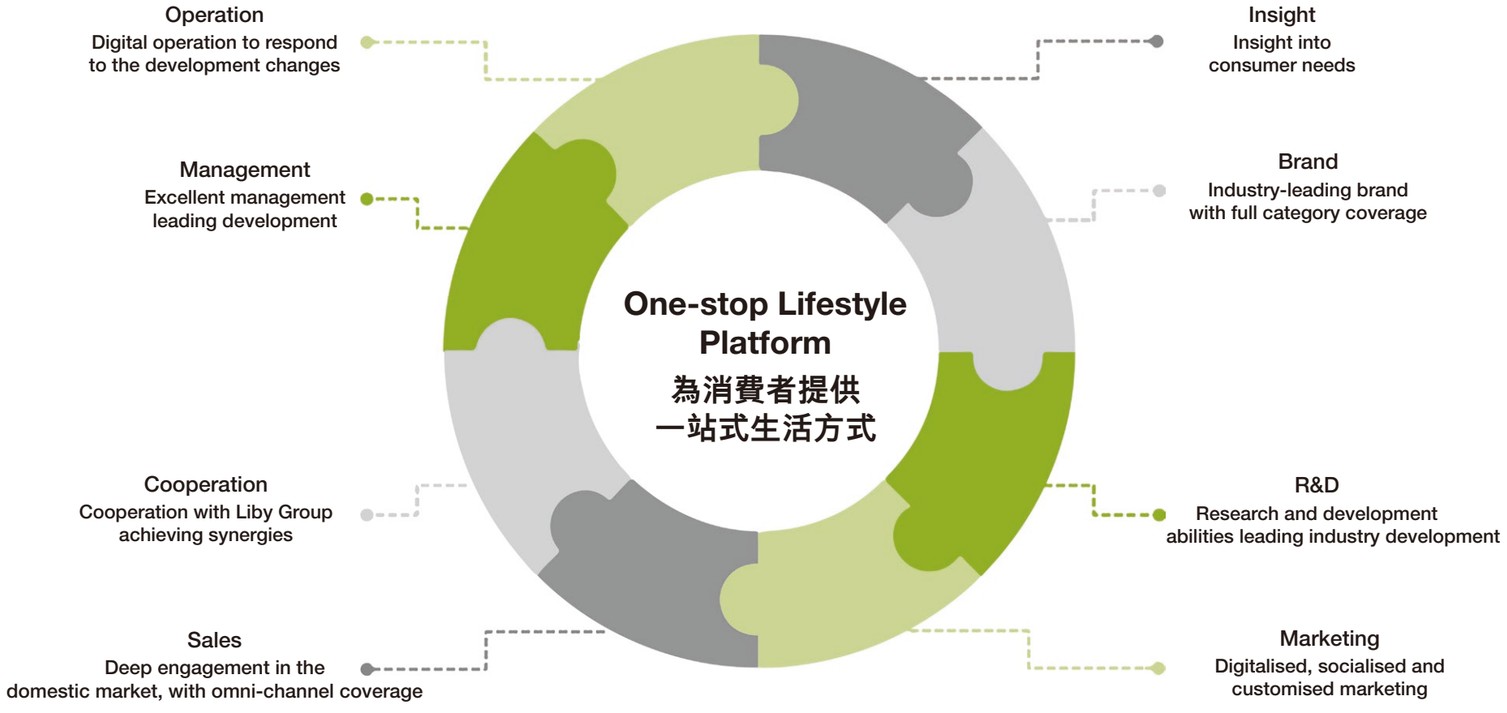
We are committed to providing consumers with a one-stop lifestyle offering through our focus on the eight pillars to underpin our organizational, operational and business structures, which we believe have delivered our success to date. The eight pillars are Insight, Brand, R&D, Marketing, Sales, Cooperation, Management and Operation, under which we operate a fully integrated business process in delivering a one-stop lifestyle offering, from consumer and market research, research and development, procurement and production, to sales and marketing.

MULTI-BRAND, MULTI-CATEGORY STRATEGY

Under the "multi-brand, multi-category" development strategy, Cheerwin Group continuously expands its product portfolio, covering diverse household living scenarios. The Company focuses on consumers' deep-seated needs, emphasising value creation in aspects such as safety, engagement, experience, personalisation, and social connection. It consistently develops industry-leading blockbuster products.

OMNI-CHANNEL SALES NETWORK AND MARKET COVERAGE

Cheerwin Group has built an extensive sales network covering both online and offline channels, reaching across Tier 1 to Tier 5 cities and rural areas nationwide. Offline, it has approximately 1,200 distributors, 620,000 sales outlets, 48 key account customers, and 11,000 retail outlets. Online, its presence has expanded from a single storefront to 26 self-operated online stores and over 20 mainstream e-commerce platforms. Simultaneously, the Company is actively expanding into overseas markets, with its products now available in more than 20 countries and regions, enhancing accessibility and market coverage for consumers.



OUR BRANDS

Our success to date has been driven by our ability to create new products and expand into new categories that meet consumer needs. We have successfully launched multiple categories, covering household care, pet products and personal care products, among which our pet business category is developing rapidly. We own ten core brands, namely, Vewin (威王), Superb (超威), Babeking (貝貝健), Naughty Buddy (倔強尾巴), Naughty Mouth (倔強嘴巴), Cyrin (西蘭), Rikiso (潤之素), Zhuazhua Cat Planet (爪爪喵星球), Mele Family (米樂乖乖) and Xiaochong (小寵), each targeting different aspects of household care demands and specific consumer segments.

The Group has continued to promote its brands and products with marketing strategies of digitalization, socialization and personalization. We have strived to offer our consumers the one-stop high quality products for household care, personal care, and pet categories, and have been recognized and well received by our consumers. In particular, NielsenIQ retail market data showed that the Group's household insecticides and repellents products ranked first in China in terms of comprehensive market share of similar products for eleven consecutive years from 2015 to 2025. During the Reporting Period, the Group secured the top position in offline market share across several categories, including electrothermal mosquito repellents, insecticidal aerosols, air refreshing aerosols, and toilet cleaners.

Brand Family under Cheerwin Group Limited

驱 Insect Repellent

Superb/Babeking

居 Household Cleaning Products

Vewin

住 Environmental Disinfection Products

Vewin

行 Portable Sanitizer

Superb/Babeking

宠 Pet Supplies

Naughty Buddy/ Naughty Mouth

空 Air Care Products

Cyrin

护 Personal Care Products

Rikiso

HIGHLIGHTS

ENVIRONMENTAL

- Both Anfu Factory and Panyu Factory have successfully obtained ISO 14001 Environmental Management System certification and ISO 50001 Energy Management System certification
- Anfu Factory was recognised as a "**Zero-Waste Enterprise**" in Jiangxi Province
- The Company organised and carried out a carbon inventory to comprehensively map its carbon emissions
- During the Reporting Period, a total of **24 products across 7 major categories** obtained China Environmental Labelling certification
- The "Small Green Bottle" and Superb Non-detachable Mosquito Repellent Coil products received the "**Packaging Design Innovation Award**" from M.SUCCESS Media
- The Company actively promoted multi-modal transport, with total multi-modal transport volume reaching **651 tonnes** for the Year, further reducing CO_2 emissions by approximately **58.59 tonnes**
- Total comprehensive wastewater discharge was reduced by **3,964 tonnes**, with a year-on-year decrease of **13.42%**

SOCIAL

- 36 patents were applied for, 55 were granted, with a cumulative total of **232** existing patents
- 147 trademarks were applied for, 63 were granted, with a cumulative total of **2,341** existing trademarks
- The Company participated deeply in industry standard development, contributing to the formulation of **5** association standards and the revision of **2** industry standards
- No sold/shipped products were recalled due to safety or health issues
- The Company successfully passed the audit for ISO 9001:2015 Quality Management System certification
- Customer service achieved efficient closure, with a 100% customer complaint resolution rate
- There are **1,367** employees, of which **53.26%** are females
- Total employee training hours reached **8,553**, with average training duration per employee at **11.98 hours**
- Both Anfu Factory and Panyu Factory obtained ISO 45001 Occupational Health and Safety Management System certification
- The distributor training programme covered a total of **2,026** sales promoters, with total training duration reaching **100 hours**
- The Company actively undertook social responsibility, donating a total of RMB**1,784,945** in cash and products during the Reporting Period

GOVERNANCE

- Women account for **32.93%** of the management team and **27.66%** of senior executives
- We have been honoured as one of the **Best Managed Companies** for five consecutive years
- The Company has received the "**Corporate Governance (G) Pioneers Award**" for the first time
- The Company adhered to ethical and compliant operations, with no corruption-related litigation during the Reporting Period
- The Company achieved **100% coverage** of anti-corruption training for all employees

CORPORATE HONOURS

Corporate Governance (G) Pioneers Award

Cailian Press

Best Managed Companies

Deloitte, Bank of Singapore, Business School of The Hong Kong University of Science and Technology, Harvard Business Review (Chinese Edition)

2025 Top 100 Listed Companies for ESG Best Practices

Wind

Green Packaging Action Awards-Packaging Design Innovation Award

M.SUCCESS Media

Most Promising Hong Kong-listed Companies in the Consumer Sector

New Fortune Magazine

2025 Best IRs (HK)

New Fortune Magazine

2025 Hong Kong Stock Market's Most Promising Listed Companies Award

National Business Daily

Top 100 Emerging Consumer Companies in Hong Kong

Tencent.com, Finet Group Limited (Finet.HK)

Top 10 Most Influential Brands 2025

Meituan

16th (2025) Tiger Roar Awards

Huxiao Media

China's Top 200 Light Industry Enterprises

China National Light Industry Council

2025 ROI Business Creativity Awards

ROI Festival

ESG GOVERNANCE

ESG STRATEGY

Strategic vision: Life is Cheerful

Strategic direction & SDGs	Corporate Governance	Harmonious Community	Employee Empowerment	Environment Protection	Responsible Product & Service
	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	12 RESPONSIBLE CONSUMPTION AND PRODUCTION; 17 PARTNERSHIPS FOR THE GOALS	3 GOOD HEALTH AND WELL-BEING; 4 QUALITY EDUCATION; 8 DECENT WORK AND ECONOMIC GROWTH; 10 REDUCED INEQUALITIES	6 CLEAN WATER AND SANITATION; 7 AFFORDABLE AND CLEAN ENERGY; 12 RESPONSIBLE CONSUMPTION AND PRODUCTION; 13 CLIMATE ACTION	3 GOOD HEALTH AND WELL-BEING; 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
Focus of action	• Business ethics • Financial performance • Corporate governance • Risk and crisis management	• Responsible procurement • Supplier management • Community engagement	• Talent attraction, retention, and development • Occupational health and safety • Employee rights and interests	• Chemical safety • Resource and emission management • Green energy application • Response to climate change	• R&D and innovation • Product quality and service • Responsible marketing • Data security and privacy protection
Performance & targets	• To maintain zero annual lawsuits related to corruption or unfair competition • To ensure 100% coverage of anti-corruption training	• To provide no less than 100 hours of annual training for partner empowerment • To continuously increase the proportion of sustainably sourced raw materials • To maintain a 100% signing rate for the Supplier Code of Conduct • To continuously dedicate attention and resources to public welfare initiatives	• To maintain an average annual training duration of no less than 7 hours per employee • To maintain zero major work-related injuries • To maintain a workforce with over 50% female employees	• To achieve zero major environmental protection violations annually • To increase the number of products certified with environmental labels • To continuously increase the proportion of renewable energy used	• To resolve no less than 90% of complaints received annually • To achieve zero major data security and privacy breaches annually

ESG GOVERNANCE STRUCTURE

Environmental, social, and governance (ESG) matters have long been a key focus area for the Board of Directors of the Group. To better implement related initiatives and ensure the quality and outcomes, we have established a three-tier ESG governance structure, comprising the Board of Directors, the ESG Office, and the ESG Working Group.

The Board

The Board reviews the Group's internal ESG systems in their entirety, assesses the effectiveness of risk management, oversees the advancement and execution of ESG targets, and ensures the truthful, transparent, and compliant disclosure of ESG information.

ESG office

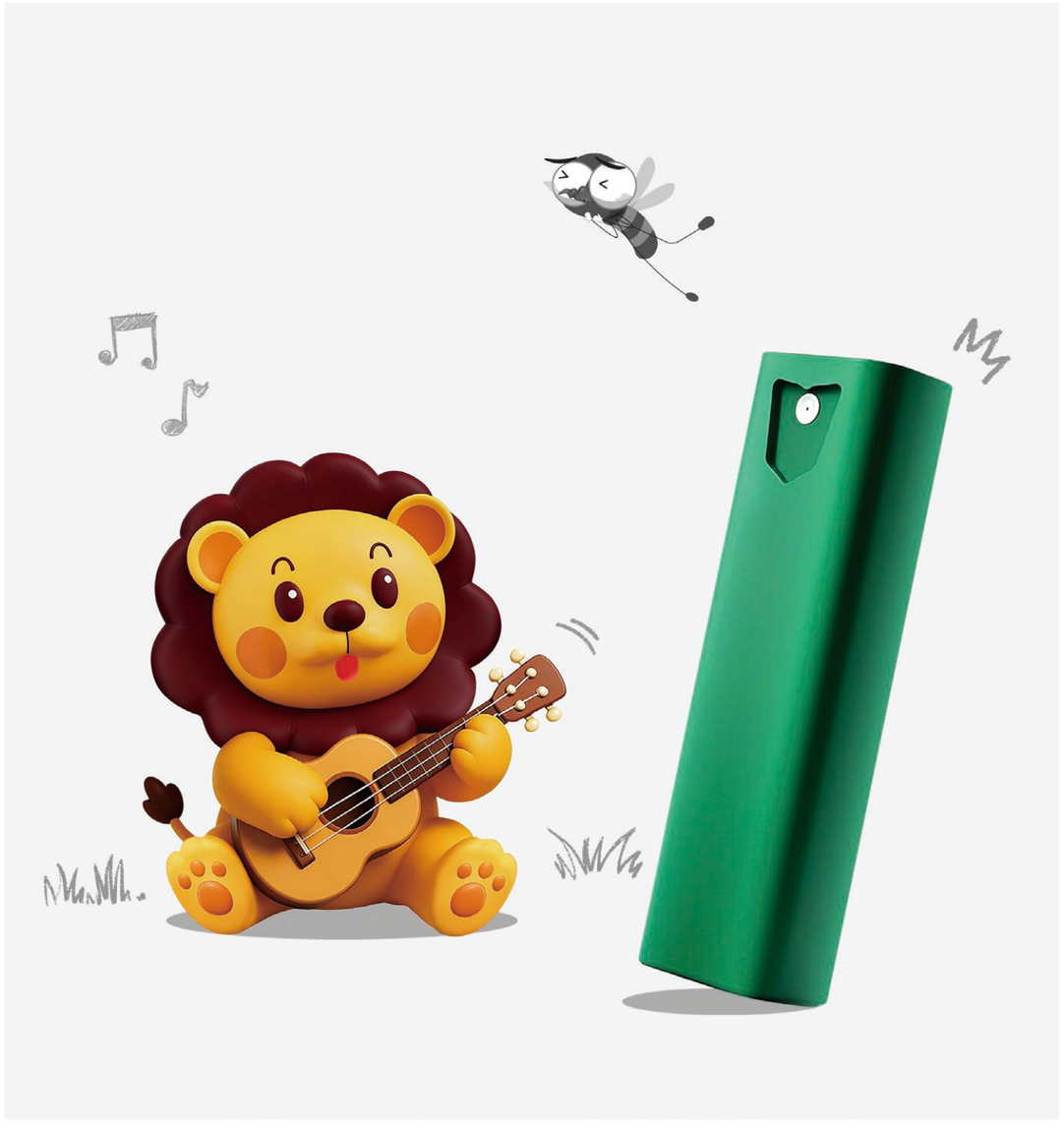
The ESG office coordinates the Group's ESG planning and management, formulates objectives and plans aligned with the strategy, approves enhancement initiatives, and establishes risk identification and response mechanisms. The office is headed by an Executive Director, who reports regularly to the Board. The Environmental Protection, Health and Safety (EHS) team provides professional support, assisting in advancing ESG work on a scientific basis.

ESG working group

The ESG working group, led by the Audit Department and composed of representatives from various business units, is responsible for implementing the ESG strategy and action plans, coordinating resource allocation, and promoting the institutionalised, standardised, and regularised operation of the management system.

STAKEHOLDER ENGAGEMENT

Cheerwin Group consistently prioritises regular communication with its stakeholders. Through diversified channels, we continuously solicit input from all parties and accurately address their core concerns. We identify key stakeholders who significantly influence the Company's decision-making, taking into account regulatory requirements, operational reality, and industry best practices, and are committed to continually refining our engagement mechanisms. By fostering closer collaborative relationships with all parties, we collectively advance the sustainable development of the value chain and the industry ecosystem.



Stakeholders	Concerns	Communication and response channels
Governments and regulators	• Corporate governance • Regulatory compliance • Environmental protection • Product quality and safety	• Facilitating inspections • Participating in government activities/ meetings • Reception for research • Proactive reporting • Annual reports
Investors/shareholders	• Corporate governance • Business operation and financial performance • Risk management • Corporate strategy	• Annual/extraordinary general meetings • Results presentation • Company's website • Statutory disclosure platforms • Press releases/announcements
Customers and consumers	• Product and service quality • Data security and privacy protection	• Customer service hotline • Social media platforms • Product feedback channels • Distributors/regional sales
Distributors	• Profit guarantee • Boosting operational capabilities	• Distributor evaluation and review • Distributor training and communication
Suppliers	• Business ethics • Supply chain management • Product quality • Environmental standards	• Supplier assessment and review • Regular meetings and exchanges • Annual supplier conference • Procurement Management System (SRM) • Signing of code of conduct
Employees	• Occupational health and safety • Compensation and benefits • Training and development • Diversity and Inclusion	• Staff congress • Training and development (Cheerwin Academy) • Employee activities • Internal employee communication platform
Community and the Public	• Environmental protection • Social welfare • Community development	• Public Welfare Activities • ESG reports • Company's website • Press releases/announcements

MATERIALITY IDENTIFICATION AND ASSESSMENT

In accordance with the requirements of the HKEX *ESG Reporting Code* and with reference to the SASB Materiality Matrix and industry best practices, Cheerwin Group has established a list of potential material issues. Aligned with the Company's strategic development goals and stakeholder expectations, we conduct regular assessment of these issues. Based on the relevance, likelihood, and impact of each issue, we have updated and prioritised the material issues, forming a Materiality Matrix. This matrix provides guidance for the planning and implementation of future ESG-related initiatives.

Identification of potentially material ESG issues

In accordance with regulatory requirements, and with reference to international standards, industry best practices, policy analysis findings, and key areas of capital market focus, a total of 22 potentially material issues were comprehensively identified and screened, ultimately forming a list of material ESG issues of Cheerwin Group.

Engagement with stakeholders

A stakeholder engagement plan was formulated. Through research and interviews, the material issues of concern to both internal and external stakeholders were identified.

Prioritisation of the material issues

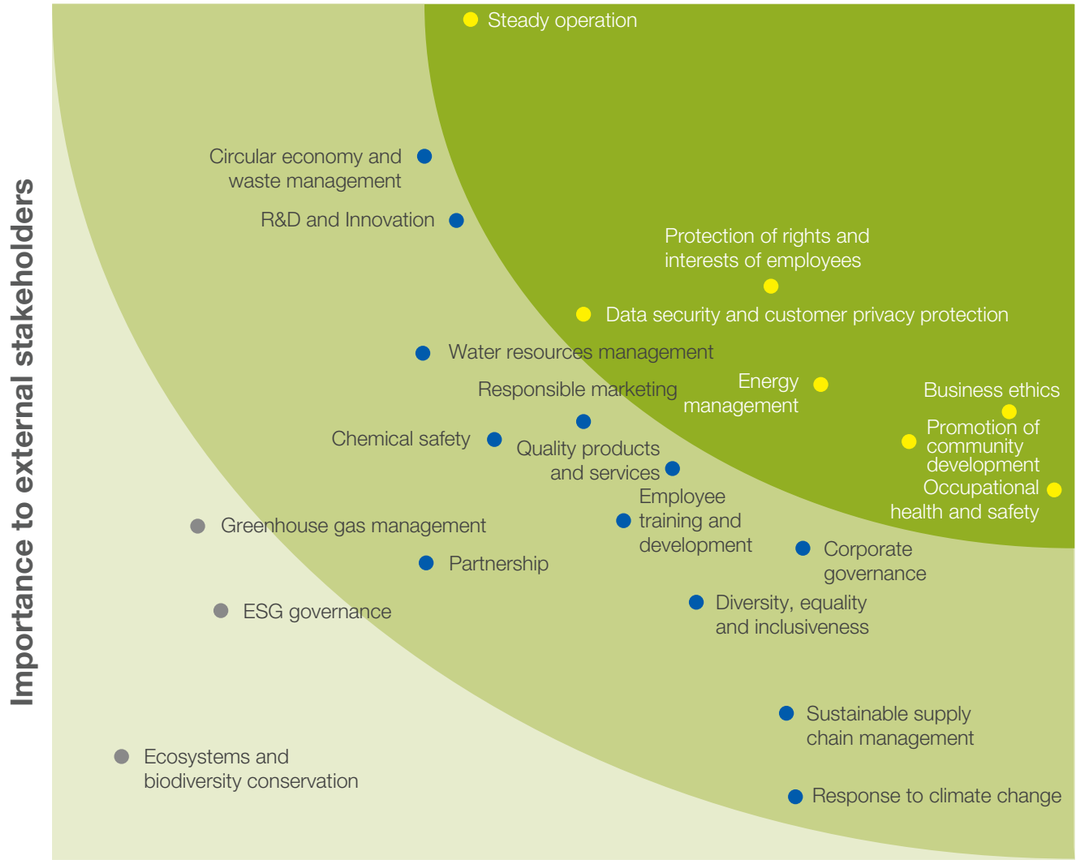
Based on the degree of impact on the company itself and its stakeholders, the issues were further prioritised, resulting in the Cheerwin Group Materiality Matrix.

Determination of material issues

The Cheerwin Group Materiality Matrix was submitted to the ESG working group and senior management for review and confirmation, ensuring the final outcome aligns with the Group's actual operational context and strategic direction.

Materiality Identification and Assessment Process

Through the materiality identification and assessment process, we have identified 7 high-importance issues, 12 medium-importance issues, and 3 general-importance issues.



Materiality Matrix

CORPORATE GOVERNANCE

Robust and sound governance serves as the cornerstone for a company's sustainable development. Cheerwin Group adheres to a core of compliance and responsibility, with the direction of consolidation and development. We comprehensively integrate ESG principles into our corporate governance practices, and are committed to providing consumers with safe, healthy, environmentally friendly, and high-quality products and services.

Anti-corruption training coverage

100% of all employees

Number of corruption lawsuits & data breach incidents

0

SDGs addressed in this section

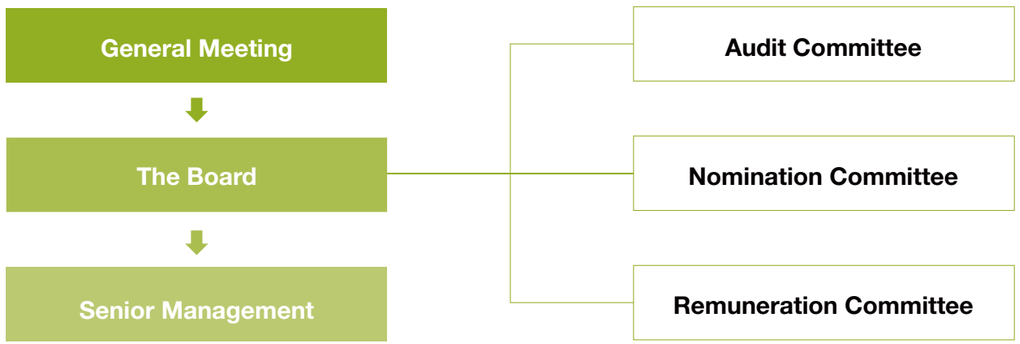
1.1 CORPORATE GOVERNANCE

Cheerwin Group deeply recognises that a sound corporate governance system is a crucial cornerstone for ensuring the Company's stable operation and the creation of long-term value. We are committed to effectively implementing the corporate development strategy, safeguarding investor rights, and continuously strengthening the trust and confidence of all stakeholders through a scientific, standardised, and continuously optimised governance system.

1.1.1 Governance Structure

Cheerwin Group strictly adheres to the requirements of the HKEX *Corporate Governance Code*, establishing a formal governance structure comprising the Shareholders' General Meeting, the Board of Directors, and Senior Management. The Board of Directors bears collective responsibility for the management, operation, and decision-making of the Company. It provides direction and oversight for the Company's development, formulates long-term strategic objectives, defines operational and compliance management requirements, oversees the effective functioning of the risk management and internal control systems, and ensures the quality of information access and disclosure.

Three Committees are established under the Group's Board of Directors: the Nomination Committee, the Audit Committee, and the Remuneration Committee. Each committee has established written terms of reference, comprises members with the requisite expertise and experience, is provided with the necessary information and resources to fulfil its duties, and maintains effective communication with other committees and the Board. The Nomination Committee is responsible for the recruitment, selection, annual evaluation of Directors, and the formulation of nomination policies. The Audit Committee oversees the integrity of financial reporting and the effectiveness of internal control and risk management. The Remuneration Committee makes recommendations on the remuneration of the Board and Senior Management, thereby supporting talent pipeline development.



Corporate Governance Structure

1.1.2 Board Diversity

The Company continuously promotes the diversification and professionalisation of its Board. During the member selection process, candidates are assessed across multiple dimensions, including professional experience, skills and knowledge, gender, age, cultural and educational backgrounds, to ensure the capabilities of Board members align with the Company's strategic development needs. As of 31 December 2025, the Board comprises 8 members, including 4 Executive Directors (including 2 females), 1 Non-executive Director, and 3 Independent Non-executive Directors. Executive Directors participate in daily operational management and fulfil supervisory duties. Non-executive and Independent Non-executive Directors provide independent perspectives in decision-making, serving a crucial oversight function. This structure effectively mitigates the risks of limited perspective and governance imbalance, thereby enhancing decision-making quality and operational robustness.

Case Study **Board Training**

During the Reporting Period, the Company organised for its board members and senior management to attend the two-day "84th Enhanced Continuing Professional Development Seminar for Governance Professionals" hosted by The Hong Kong Chartered Governance Institute (HKCGI). The training focused on five key advanced modules: finance, ESG, taxation, internal control, and artificial intelligence. It was designed to systematically enhance the professional capability of decision-makers in navigating the complex regulatory environment and strategic challenges of the Hong Kong capital markets, thereby strengthening the Board's judgement and decision-making effectiveness amidst an increasingly volatile and challenging external landscape.

1.1.3 Investor Rights

The Board consistently places the lawful rights and interests of investors and other stakeholders at the core of corporate governance and decision-making. In fulfilling its strategic guidance and oversight responsibilities, the Board gives full consideration to multiple factors, including long-term shareholder returns, employee well-being, client interests, partner relations, and ESG risks and impacts. Through prudent decision-making and supervision, it drives the long-term enhancement of the Company's credibility and competitiveness.

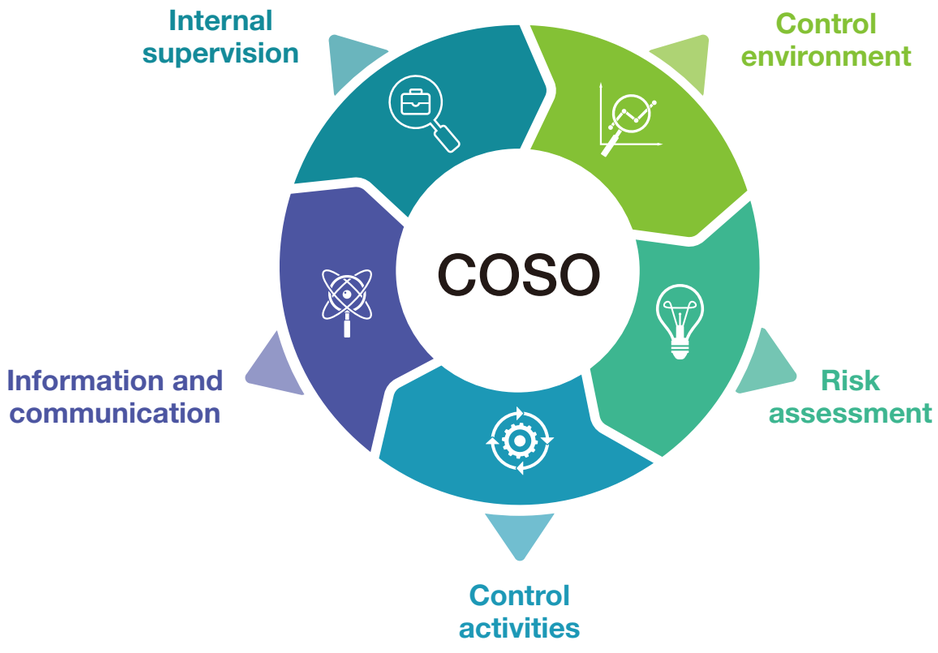
For more corporate governance information, please refer to the "Corporate Governance Report" section of the Company's 2025 Annual Report.

1.2 COMPLIANCE MANAGEMENT

Against the backdrop of volatility in the global economy, the deepening of regulatory policies, and the acceleration of technological iteration, the corporate operating environment is becoming increasingly complex and dynamic. This situation places greater demands on the robustness and adaptability of business operations. To address this situation, Cheerwin Group has established a systematic, forward-looking, and refined risk management system. By strengthening risk identification, assessment, and mitigation mechanisms, the Group enhances its overall risk control capabilities and operational resilience.

1.2.1 Risk and Compliance Management

To ensure the overall legality and compliance of corporate operations and effectively manage multiple risks that may impact the business, Cheerwin Group has systematically established and continuously improved its internal control system. This system is based on the COSO Internal Control Framework, tailored to the Group's own business characteristics and practical management context. Centred on the five key components of the COSO framework, namely, Environment, Risk Assessment, Control Activities, Information and Communication, and Monitoring Activities, the system has been comprehensively structured. It clearly defines relevant regulatory requirements for critical business processes, key focus areas, and potential risks, covering dimensions such as procurement management, credit, related-party transaction controls, information disclosure controls, and regulatory procedure risks.



COSO Internal Control Framework

To further implement risk control objectives, Cheerwin Group has established internal policies based on the internal control framework, including the *Expense Reimbursement System*, *Audit and Supervision Management System*, and *Labour Contract Management System*. These systems cover laws, regulations, and various potential risks across all operational stages, ensuring the Company maintains steady development.

In 2025, focusing on key internal management priorities and critical risk prevention areas, Cheerwin Group conducted multiple specialised compliance training sessions for all employees, continuously reinforcing a company-wide culture of compliance awareness.

Case Study **Strengthening cost control and enhancing operational transparency**

In the process of strengthening corporate governance and internal control, the Company has placed high importance on the compliance and efficient use of market-related expenses. During the Reporting Period, the Company conducted periodic specialised training sessions for its sales team on the "TPM System and Marketing Expense Management Policy". These sessions provided in-depth analysis of the TPM system's key role in expense control, clearly defining management red lines and usage norms for marketing expenses. By increasing the transparency of expense utilisation and reinforcing a culture of compliance, the Company has further improved its management mechanisms, ensuring efficient resource allocation and effective risk mitigation, thereby fulfilling its commitment to responsible corporate governance.

1.2.2 Business Ethics

Cheerwin Group consistently upholds the principle of "Zero Tolerance towards Corruption". In compliance with national laws and regulations such as the *Criminal Law of the People's Republic of China*, the *Anti-Money Laundering Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, and the *Audit Law of the People's Republic of China*, the Group has established multiple internal systems. These include the *Anti-corruption and Integrity Management System*, the *Audit and Supervision Management System*, the *Expense Reimbursement Management System*, and the Employee Handbook. These systems explicitly prohibit violations of rules and laws, and regular communication and training on these policies are conducted.

- Robust Whistle-blowing Channels

  Cheerwin Group has established open and accessible channels for integrity-related whistle-blowing, actively encouraging both internal and external stakeholders to report violations such as corruption and fraud in good faith. A standardised process for receiving and handling reports has been implemented alongside these channels. Through a clear assessment and feedback mechanism, the Company ensures that every report receives a timely response and a thorough investigation, thereby rigorously upholding the seriousness and transparency of corporate governance.

Whistle-blowing Channels:
Email: tousu@cheerwin.com
Tel: (020) 8125 2793

Whistle-blowing Process:

Furthermore, the Company has a whistle-blowers protection policy in place, which strictly safeguards the confidentiality of the whistle-blower's identity and all related information.

- Building Anti-Corruption Culture

  Cheerwin Group continuously advances the development of an anti-corruption culture, establishing a multi-tiered integrity communication and education system. In 2025, building upon the foundation of regular anti-fraud and internal control compliance training for all employees, the Company further deepened its grassroots-level dissemination efforts, extending awareness of integrity to the frontline operations of all subsidiaries. Concurrently, targeted specialised training was conducted for Board members and senior management, reinforcing their leadership responsibility in compliance. This has formed an integrity education framework characterised by "leadership by example, full employee coverage, and deep penetration," comprehensively solidifying the ideological line of defence for the Company's compliant operations.

Company-wide Anti-Corruption Training

Subsidiary-level Anti-Corruption Training

As a member unit of the Enterprise Anti-Fraud Alliance, Cheerwin Group actively participates in various training sessions, industry exchanges, and benchmark enterprise visits organised by the Alliance. This engagement facilitates in-depth learning of cutting-edge anti-fraud investigation techniques and best practices in integrity culture building. Through resource sharing and mutual learning with member enterprises, we continuously enhance our internal anti-corruption and integrity promotion capabilities, joining hands with the industry to collectively foster the development of a clean business ecosystem and a culture of corporate integrity.

Member of the Enterprise Anti-Fraud Alliance

Strengthening Integrity Management

To further manage corruption and fraud risks, and to enhance the integrity awareness of both the Company itself and its external partners, Cheerwin Group has implemented a multi-dimensional approach to strengthen integrity controls. This approach includes a series of initiatives such as declaration systems, commitment signings, regular visits, and audits.

Conflict of interest declaration system for employees

- A group-wide employee conflict of interest declaration is conducted every six months, consistently reinforcing employees' ethical awareness and enhancing their professional integrity.

Letter of Commitment to Integrity and Self-discipline for Employees

- Updated by the Audit and Human Resources departments, the Letter of Commitment to Integrity and Self-discipline for Employees is distributed for signature by all Group employees.

Distributor visit mechanism

- In 2025, we visited the distributor markets in two provinces to promote anti-corruption awareness among distributors and regional sales teams, deepening their understanding of anti-corruption principles.

Off-office audit for key positions

- A comprehensive assessment is conducted for departing personnel in key positions, covering financial responsibilities, fulfilment of managerial duties, and compliance with laws and regulations. This ensures that integrity management covers the entire tenure of personnel in critical roles.

Audit of personnel transfers in key positions

- Prior to personnel transfers involving key positions such as sales, a specialised compliance audit is conducted. This ensures the relevant personnel have strictly adhered to applicable laws, regulations, and internal policies.

Internal thematic training mechanism

- The Group conducts at least one annual thematic training session on anti-fraud and internal control compliance for all employees. The training covers fundamental concepts, case study analyses, interpretations of Hong Kong regulations, and key aspects of the internal control system, thereby strengthening employees' awareness of anti-corruption, anti-fraud, and compliance.

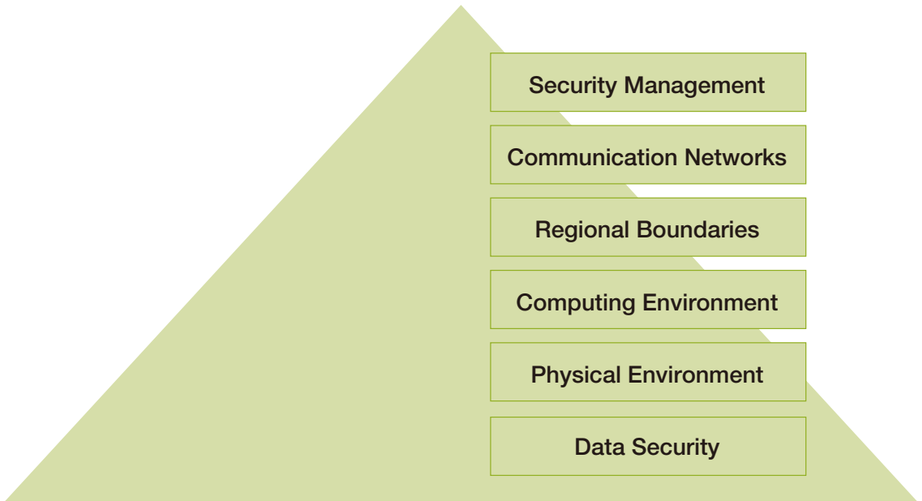
Integrity Assurance Measures

Key Performance Indicators	Outcome
Number of corruption lawsuits	0
Coverage of anti-corruption training	100%

1.3 DATA SECURITY

Cheerwin Group places high importance on data security and user information protection, treating them as integral components of corporate governance. The Company continuously improves its data security and privacy protection-related systems. In compliance with laws and regulations such as the *E-Commerce Law of the People's Republic of China*, the *Law on Protection of Consumer Rights* and *Interests of the People's Republic of China*, the *Personal Information Protection Law of the People's Republic of China*, the *Regulation on the Protection of Personal Information of Telecommunications and Internet Users*, and the *Data Security Law of the People's Republic of China,* it has formulated multiple internal regulations, including the *Information Security Management Measures*. During the Reporting Period, we issued the *Corporate Software Development Management System* and updated the *Partner Quality Assessment Management Regulation*, further standardising the development process, developer conduct, and partners' cybersecurity management.

To manage data security in a systematic and precise manner, Cheerwin Group has established a "Cloud Platform Security Protection System" covering six key dimensions, safeguarding business data, employee information, and customer data from multiple angles. Adopting the PDCA (Plan-Do-Check-Act) management model, we continuously optimise and upgrade the network and information security system. We regularly conduct various security threat screenings and risk assessments. Access to all business systems is protected by a password mechanism, weak passwords are prohibited, and an automatic account lockout mechanism is triggered after multiple incorrect password entries, ensuring the security of business data.



Cheerwin Cloud Platform Security Protection System

In the protection of personal and customer information and privacy, Cheerwin Group has formulated and strictly enforces the Information Security Management System, aiming to ensure that sensitive information such as customer-submitted sample data, technical data, patent achievements, and commercial strategies is not disclosed. To continuously elevate the level of information security protection, we upgraded the Group's security assistant and re-evaluated the granting of data access, retrieval, and transmission permissions for employees. We require that new business systems undergo security scanning prior to going live. This includes verification of permissions for both administrators and regular users, ensuring that regular user permissions adhere to the principle of data minimisation. Furthermore, the Company has strengthened controls over personal device data transmission permissions to prevent unauthorised use of data. Additionally, measures such as adding visible and invisible watermarks have been implemented to effectively enable data transmission traceability.

During the Reporting Period, the Company conducted a two-way inspection and assessment of data security through methods such as internal security self-audits and external attack and defence drills. This process facilitates in-depth identification of potential security and privacy leakage risks within information systems, data processing, and business workflow.

Moreover, Cheerwin Group fully recognises the critical role employees play in the full lifecycle management of data. Data security and privacy protection training is treated as a key driver for enhancing company-wide compliance awareness and risk prevention capabilities.

Case Study **Corporate Employee Cybersecurity Awareness and Risk Case Alarm Training**

During the Reporting Period, in accordance with the Group's data and information security management requirements and plans, the Company conducted an information security training session titled "Corporate Employee Cybersecurity Awareness and Risk Case Alarm" for all staff via the Cheerwin Academy. The training focused on three key areas: the current state of corporate employee cybersecurity awareness, vigilance against prevalent telecom and online fraud scenarios, and directions for enhancing employee cybersecurity awareness. It was designed to strengthen the overall cybersecurity awareness of employees, thereby reducing security risks stemming from human error at the source.

Key Performance Indicators	Outcome
Data breach incidents	0

GREEN PROTECTION

Cheerwin Group deeply integrates climate change governance into its corporate strategy and operations. It has established a multi-level management framework led by the Board of Directors, coordinated by the ESG office, and executed with cross-departmental collaboration. This framework systematically identifies various climate risks and enhances climate resilience through measures such as emergency response planning, energy-saving retrofits, and green procurement. Concurrently, the Group comprehensively advances green operations. While continuously promoting system certification efforts, it implements compliance controls for air emissions and wastewater, resource utilisation of waste, and a “factory-warehouse integration” low-carbon logistics model. These actions persistently reduce the environmental footprint and consolidate the foundation for sustainable development.

24 products obtained

China Environmental Labelling Certification

Wastewater discharge reduced by **3,964** tonnes,

a decrease of **13.42%** year-on-year

SDGs addressed in this section

2.1 CLIMATE CHANGE

Climate change, as a critical ESG issue of global concern, has profound impacts on natural ecosystems, macroeconomic operations, and sustainable social development. The Company fully recognises that climate change is not merely an environmental concern but is intrinsically linked to the long-term stable operation of the enterprise, strategic adaptability, and the green transition of the economy and society.

Following the relevant requirements of the *ESG Reporting Code* issued by the Stock Exchange, the Company conducts a systematic review based on the dimensions of governance, strategy, risk management, metrics, and targets. Combining its own business characteristics and current operational status, it identifies and assesses the impacts of climate change, gradually integrating these considerations into its sustainable development strategy and daily operational management.

2.1.1 Governance

Cheerwin Group has incorporated the governance of climate-related issues into its overall ESG structure. This multi-tiered governance framework involves the Board of Directors taking the lead and making decisions, the ESG office responsible for planning and management, and the ESG working group coordinating implementation across departments. This ensures climate change is integrated equally with other material ESG issues into the Company's overall strategic planning process, achieving top-down monitoring and management.

2.1.2 Risk Management

Cheerwin Group actively collaborates with internal and external stakeholders and integrates key climate change factors into the enterprise risk management system. Each business unit conducts daily identification and management of these factors to mitigate the impacts of identified material climate change risks. By adopting a risk management system aligned with the *COSO Enterprise Risk Management Framework*, the Company has established systematic workflow for risk identification, assessment, and management. This enables comprehensive assessment and management of identified climate-related risks and opportunities. Concurrently, we are continuously optimising and improving related mitigation strategies. Climate-related considerations are consistently factored into aspects such as corporate management and resource allocation, thereby strengthening the Company's climate resilience across different time frames.

2.1.3 Metrics and Targets

Climate change is and will remain a significant issue for both businesses and the world. Cheerwin Group remains steadfast in intensifying its decarbonisation efforts by persistently optimising energy use, reducing resource waste, and improving processes. We are committed to transparently and continuously reporting our progress to the public. We place particular emphasis on greenhouse gas emissions. In accordance with relevant standards and guidelines, including the GHG Protocol and the ISO 14064 system, the Group is comprehensively conducting its own greenhouse gas emissions inventory. This work is key to identifying and unlocking energy-saving and emission-reduction potential across all business segments, thereby supporting the establishment of clearer and more definitive targets and indicators.

2.1.4 Strategy

In response to the global challenges of climate change and the resulting shifts in policy, market, and technology, and based on industry characteristics and Cheerwin Group's own business profile, we are progressively integrating climate-related risks and opportunities into the risk management system. Furthermore, drawing on a series of internationally recognised comprehensive climate emission scenarios, we assess the Group's potential climate risks and opportunities under both low-emission and high-emission pathways, conducting systematic analyses. For identified climate risks and opportunities, we implement ongoing monitoring, formulate and take response measures. Climate risks are factored into considerations at levels such as risk management and resource allocation, while we actively seize market opportunities to drive stable business growth and sustainable corporate development.

During the Reporting Period, the main climate change-related risks and opportunities we identified, their potential impacts on the business, and the corresponding response measures are detailed as follows:

Risks/ Opportunities	Type	Related Description	Degrees of Impacts	Response Measures
Physical Risks	Acute physical risks	• With the increasing severity and frequency of various extreme weather events (such as typhoons, floods, hurricanes, etc.), the Company's production and operations may be impacted. This could include damage to factory infrastructure/production equipment, or disruptions to supplier production/ transportation within the product supply chain, leading to business interruptions or other severe consequences	Moderate	• Closely monitor weather forecasts and extreme weather warnings • Establish various emergency response plans • Conduct regular inspections of relevant facilities • Stockpile emergency supplies
	Chronic physical risks	• Rising temperatures will increase the Company's energy consumption (for cooling) and the burden on the workforce, thereby leading to higher operational costs	Low	• Arrange leave or implement flexible working arrangements during high-temperature weather • Utilise high-efficiency cooling systems
Transition Risks	Policy and regulatory risks	• With the advancement and implementation of the national "Dual Carbon" goals, regulators are expected to introduce more stringent regulations and policies, leading to stricter requirements for greenhouse gas management and emission reduction measures • Amid tightening global policies on plastics and packaging, Cheerwin Group will face heightened compliance requirements for its product packaging • Growing demands from regulatory bodies and government authorities worldwide concerning the scope and content of corporate disclosures will increase compliance pressures	Moderate	• Continuously conduct carbon inventory • Carry out energy-saving retrofits to enhance energy efficiency • Closely monitor changes in relevant compliance requirement
	Technological Risks	• Transitioning towards low-carbon products requires continuous process optimisation and the installation of new equipment to reduce greenhouse gas emissions • In the processes of technological investment and R&D, Cheerwin may encounter investment failure with new low-carbon environmental protection technologies	Moderate	• Strengthen talent reserves • Explore various low-carbon and eco-friendly alternative solutions
	Market risks	• Increasing consumers' awareness of carbon emissions and decreasing demand for products with high carbon emissions may lead to a decrease in revenue	High	• Keep pace with changes in customer demand, strengthen customer communication, and focus on market trends as a key R&D area
	Reputational risks	• As climate change becomes a global hot topic, investors' expectations for companies to strengthen climate change management are constantly rising. If Cheerwin cannot carry out low-carbon transformation in a timely manner, it may affect its investment and financing activities	Low	• Strengthen stakeholder engagement • Continuously disclose the Company's efforts in green and low-carbon initiative
Opportunities	Product and service opportunities	• Offering eco-friendly products and services helps attract new customers, retain existing ones, and gain a competitive advantage	Moderate	• Proactively implement low-carbon and energy-saving upgrades • Optimise production processes and product formulations to provide users with a green and eco-friendly experience
	Resource efficiency opportunities	• Through technological and process innovations, the Company enhances resource utilisation efficiency, achieves energy conservation and carbon reduction, and strengthens the green competitiveness of its products	Moderate	• Enhance resource utilisation management and establish various energy and water conservation targets • Explore circular economy practices to achieve resource recycling
	Market opportunities	• Driven by shifting market preferences, proactively addressing consumer demand for green consumption enhances the Company's competitiveness in offering differentiated products and services	Moderate	• Sustain investment in green product R&D • Foster collaboration with industry partners

2.2 ENVIRONMENTAL MANAGEMENT

Environmental management serves as a core pillar supporting the long-term, stable development of an enterprise. Cheerwin Group deeply recognises that a healthy ecological environment is the foundation for sustainable business operations. To this end, we consistently adhere to the philosophy of green operations, comprehensively integrating environmental responsibility into the entire process of corporate strategy and daily operations. We continuously improve our environmental and energy management systems, optimise institutional and accountability mechanisms, and develop green products, achieving green operations and ecological protection. Through concrete actions, we contribute to building a sustainable future of harmonious coexistence between humanity and nature.

2.2.1 Management Mechanism

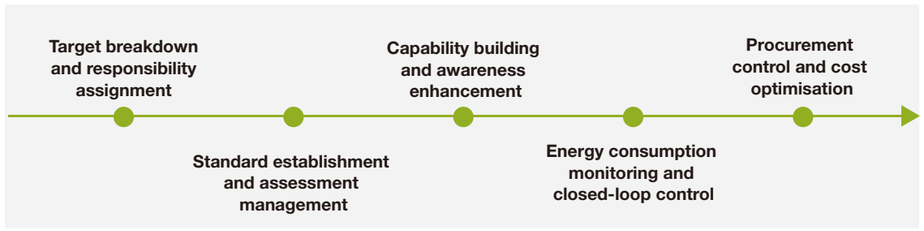
The Company strictly adheres to national laws and regulations, including the *Environmental Protection Law of the People's Republic of China*, the *Environmental Impact Assessment Law of the People's Republic of China*, and the *Energy Conservation Law of the People's Republic of China*. It has formulated internal systems such as the *Environmental Protection Management System*, the *Energy Management System*, and the *Energy Management Manual* to systematically regulate the environmental and energy management at its production bases. In 2025, Anfu Factory established the *Energy and Resources Management System*. This system clearly defines requirements for setting annual enterprise objectives and targets, provides systematic management recommendations covering upstream, process, and downstream aspects, including the selection of energy-efficient equipment and recycling, and establishes a supporting supervision mechanism and non-compliance assessment measures. This institutionalised approach ensures effective implementation, further deepening green manufacturing and sustainable production practices.

The Company continually advances the systematic development of its environmental and energy management systems. It conducts regular internal audits annually and undergoes annual surveillance audits by third-party certification bodies, ensuring the effective operation and continuous improvement of the management systems, thereby constantly elevating the level of compliant operations and green governance. As of the end of the Reporting Period, both Anfu Factory and Panyu Factory have successfully obtained ISO 14001 Environmental Management System certification and ISO 50001 Energy Management System certification, providing robust institutional safeguards for green production and sustainable development.

ISO 14001 environmental management system certification

ISO 50001 energy management system certification

To further advance the implementation of the Company's sustainable development strategy, both Anfu Factory and Panyu Factory, based on their respective operational realities, have defined specific energy management targets. They are systematically advancing these goals by formulating multi-dimensional implementation strategies to ensure effective achievement.



Target Implementation Strategy

Case Study **Deepening Environmental Concepts to Strengthen the Foundation for Sustainable Development**

During the Reporting Period, centred on the theme of "Sustainable Operations and Safe Development", the Company continuously enhanced employees' environmental awareness and comprehensive management capabilities by organising a series of thematic training sessions. Throughout the year, a total of 6 training sessions were conducted, with over 200 employee participations, averaging more than 1 hour of training per participant.

2.2.2 Emissions Management

The Company continuously improves its governance system, striving to reduce the environmental impact of its production and operational activities by optimising production processes, enhancing end-of-pipe treatment, and promoting resource recycling. We strictly adhere to national environmental regulations, including the *Law on the Prevention and Control of Atmospheric Pollution of the People's Republic of China,* the *Integrated Emission Standard of Air Pollutants*, the *Law on the Prevention and Control of Environmental Pollution by Solid Wastes of the People's Republic of China*, and the *Law on the Prevention and Control of Water Pollution of the People's Republic of China*. Internal management systems have been established to clearly define responsibilities for emission supervision and management, specific emission limits, treatment processes, and operation and maintenance duties. This forms a full-process, standardised management system covering source prevention, process control, and end-of-pipe treatment, systematically controlling the discharge of air emissions, wastewater, and solid waste.

- Air Emissions

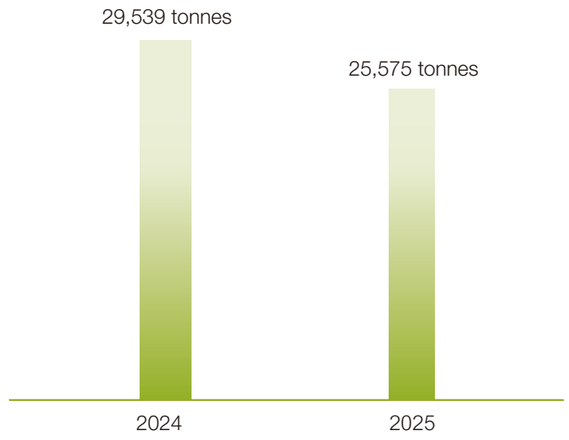
The Company has established stringent internal emission targets. It conducts regular inspections and maintenance of relevant treatment facilities to effectively avoid and prevent equipment malfunctions or abnormal conditions, ensuring the achievement of 100% compliant emissions targets. Concurrently, each factory continuously optimises its air emission treatment processes, consistently improving treatment efficiency and stability to further reduce the environmental emission load.

Anfu Factory
Adopted a composite process system of "spray dust removal + decomposition" to treat VOCs and waste gas from the mosquito coil plant; efficiently collected and purified dust from the toilet cleaner block workshop through bag filters
Panyu Factory
Installed activated carbon adsorption units to treat and recover waste gas for compliant discharge, and conducted regular inspections and maintenance of the equipment

- Wastewater Discharge

The Company effectively reduces wastewater generation at source by optimising production scheduling, improving process technology, and enhancing wastewater reuse. At the discharge end, we strictly standardise operational procedures for key stages such as wastewater collection, storage, and treatment. Once discharge volumes reach set thresholds, qualified third-party entities are engaged for compliant disposal. Furthermore, we have established a real-time wastewater monitoring system. This system continuously monitors, records, and analyses key indicators such as Chemical Oxygen Demand (COD) and Ammonia Nitrogen (NH_3-N) content. Relevant data is reported as required to ensure that all wastewater discharges stably meet the requirements of the national *Integrated Wastewater Discharge Standard*.

In 2025, Cheerwin Group's total comprehensive wastewater discharge decreased by 3,964 tonnes compared to 2024, representing a year-on-year reduction of 13.42%.



- Waste Discharge

The Company has established a control system covering the entire process of generation, collection, interim storage, and disposal. This ensures classified collection, dedicated labelling, ledger recording, safe interim storage, and final compliant disposal, fully implementing the standardised and refined requirements for waste management. We have formulated relevant regulatory documents, such as the *Rules on Waste Management*, which clarify classification standards for non-hazardous and hazardous waste, with management practices applied accordingly based on their specific characteristics.

Diagram of Full-process Waste Management

In line with the waste management principles of "reduction, recycling and harmless treatment," Anfu Factory strictly implements key procedures, including classified collection, professional cleaning, and residue testing of waste containers in accordance with the *Management Regulation on Waste Containers of Raw Materials* and other relevant standards. After internal testing confirms that the concentration of hazardous components meets national standards for harmless treatment, the containers are transferred to the logistics department for resource recovery and reuse, ensuring their conversion into "renewable resources" under safe and controlled conditions.

Furthermore, Anfu Factory and Panyu Factory have established an integrated management system for recyclable waste. This system centralises the collection of directly recyclable materials such as scrap iron, waste cardboard, and waste plastic through the logistics department, which then engages qualified partners for compliant recycling and resource regeneration. This approach continuously improves waste sorting and recycling efficiency, facilitating the high-efficiency circulation of relevant materials.

Key Performance

Indicators	Outcome
Incidents of non-compliant emissions resulting in warnings or fines	0

2.2.3 Chemical Safety Management

The Company adheres to the principle of "combining source prevention with full-process control", systematically advancing the reduction of hazardous substance use and ensuring harmlessness throughout processes. This approach minimises the potential impact of chemicals and their associated activities on the ecological environment and personnel health. In 2025, the Company continued to enhance laboratory-related management systems. Building upon the strict implementation of the *AFCW-QA-P – 012 Regulations on the Management of Laboratory Chemical Reagents and Solutions*, it conducted targeted revisions to the *CRU/B-31 Chemical Reagent Management Procedure* and the *CRU/B-16 Housekeeping and Safety Management Procedure*. Key updates included adding specific safety control requirements for reagent heating steps, refining operating specifications for oven equipment, and further clarifying the hazard identification, risk assessment, and tiered disposal processes for samples and related materials. Through these systemic optimisations, the Company has further strengthened its environmental and safety control mechanisms, which cover the entire lifecycle of chemicals and the full scope of laboratory operations. This provides a solid safeguard for sustainable scientific research and operational activities.

2.3 GREEN OPERATIONS

Guided by the ESG action principle of "better products, a friendlier environment, and a happier society", Cheerwin Group consistently regards green operations as a core pathway for corporate sustainable development. We systematically implement the philosophy of green and low-carbon development. By continuously enhancing energy and resource efficiency, and innovating in the R&D of green products, we comprehensively drive the low-carbon transformation and ecological optimisation across all operational aspects. In production practice, we diligently advance intensive land use, harmless raw materials, clean production, waste recycling, and low-carbon energy. Through concrete actions, we lead the industry towards sustainable development.

2.3.1 Green Products

The Company consistently adheres to a "green, healthy, and plant-based" product development philosophy. In the product R&D process, it prioritises the selection of safe and green raw materials, committed to creating eco-friendly products. The Company has formulated the internal technical specification such as *Sustainable Development and Eco-design Specification* with reference to the *Technical requirement for environmental labelling products – Cosmetics*. This specification establishes clear green requirements for the use of raw materials during the R&D process.

Case Study **Vewin: Guarding Dining Safety, Putting ESG into Practice with Green Innovation**

Upholding a "green and safe" R&D philosophy, the Company's Technical R&D Department has successfully developed an eco-friendly home disinfectant and cleaner specifically designed for food-contact surfaces. This achievement strictly adheres to the *National food safety standard – Detergent* (GB 14930.1), implementing green design principles from the very source. At the core of this product is a complex organic acid system derived from natural plants and fruits. This innovative formula replaces traditional synthetic acid or alkali systems, maintaining high-efficiency cleaning and disinfection performance while significantly reducing the potential impact of chemicals on both the environment and users. By incorporating renewable bio-based surfactants, the formulation further enhances biodegradability and resource sustainability, achieving a synergy between cleaning performance and ecological benefits. In addition, the product is scented with natural plant essential oils. This not only provides a naturally fresh fragrance but also elevates the product's overall green integrity and safeguards user well-being.

Case Study **Alcohol-Free Formulation R&D: Leading the Green Upgrade of Daily Chemical Products**

In 2025, Cheerwin Group successfully developed and fully applied an alcohol-free liquid fragrance formula, marking a key initiative in its green product transformation. By replacing traditional alcohol with an innovative water-based solvent system, the project eliminates volatile organic compound (VOC) emissions at the source, improving indoor and outdoor air quality. It also achieves carbon reduction across the entire chain by avoiding the use and transportation of alcohol. Furthermore, the new formula significantly reduces flammability risks and associated compliance costs in production and storage, enhancing operational safety and efficiency. This innovation is a profound implementation of the Group's "Green, Healthy, and Plant-Based" philosophy, systematically driving synergistic improvements in environmental benefits, production safety, and operational efficiency. It provides the industry with a replicable blueprint for sustainable product solutions.

Key Performance

During the Reporting Period

Cheerwin Group has a total of **24** products across **7** major categories that have obtained the China Environmental Labelling certification.

Through process optimisation, the Company reduced the usage of raw material D80 in its mosquito coil products by **206.6** tonnes year-on-year, representing a decrease of **34.5%**

2.3.2 Green Packaging

Cheerwin Group regards green packaging as a core component of its sustainable development strategy, and integrates it into the full lifecycle management of products. At the design stage, we systematically promote packaging lightweighting, material reduction, and structural optimisation to minimise resource consumption and environmental footprint from the source. At the end-of-life management stage, for packaging materials from discontinued products, the Company has established an "Assessment-Recycling First" management mechanism. This includes conducting recyclability and reuse potential analyses for materials such as cardboard and plastic, ensuring their priority entry into circular systems. Only the portions deemed unusable are treated as a final option for disposal.

Case Study **All-Paper Packaging – Source Substitution to Drive Plastics Reduction**

The outer packaging of the Superb Mosquito Small Green Bottle has been completely shifted from traditional plastic boxes to paper cartons. Internally, a system of independent, fixed compartments is constructed through precise paper structure folding and splicing, replacing plastic inner trays. The new packaging is projected to reduce plastic usage by approximately 60 tonnes annually.

A leak-proof tooth structure has been added to the spray bottle nozzle, effectively preventing liquid leakage during transportation and reducing cargo damage. The pump head features a durable design capable of withstanding over 1,000 presses. Consumers can simply replace the inner bottle and reuse the pump head and outer shell, extending the product's lifespan and reducing resource consumption from the source.

Case Study **Spiral Inner Tray – Reducing Plastics through Structural Innovation**

Addressing the shipping pain point of non-detachable mosquito repellent coil being prone to breakage, traditional packaging relied heavily on disposable plastic cushioning materials such as polyethylene foam (EPE) and air columns. The Company innovatively developed a spiral PET inner tray. Through structural optimisation, it replaces traditional cushioning materials, reducing plastic usage by 2.5 tonnes per 10,000 products. Taking the Superb brand as an example, the annual plastic reduction amounts to 30 tonnes. If promoted across the industry, it could potentially reduce annual plastic consumption by 200 tonnes.

The spiral inner tray fits closely with the mosquito repellent coil, providing more stable radial support. Testing shows a 96% decrease in shipping breakage rates, effectively reducing cargo loss and waste. Made from a single, recyclable PET material and imprinted with a recycling symbol, the inner tray can directly enter the recycling stream for regeneration after disposal. Furthermore, the inner tray offers good durability, allowing consumers to reuse it for mosquito repellent coil storage, thereby extending the packaging's lifecycle.

The innovative packaging for both the Superb Small Green Bottle and Non-detachable Mosquito Repellent Coil products won the Packaging Design Innovation Award at the Packaging Innovation and Sustainable Development Awards hosted by the New Msuccess Media Group for the first time.

Key Performance

Measures	**Outcome**
Optimisation of POF film for household care products	Reduced plastic usage by approximately **2.5** tonnes
Structural upgrade of e-commerce product packaging	Reduced plastic usage by approximately **23** tonnes
Reuse of process packaging	**100%** of packaging materials are recovered and recycled

2.3.3 Green Warehousing

Focusing on the core objectives of efficient logistics coordination, controllable risks, and cost optimisation, the Company systematically advances the greening and intelligent upgrading of its warehousing system. It comprehensively implements eco-friendly solutions across warehousing planning and design, energy management, and operational process optimisation. This approach achieves both cost reduction and efficiency improvement while significantly lowering the environmental footprint. In 2025, the direct shipping volume of Cheerwin Group's disinfection products increased by 6.9% compared to the previous year, reducing CO_2 emissions by approximately 1,200 tonnes.

Regarding warehousing network optimisation, we prioritise structural upgrades and the expansion of satellite warehouse scale. The aim is to continuously optimise the supply chain logistics cost structure and enhance warehousing and distribution efficiency through the precise allocation of regional warehousing resources. Concurrently, we collaborate with logistics procurement and tendering departments to conduct independent accounting for dedicated route tender costs. This achieves precise control over cost data while establishing a fully traceable management system. Moreover, the Company has actively promoted multi-modal transport, with total multi-modal transport volume reaching 651 tonnes in 2025, further reducing CO_2 emissions by approximately 58.59 tonnes.

For the transport of hazardous goods, the Company strictly conducts specialised logistics tenders in accordance with hazardous materials management regulations. It selects carriers with legal qualifications and fully deploys compliant, dedicated transport vehicles to ensure the entire transportation process is safe, controllable, compliant, and traceable. In terms of e-commerce supply chain optimisation, we continuously implement the "Factory Direct Packaging and Shipping" model. This achieves seamless connection between packaging production and e-commerce fulfilment, streamlining intermediate handling links. It effectively reduces the procurement and consumption of materials like cartons, accomplishing the dual goals of enhancing operational efficiency and achieving intensive resource utilisation.

Case Study **Upgrade of the "Factory-Warehouse Integration" Model**

Guided by the innovation of logistics model, Cheerwin Group successfully implemented the upgrade project of "factory-warehouse integration". This initiative optimises production and supply processes, reduces packaging material consumption and logistics expenditure, compresses order response times, and concurrently lowers carbon emissions and resource waste.

Pre-positioned packaging eliminates secondary handling → Goods are shipped directly to cloud warehouses, reducing transfer nodes → Orders bypass secondary sorting and proceed directly to delivery

The project significantly compresses order response times and markedly enhances fulfilment capability during peak e-commerce periods. Simultaneously, we continuously reduce packaging material procurement costs and trunk line logistics expenses, effectively decreasing carbon emissions and resource waste generated by redundant links. This is a key initiative in the Group's effort to build a green supply chain system and promote low-carbon transformation across the entire operational chain.

2.3.4 Low-Carbon Production

With green operations at the core, we undertake systematic innovation and practice in resource management and production process optimisation. We are continuously committed to conserving water and energy resources from the source and improving their utilisation efficiency during production.

The Company has implemented the following systematic measures in water conservation management, aiming to establish a systematic and long-term water resource management system:

Constructing a reclaimed water reuse system for water resource recycling	The Company has invested in and constructed advanced wastewater treatment and reclaimed water reuse facilities. It reuses treated production and domestic wastewater for toilet flushing, green space irrigation, and spray links in exhaust gas treatment systems within the plant area, significantly reducing reliance on municipal water supply and improving internal water resource recycling efficiency. The Company achieved a reclaimed water reuse volume of 3,582 tonnes in 2025.
Optimising production processes to reduce water demand at source	The Company has employed refined production scheduling and process optimisation to rationally plan production batches and sequences. This approach reduces the frequency and duration of equipment cleaning required for product changeovers, effectively lowering process water consumption from the production source.
Deploying a smart monitoring system for digital water management	The Company has installed intelligent remote water meters at major water usage units and key pipelines, and has established a real-time water usage monitoring platform to continuously collect and analyse water usage data. The system enables timely detection of abnormal water usage, providing precise data support for water quota management, leakage detection, and management decision-making.
Promoting water conservation culture and fostering companywide participation	The Company has posted conspicuous water-saving labels and operational guidelines at all water usage points. It regularly organises water conservation knowledge training, awareness campaigns, and solicits rationalisation proposals to continuously enhance all employees' awareness of and responsibility for water conservation, integrating water-saving actions into daily operations.
Establishing a continuous improvement mechanism	The Company regularly assesses the effectiveness of various water-saving measures, reviews water balance test results, and sets tiered water conservation targets. It identifies new water-saving potentials through management reviews and technological upgrades, driving the continuous optimisation and enhancement of the water conservation management system.

By implementing the above systematic water conservation initiatives, the Company has significantly enhanced the robustness of its water resource management and continuously advanced its philosophy of sustainable development.

Concurrently, Cheerwin Group systematically promotes energy-saving technological upgrades in key production processes, optimising the overall energy utilisation efficiency of production and operations.

Case Study **Upgrade of Energy-Saving Technology**

The Company undertook a systematic energy-saving retrofit of its toilet cleaning block production line. This included upgrading equipment for the front-end batching, grinding, and extrusion processes, and optimising the water-soluble film packaging machine and rotary table machine. The upgrade is projected to reduce the line's total energy consumption by 51.5 kW, with the 9L front-end equipment's energy consumption decreasing by 57%. It is estimated to save approximately RMB44,000 in electricity costs annually, achieving the dual benefits of energy conservation and increased production output.

Panyu Factory proactively responded to energy conservation and consumption reduction targets, systematically implementing multiple upgrades in equipment energy efficiency: an energy-saving tornado fan was introduced to the household care production line, achieving electricity savings of 7.5 kW per hour; moreover, an intelligent variable frequency drive system was installed on the exhaust air fan, enabling dynamic power adjustment based on production load; the electric mosquito repellent liquid batching workshop completed a motor energy efficiency upgrade, replacing a faulty IE3 efficiency motor with a high-efficiency IE2 motor, contributing to a reduction in the factory's overall energy consumption.

2.4 ECOLOGICAL PROTECTION

Cheerwin Group has explicitly identified the conservation of ecosystems and the maintenance of biodiversity as cornerstone strategies for its long-term development. We are committed to deeply integrating the principles of green development into the entire operational chain. By establishing a comprehensive environmental management framework that spans product design, production and manufacturing, and end-of-life disposal, we systematically advance the simultaneous achievement of multiple objectives such as resource conservation, biodiversity protection, and the reduction of environmental loads. While continuously strengthening existing environmental measures, we also actively explore cutting-edge solutions. Relying on technological innovation and transformation of management model, we continuously optimise our environmental performance, aiming to contribute solid strength towards achieving ecological balance and leading the industry towards a sustainable future.

The Company regards the creation of an eco-friendly factory environment as a regular and important operational practice. Based on ecological principles, we conduct systematic planning for the long-term, large-scale introduction of native plant species (such as camphor trees, waxberry trees, osmanthus trees, and holly) that are adapted to the local climate, exhibit high carbon sequestration efficiency, and possess complete ecological functions. These native species not only provide sustainable ecological services such as carbon sinks and air purification but also help create a more climate-resilient operational site for us. This ongoing green infrastructure development has become an indispensable part of the Group's regular operations, making a continuous and measurable contribution to protecting biodiversity and optimising the regional ecological environment.

PRODUCT RESPONSIBILITY

Guided by the corporate vision of “Life is Cheerful”, Cheerwin Group consistently regards product responsibility as a vital link connecting consumers, society, and the Company’s own sustainable development. Under the guidance of the technological innovation strategy of “making good products, making products well”, the Company prioritises consumer needs, safety, and experience, embedding them throughout the entire lifecycle management of products, including R&D, production and manufacturing, quality control, and after-sales service. Through continuous technological innovation and lean management, we are committed to providing safe, reliable, green, and valuable products and services, tangibly enhancing consumers’ quality of life and social well-being.

Formulated **5** association standards

Revised **2** industry standards

232 existing patents

2,341 existing trademarks

SDGs addressed in this section

3.1 TECHNOLOGICAL INNOVATION

In the face of constant change in the market environment and technology, the Company regards technological innovation as the core driver of high-quality development. Centred on its main business and development strategy, Cheerwin Group consistently maintains a high level of R&D investment and continuously improves its scientific research and innovation management mechanisms to advance the development and application of new technologies.

In 2025, we planned and implemented five major initiatives in technological innovation, driving technological innovation and iteration from multiple angles to further enhance brand competitiveness.

Enhancing long-term competitiveness

Focusing on breakthroughs in core technologies

Improving product-scenario adaptability

Driving cost optimisation across the entire value chain

Integrating internal and external resources

3.1.1 Product Innovation

Cheerwin Group regards consumer demand as the core factor in product innovation, persistently promoting innovation in product types, functions, and service models, and translating technological achievements into more practical product solutions.

While continuously enhancing product efficacy, Cheerwin Group consistently adheres to “a green, healthy, and plant-based” product development philosophy. It has established the *Sustainable Development and Eco-design Specification* for formulation research projects, further selecting safer and greener raw materials during the R&D process, and continuously reducing the environmental and social impacts throughout the product lifecycle.

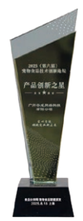
Case Study **Technology Research of Kitchen Cleaner Corrosion Inhibition**

To address the issue of traditional strong alkaline kitchen cleaner formulas easily causing metal corrosion, the Company independently conducted research on corrosion inhibition technology. It systematically evaluated the synergistic effects of corrosion inhibitors, including compounds with metal ion chelation effects, complex organic acid-base compounds, and polymers. Through experimental verification, the formulation ratio between corrosion inhibitors and surfactants was optimised. This significantly enhanced the product’s corrosion inhibition performance while ensuring cleaning effectiveness. Testing shows that cleaners utilising this technology reduce corrosion on hard aluminium by 20% under identical conditions. This effectively mitigates additional risks to environmental surfaces and kitchen appliance surfaces during product use, addressing consumer concerns regarding product durability and usage safety.

Case Study **Cat Wet Food – Hairball Relief Fresh Pack**

The Naughty Mouth Complete Nutrition Cat Wet Food – Hairball Relief Fresh Pack employs a 6-hour freshness-locking process, reducing energy consumption and raw material loss by shortening the processing window, achieving green production. The product innovatively applies a triple natural dietary fibre formula of “cellulose + psyllium husk + chicory root powder”. Verified through 30-day experiments by the Shandong Academy of Agricultural Sciences and “Laoba Review”, it can effectively promote intestinal peristalsis, facilitate gentle hairball excretion, and improve stool odour, thereby enhancing pet well-being and the quality of the pet-keeping environment.

The product was awarded the “Product Innovation Star Award” at the 6th Pet Food Technology Innovation Forum. After launch, it quickly became the “Top 1 Bestselling Cat Food” on the Douyin platform. Its high repurchase rate and market reputation validate the Company’s capability to drive sustainable growth through innovation, achieving a unity of environmental, social, and governance (ESG) benefits.



Case Study **Babeking Electric Mosquito Repellent Liquid**

During the production of Babeking Electric Mosquito Repellent Liquid, multiple deodorisation technologies are applied to solvents, stock solutions, and other raw materials. These include molecular sieve thermal desorption, activated carbon fibre adsorption, PP cotton filtration, 360-degree systematic cleaning, and adsorption of residual odours from ingredients. This process refines the liquid and enables purer filling, resulting in a product that performs odourlessly during use.

The aforementioned technology has resulted in the patented achievement, “A mosquito repellent liquid raw material purification system and a mosquito repellent liquid production system” (Patent No.: ZL202420587566.8), and has been successfully applied to Babeking Electric Mosquito Repellent Liquid products. Recognised for its breakthroughs in technological innovation and product safety performance, Babeking Electric Mosquito Repellent Liquid was selected for the Innovative Consumer Goods List (Light Industry 12th Batch) by the China National Light Industry Council, demonstrating the enterprise’s ability to drive sustainable growth through innovation.

3.1.2 R&D System

Cheerwin Group adheres to the quality policy of "scientific rigour, impartiality, objectivity, and customer first". In accordance with multiple internal systems, such as the *New Project Initiation Management Procedures* and the *Testing Method Management Procedures*, and under the planning and resource coordination of project leaders, the R&D process is strictly controlled.

Concurrently, we have established five key quality objectives, striving to meet requirements through more outstanding R&D outcomes.

Test Report IssuanceTimeliness Rate ≥ 95%	Test Report Error Rate < 1%	Customer Valid Complaint Rate < 1%	Customer Satisfaction Rate ≥ 95%

Quality Control Pass Rate ≥ 95%

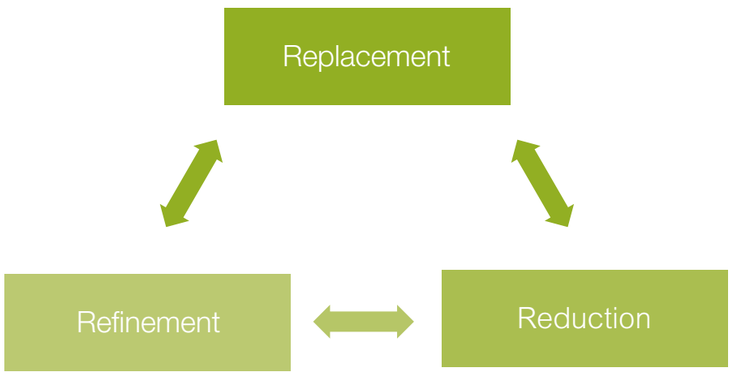
During the Reporting Period, Cheerwin Group was committed to building a more professional and comprehensive R&D team through talent acquisition and increased R&D investment.

85 person	Numbers of Staff in R&D Team
17 person	Numbers of Core Staff in R&D Team
16.4%	Percentage of Staff with a Master's Degree or above

- Scientific Ethics and Animal Welfare

Against the backdrop of deepening technological innovation and increasingly diverse application scenarios, the Company fully recognises that ethical norms and social responsibility should serve as important prerequisites for scientific and technological development. Cheerwin Group strictly adheres to relevant regulations such as the *Measures for Ethics Review of Biomedical Research Involving Humans*, the *Measures for Ethics Review of Life Sciences and Medical Research Involving Humans*, the *International Ethical Guidelines for Health-related Research Involving Humans*, and the *Drug Administration Law of the People's Republic of China*. With reference to internationally accepted principles, it has formulated internal documents including the *Clinical Trial Ethics and Committee Management Bylaws*, the *Cheerwin Group Laboratory Animal Centre Management System*, the *Guiding Opinions on the Humane Treatment of Laboratory Animals, and the Pet Testing – Animal Ethics and Safety Operating Procedures*.

To further supervise and implement controls for scientific ethics and the safeguarding of animal welfare, Cheerwin Group has established an Experimental *Animal Ethics Committee and formulated the Animal Experimentation Ethics Review Management Measures* along with accompanying application procedures. The Company's Ethics Committee and Laboratory Animal Management Centre will continuously conduct supervision and inspections to ensure that animal welfare and experimental ethics requirements are fully implemented, thereby promoting responsible and sustainable R&D innovation.



3Rs Principle Diagram

Cheerwin Group continuously advances the development of animal welfare and scientific ethics. Through measures including the management and rehoming of pets in stores, animal testing and ethics training, collaboration with pet hospitals, and low-stress grooming training, the Group integrates institutional requirements and ethical principles into its operational practices.

Case Study **Animal Ethics Training**

During the Reporting Period, the Company organised a specialised training session on the "Pet Testing – Animal Ethics and Safety Operating Procedures". Centred on operational scenarios such as companion animal fur and skin testing, and biological sample collection, the training systematically reviewed standardised processes. It placed particular emphasis on minimising intervention that could cause stress or discomfort to pets during the sampling process. This ensures the scientific validity and reproducibility of data while preventing data bias or animal harm resulting from improper operations. The training enabled participants to gain a deeper understanding of both key technical points and ethical requirements, thereby providing essential support for the standardised conduct of their work.

Case Study **Specialised Training for Animal Caretakers and Laboratory Personnel**

The Company continuously enhances the animal care and management capabilities of caretakers and laboratory staff through systematic training. During the Reporting Period, focusing on the management requirements for animal health and welfare, the Company conducted systematic training on the "Pet Business Premises Disinfection Standards". By standardising operational procedures and optimising the rearing environment, it effectively safeguards animal health. Furthermore, the Company organised pet first-aid skills training, which included theoretical and practical drills on responding to emergencies and critical situations. This strengthened staff emergency response capabilities, further implementing safeguarding measures for animal welfare.

Case Study **Continuous Improvement of Pet Welfare**

During the Reporting Period, the Company continued to refine the management systems and measures for pets in its stores, covering areas such as pet handling, health monitoring, and the protection of animal rights. For elderly cats that have undergone neutering procedures, we suitably rehome them into the daily operations of its cat cafés, while simultaneously implementing health management mechanisms. Concurrently, the Company actively promotes adoption initiatives. Through in-store posters, private domain channel promotions, and parallel adoption models combining "top-up and adopt" with direct adoption, it effectively addresses the subsequent rehoming and placement of business-operated cats from its cafés and stray cats.

• Intellectual Property Management

Cheerwin Group deeply recognises the importance of intellectual property management for sustained innovation and technological advancement. The Company strictly comply with relevant laws and regulations, including the *Patent Law of the People's Republic of China*, the *Trademark Law of the People's Republic of China*, and the *Copyright Law of the People's Republic of China*, and have also formulated documents such as the *Trademark Management Measures*, the *Intangible Assets Management System*, and the *New Project Initiation Management Procedures* to regulate the management of intellectual property application, utilisation, maintenance and other relevant processes, thereby providing institutional safeguards for the protection and commercialisation of innovation achievements.

In 2025, we applied for and were granted multiple patents. These include an image analysis method for evaluating pet hair condition, a pet hair care composition and its use, a method and device for evaluating the cooling sensation effect of daily chemical products, and a pet hair brightening shampoo and its preparation method. These achievements have facilitated the accumulation of scientific research outcomes and have made positive contributions to the development of the pet care and daily chemical industries. During the Reporting Period, the Company's intellectual property applications and acquisitions were as follows:

	Filed in 2025 (No. of Items)	Granted/Approved in 2025 (No. of Items)	Portfolio as of 31 December 2025 (No. of Items)
Patents	36	55	232
Trademarks	147	63	2,341
Total	183	118	2,573

• Collaboration and Exchange

Cheerwin Group places high importance on exchange and collaboration with all industry stakeholders. In 2025, we actively participated in various industry seminars and professional exchange events, including but not limited to: the China International Cosmetics, Personal and Home Care Ingredients Exhibition (PCHi), the Personal Care Technology (PCT) Summit, the China Light Industry Top 100 Enterprises New Quality Development Industry Conference, the 2025 (6th) Pet Food Technology Innovation Forum, the M.SUCCESS Packaging Green China Initiative, the Hygiene Insecticide Products Member Conference, the Pesticide Management Seminar for Hygiene Insecticide Products, the Pesticide Registration and Testing Institution Designation Product Chemistry & Technical Requirements Training Course, and the Working Meetings of the Secretaries-General of the National Light Industry Standardisation Technical Committees (Sub-committees).

Cheerwin Group continuously monitors industry development trends and cutting-edge issues. Through in-depth discussions with research institutions, industry associations, and corporate representatives, we share its own experiences and technological achievements while consistently absorbing advanced concepts and management practices.

Simultaneously, Cheerwin Group actively joins the ranks of industry ecosystem builders. As of the end of the Reporting Period, we have joined a total of 14 industry associations, including the China Cleaning Products Industry Association, the China Daily-Use Sundry Articles Industry Association, and the Home Care Cleaning & Sanitation Products Committee of the China Daily Chemical Industry Association. The Company serves as a council member in several of these associations. Through exchanges and cooperation on platforms such as industry associations, we continuously deepen industry collaboration, playing an active role in promoting the healthy, orderly, and sustainable development of the sector.

Case Study **Deepening Government-Enterprise Collaboration for a New Ecology in Pest Management and Urban Agriculture**

In May 2025, the Guangzhou Municipal Bureau of Agriculture and Rural Affairs visited Cheerwin Group. Both parties conducted in-depth exchanges focused on the fields of pest management and pet food. The Group's Chief Operating Officer, along with the technical R&D team, hosted the visit and presented the Company's practical achievements in technological innovation and industrial layout.

During the exchange, a consensus was reached to integrate government policy resources with the Company's technological advantages and jointly explore green pest control methods and high-quality development pathways for the pet economy. In the future, both parties will deepen strategic cooperation in areas such as technological R&D and joint standard development. This collaboration aims to support the construction of a modern urban agricultural system and achieve the dual enhancement of economic benefits and social value.

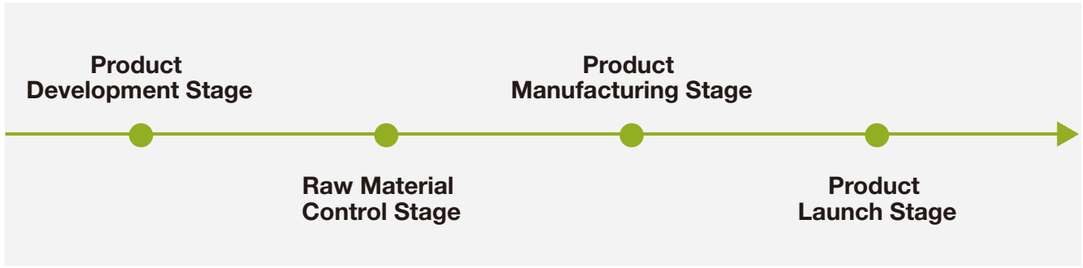
Furthermore, with its accumulated experience in technological R&D, product practice, and application, Cheerwin Group actively participates in the research and formulation of relevant technical standards. The Company is committed to transforming mature technological achievements and practical experience into industry consensus, thereby helping to elevate the overall technical level and standardisation of the industry. During the Reporting Period, Cheerwin Group participated in the formulation of 5 association group standards and in the revision of 2 industry standards.

3.2 QUALITY ASSURANCE

Cheerwin Group consistently regards product and service quality as one of its core competitive advantages, strictly implementing full-process quality control and continuously improving institutional and management system development. We have formulated internal systems such as the *Product Quality Policy*, the *Quality Management Manual,* the *Rules for Management of Quality Targets*, the *Rules for Handling of Complaints about Market Product Quality*, and the *Measures for Handling Quality Accidents*. Furthermore, in accordance with the requirements of the *Announcement No. 925 of the Ministry of Agriculture and Rural Affairs of the People's Republic of China*, the Company comprehensively updated the traceability system and labelling for its household hygiene insecticide products during the Reporting Period, fully implementing the mandate.

In 2025, Cheerwin Group has set higher requirements and objectives for its own quality management. Following the stipulations of the Company's *Rules for Management of Quality Targets* and considering the achievement of various quality indicators in previous years, the Company formulated its 2025 quality management objectives and assessment requirements. Target values for key indicators, including the incoming raw material acceptance rate, incoming packaging material inspection acceptance rate, valid market complaint rate, and quality assurance capability, were all raised.

In daily management, adhering to the requirements of internal systems such as the *Cheerwin Management Measures for Quality Monitoring and Measurement of Semi-finished and Finished Products* and *Management Measures for Monitoring and Measurement of Manufacturing Process of Products*, the Company conducts quality monitoring and assurance throughout the entire product lifecycle. This is carried out at the following four key control points:



Quality Monitoring and Assurance throughout the Lifecycle of Products

3.2.1 Product Development

In accordance with internal systems such as the Measures for Quality *Management of New Products and New Projects*, Cheerwin Group exercises quality control across all stages, from formula trial production and packaging trial runs to the first production run by manufacturing units and new project evaluation and verification. All new products must undergo trial production verification prior to mass production. Formal mass production may only commence after successful trial production confirmation and stability testing.

3.2.2 Raw Material Control

We have established a number of internal systems, such as the *Rules for the Management of Acquisition and Selection of Suppliers*, the *Quality Management Measures for Selection of New Suppliers of Raw Materials*, the *Measures for Daily Quality Management of Raw Materials Suppliers*, and the *Rules on Monitoring and Management of Prohibited and Restricted Substances in Raw Materials*. These systems cover supplier qualification and material supply segments, ensuring strict control over the quality of raw materials. All new suppliers must complete a verification process and pass relevant inspections before being added to the Approved Supplier List. Concurrently, all new materials must complete a verification process prior to supply, with formal supply for production permitted only after all indicators meet the Company's specified requirements.

3.2.3 Product Manufacturing

Cheerwin Group has formulated various internal systems such as the *Sample Management Procedures*, the *Management Measures for Quality Monitoring and Measurement of Semi-finished and Finished Products*, and the *Management Measures for Monitoring and Measurement of Manufacturing Process of Products*, and conducts product inspections by combining batch-by-batch release testing with random sampling. Based on this and following the management procedures such as the *Testing Work Control Procedures and the Monitoring and Measuring Device Control Measures*, the Company implements comprehensive management of all monitoring and measuring equipment to ensure its proper operation and the accuracy and reliability of measurement data.

In line with national standards such as the *Technical Guidelines for Cosmetics Safety Assessment* and relevant internal systems, we conduct annual type testing for cosmetic products to ensure their quality complies with internal and external standards.

3.2.4 Product Launch

In accordance with internal systems including the *Rules for Handling of Complaints about Market Product Quality*, the *Non-conforming Product Control Measures*, and the *Control Measures for Product Recalls and Mock Recalls*, Cheerwin Group confirms and analyses information from after-sales channels. Where issues are verified, the Company immediately initiates product withholding procedures and data collection. A Recall Decision Team determines the level of recall action according to a recall decision matrix and implements recall, stock seizure, and analysis. Subsequently, the Quality Management Department collects summary reports from all departments and follows up on corrective and preventive actions.

During the Reporting Period, focusing on product quality management, Cheerwin Group continued to drive innovation in quality inspection methods, manufacturing process checks, and support for underperforming factories. By establishing a multi-tiered, full-process quality control mechanism, the Company further enhanced its supervision and control over product quality. For quality inspection tasks at various critical stages, we have built a multi-tiered inspection system integrating self-inspection by factories, random sampling by headquarters, and third-party verification, thereby achieving complementary and cross-verification effects. Concurrently, we conduct unannounced mock audits of factory operations to promptly identify deficiencies and supervise factories in implementing improvements. Targeted support and enhancement are provided to underperforming factories to ensure consistent product quality and to continuously elevate the Company's control over production conditions and the quality management standards of its factories.

During the Reporting Period, the Company successfully completed the audit for ISO 9001:2015 Quality Management System certification. Through on-site audits and surveillance reviews, the Company ensures the effective operation of the system.

bsi.

Certificate of Registration

质量管理体系 - ISO 9001:2015

FM 713477

The provision of design, manufacture, sales and supply of domestic sanitary insecticide, home fragrance and household cleaning product.

Michael Lee, Senior Vice President, APAC Assurance

2019-08-12
2025-06-25
2025-08-12
2028-08-11

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...making excellence a habit.

ISO 9001:2015 Quality Management System certification

CHINA QUALITY MONTH

CAQI

抓好质量提升 建设质量强国

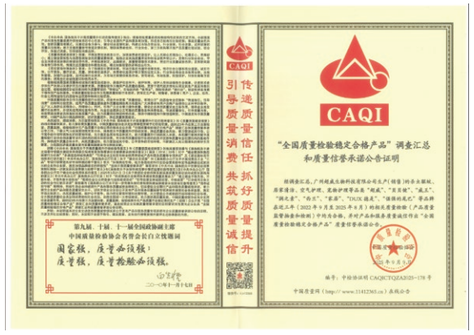
坚持质量第一 共筑质量诚信

加强全面质量管理 促进质量强国建设

兹此证明

广州超威生物科技有限公司

2025年全国"质量月"质量诚信倡议企业


CAQI

传递质量信任 共筑质量诚信

引导质量消费 抓好质量提升

CAQI

"全国质量检验稳定合格产品"调查汇总和质量信誉承诺公告证明

第九届·十届、十一届全国质检协同主题
中国质量检验协会首营会员自立性调研

国家级·质量品牌榜

质量级·质量检品牌榜

Proof of Inclusion in the "National Quality Inspection – Stable and Qualified Products" Survey Summary and Quality Reputation Commitment Announcement, and 2025 China Quality Month Quality Integrity Initiative Enterprise

Key Performance

During the Reporting Period, Cheerwin Group recorded no incidents of recalls for sold or shipped products due to safety or health reasons.

3.2.5 Building a Quality Culture

The Company has always been committed to deeply integrating the quality philosophy into the entire operational process, promoting the cascading of quality awareness from management to the production frontline and reinforcing it at each level. This ensures comprehensive coverage of quality responsibility across all segments, including R&D, procurement, production, warehousing, and sales.

During the Reporting Period, the Company focused on the theme of quality enhancement and systematically organized special activities, including quality awareness training, job skill competitions, and analysis of typical cases. It developed differentiated training content tailored to the characteristics of different positions, ensuring that quality requirements were internalized in principle and externalized in practice. Through regular promotion and targeted empowerment, the quality literacy of all employees was continuously enhanced, fostering a positive atmosphere where "everyone cares about quality and everyone safeguards quality". On this basis, the Company further improved its quality management mechanism, incorporating quality objectives into departmental and job performance assessments. This has driven the transformation of quality management from passive compliance to proactive excellence, effectively solidifying the foundation for high-quality development.

Case Study **Quality First, Closed-loop Management: Solidifying the Quality Foundation through Special Actions**

"3·15" Themed Quality Awareness Training

During the "3·15" Consumer Rights Protection Day period, the Company comprehensively advanced a special initiative for quality enhancement. By conducting systematic quality awareness training and rigorous assessments, the Company strengthened the sense of quality responsibility among all employees and solidified the ideological foundation of putting quality first. At the same time, in-depth internal quality self-inspections and full-process screenings of inventory products were carried out. Key stages such as production and warehousing were strictly controlled to rigorously maintain the internal defense line for product quality. Furthermore, the Company proactively engaged with the market, accurately grasping consumer demand through field research, customer visits, and end-user feedback. It extended quality control from the production end to the consumption end, establishing a complete closed loop of source control, process supervision, and end-user feedback to ensure that its products and services can withstand the dual scrutiny of the market and consumers at every stage.

"Quality Month" Special Activities

During the Reporting Period, Cheerwin Group leveraged "Quality Month" as an opportunity to deepen the penetration of its quality culture. By organizing activities such as quality-themed quizzes, training on product quality laws and regulations, and case studies to disseminate critical knowledge, the Company also held inspection and packaging skill competitions to enhance the practical skills of frontline staff through practice. These were combined with product market research to accurately capture customer feedback. This series of initiatives not only improved systems and processes but also continuously reinforced the value of "Quality is Life," injecting solid quality momentum into the Company's sustainable development.

3.3 CUSTOMER SERVICE

Customer service is a vital manifestation of the Company's commitment to the customer-centric development philosophy. Centred on customer needs and experience management, Cheerwin continuously improves its responsible marketing and customer service systems, consistently strengthens communication and trust with customers, and earnestly safeguards their legitimate rights and interests.

During the Reporting Period, we upgraded the service content and quality of relevant stores. This included enhancements to store appearance and image, upgrades to the in-store customer management system, and the appointment of sales consultants, all aimed at further elevating the purchasing experience for consumers.

Case Study **Remarkable Achievements in the Construction of Cheerwin Group's Pet Smart Butler System**

Centred on four core scenarios, including "live pets + retail + cat petting + grooming services", the system has successfully established a fully digitised closed loop for all business operations. It accurately addresses the fundamental operational needs and internal control pain points of physical stores. As of the Reporting Period, the project has been successfully implemented across 41 Zhuazhua brand stores and 33 Mile brand stores, covering all business functions. Relying on standardised service and appointment procedures, the system has significantly enhanced frontline response efficiency, delivering a stable and convenient digital service experience for users.

Case Study **Upgrade of Pet Store Image**

Cheerwin Group continuously advances the upgrade of its pet store outlets. As of the end of the Reporting Period, a cumulative total of 74 stores had been opened. Through multi-dimensional innovations in brand image, service procedures, and in-store displays, the stores now reach consumers with a more professional image and a warmer atmosphere, offering a completely new co-living experience for pets and their owners. The dual enhancement of operational efficiency and user word-of-mouth has effectively driven significant overall revenue growth for the stores, making them a core engine for the high-quality development of the Group's offline channels.

3.3.1 Responsible Marketing

During the Reporting Period, Cheerwin Group strictly adhered to laws and regulations such as the *E-commerce Law of the People's Republic of China*, the *Advertising Law of the People's Republic of China,* the *Measures for the Administration of Internet Advertising*, and the *Measures for the Administration of Internet Information Services*. It formulated internal systems and processes, including the *Cheerwin Group 2025 Offline Channel Promotion Management Regulations*, to maximise the legality and compliance of products in areas such as advertising, labelling, and promotional marketing.

- Product Promotion and Advertising

  Cheerwin Group has established a standardised brand promotion process covering key stages including planning, review, execution, evaluation, and archiving. This process integrates legal and regulatory requirements with market practices, achieving closed-loop management through cross-departmental coordination.

Development of promotion strategy	Promotional strategies are formulated by the Brand Centre to ensure the effective delivery of brand information and the smooth achievement of marketing objectives.
Review of promotional materials and contents	The Brand Centre, Legal Affairs Department and other relevant departments review the promotional materials and contents to ensure compliance and authenticity before they are uniformly produced and released to the market.
Implementation of promotion strategy	The marketing department implements the brand promotion strategy to ensure accurate communication of information and maximise the effect of the promotion.
Check of effectiveness of promotion	The relevant departments including the Audit Department regularly check the effectiveness of promotion through market visits and other ways.

Brand Promotion Process

In accordance with regulations such as the *Advertising Law of the People's Republic of China* and the *Pet Feed Labelling Regulations*, Cheerwin Group continued to refine its advertisement review process. Advertisements for pesticide products must pass relevant approval and legal review for compliance with the *Advertising Law*, ensuring no violations of relevant laws and regulations. Furthermore, the Marketing Department, Brand Department, and Legal Affairs Department jointly review advertisement content to ensure its ethical standards align with mainstream societal values.

Concurrently, we formulated the *SOP for Omnichannel & Full-Brand New Product Launch Material Preparation*, implementing strict controls over the launch processes for both pesticide and non-pesticide products. It clearly defines each process node and associated time frames to ensure related work is conducted in a compliant and orderly manner. No violations of marketing regulations occurred in the Company during the Reporting Period.

- Product Labelling and Identification

  The Company has established and continuously improves its laboratory accreditation management system. Within its scope of competence, it issues test reports bearing the CMA (China Metrology Accreditation) mark. Simultaneously, it commissions third-party professional institutions to conduct product efficacy claim testing, ensuring that product efficacy information is truthful, scientific, and verifiable. For products involving imported raw materials, the Company clearly indicates the country of origin on product advertising pages and provides corresponding customs declaration documents.

  Cheerwin Group implements differentiated management for various product types, with a particular focus on strengthening the standardisation of product labels and usage instructions. This ensures that related information is truthful, accurate, clear, and easy to understand.

Cosmetic products	The Group complies with the *Regulations on Supervision and Administration of Cosmetics* to ensure the authenticity, reliability, and effectiveness of advertisement claims regarding their effects.
Pesticide products	The Group strictly adheres to relevant laws and regulations, including the *General Safety Technical Requirements for Household Health Insecticides (GB 24330)*, the *Pesticide Management Regulations*, and the *Measures for the Administration of Pesticide Labels and Instructions*. This ensures complete disclosure of mandated information (e.g., manufacturing date) and the authenticity and accuracy of all promotional content.
Pet products	The Group complies with the provisions for pet feed labels in *Announcement No. 20 of the Ministry of Agriculture and Rural Affairs of the People's Republic of China*. The design and production of all such materials also adhere to the Advertising Law, ensuring label content is both compliant and comprehensive.

Furthermore, we implement rigorous labelling management and archiving for all products across its brand portfolio. The Company develops comprehensive Universal Selling Proposition (USP) documentation for all products, which serves to further verify the legality and compliance of product claim communication, as well as the truthfulness of product advertising.

- Management of Cross-Region Sales

  To regulate distributor conduct, Cheerwin Group has established internal management systems such as the *Cross-region Sales Management System*, through clarifying the relevant regulations, to prevent the flow of products sold within a designated distribution area to regions or channels beyond the scope defined in the *Product Sales and Authorized Sales Agreement*.

  To further consolidate management outcomes, we conduct offline market inspections using standardised templates for management of cross-region sales. This assists distributors in tracing the source of cross-region sales and enables timely handling of violations. In cases of severe violations, we will deduct contractual discounts or even revoke distributor qualifications to maintain fair market competition and promote healthy and orderly channel development.

3.3.2 Consumer Privacy Protection

In the context of deepening digitalisation and diversification of services, Cheerwin Group regards consumer privacy and personal information security as a key focus area within customer service. We strictly adhere to relevant laws and regulations, continuously improve our personal information protection mechanisms, and safeguard the lawful rights and interests of consumers. During the Reporting Period, Cheerwin Group further implemented consumer privacy protection measures by restricting platforms and partners, elevating internal management requirements, implementing end-to-end information control, and conducting customer privacy and security training.

Related Parties	Platforms and Partners	Internal Employees
Measures to Protect Consumer Privacy	Confidentiality clauses covering collaborative content, data, and other private information are added to contracts to protect the data and privacy security of both parties	Access to back-end store data is granted according to role and function, with real-name authentication required for login
	Platform merchants must obtain user authorisation before sending messages via the CRM system	System access permissions for employees are granted based on the "minimum necessity" principle
	All member outreach communications must undergo an internal review process before release	Operational and management training is conducted on the systems and accounts used by employees
	The intermingling of member information across different platforms is prohibited	Routine sampling checks and reviews of user accounts are performed
	All user personal information is displayed in a de-identified format. Decrypted information is accessible only with authorisation for specific after-sales cases	Group-wide data security audits are conducted regularly

3.3.3 Complaints and After-Sales Service

Cheerwin Group is committed to providing consumers with first-class customer service. To this end, we have established internal management procedures, such as the *Rules for Handling of Complaints about Market Product Quality*, which standardise the closed-loop process for consumer complaint handling, from receipt to tiered resolution.

1. Receipt and response	• Multiple feedback channels are open, including a dedicated phone hotline, e-commerce customer service, and distributors. • Customer service provides an initial response within 2 hours, prioritising understanding of the customer's usage scenario and specific claim • All communications are confirmed in writing (e.g., via email) to ensure traceability
2. Assessment and escalation	• Customer service conducts a preliminary classification of the complaint • Cases involving health damage, batch-related issues, official complaints, or high-value claims are escalated immediately • A cross-departmental complaint working group is formed to oversee and track major cases throughout the entire process
3. Investigation and accountability assignment	• Verification checks are performed on product registration, label compliance, and whether usage instructions were followed • Complaint data for the same product batch is compared to assess the potential for a product defect • Investigation findings are shared with the Quality and Legal Affairs Department to support decision-making
4. Decision-making and implementation	• After confirming with the customer, actions such as product replacement, refund, or compensation are executed • Major cases require joint review by the Quality and Legal Affairs Department to ensure compliance • For logistics issues: resolve first, verify later; priority is given to replacement or minor compensation • For service/quality issues: transfer to a specialised after-sales team within 30 minutes to develop a tailored solution • For health and safety risks: provide urgent reassurance within 24 hours, complete verification and assessment within 1-3 business days
5. Rectification and feedback	• Internal rectification is initiated immediately upon case closure • Operating guidelines or product instructions are updated to prevent recurrence of the issue • Periodic compliance checks are conducted to enhance the quality and closure of the service loop

In 2025, Cheerwin Group received 38 valid complaints. In strict accordance with internal requirements, we responded to and addressed each promptly. As of the end of the Reporting Period, the resolution rate for these complaints had reached 100%.

3.3.4 Customer Satisfaction

From the strategic perspective of the Group, Cheerwin systematically conducts various customer satisfaction surveys, constructing a multi-dimensional insight system covering product experience, after-sales service, and brand health. This drives the comprehensive integration of the customer voice into key processes such as R&D, supply chain, marketing, and brand building, forming a closed-loop management mechanism of "survey – feedback – improvement".

In 2025, utilising online questionnaires, phone call-backs, customer service systems, and platforms like Tmall's New Product Innovation Centre, we have achieved a total survey sample size exceeding 58,000 respondents. This effort created a comprehensive, traceable database of customer feedback, effectively transforming it into a driver for enhancing corporate value.

Within the overall survey results, multiple brands demonstrated outstanding market recognition, becoming highlights of our customer satisfaction efforts:

- The Superb brand achieved top rankings in brand awareness, reputation, and loyalty within its category. Its co-branding collaboration with National Geographic successfully reinforced the brand image of "natural and eco-friendly", "safe and professional", and "plant-based mosquito repellent", significantly boosting consumer trust and emotional identification.

- The Vewin brand, through an innovative partnership with the anime IP "Nailong" (奶龍), effectively resonated with young family demographics. The survey indicated that 81% of respondents expressed willingness to try its products. The brand ranked first in the industry for unaided awareness, with aided awareness and loyalty securing second and third places, respectively, demonstrating continuously strengthening brand vitality and market potential.

TALENT MANAGEMENT

Cheerwin Group comprehensively advances employee care and career development, striving to achieve mutual growth for both employees and the organisation. Through measures such as improving institutional frameworks, optimising remuneration and benefits, strengthening career development support, and safeguarding employee health and safety, the Company has created a fair, inclusive, and cohesive work environment for its employees, thereby supporting the sustainable development of the organisation.

53.26%
Female employee ratio

11.98 hours
Average training hours per employee

SDGs addressed in this section

4.1 TALENT ATTRACTION

The Company adheres to the core principles of compliance, diversity, equity, and inclusion in human resource management, committed to fostering an open, transparent, and cohesive workplace environment. We strictly comply with laws and regulations, continuously improve management systems, and earnestly enhance employees' sense of belonging and well-being by optimising remuneration and benefits, strengthening employee communication mechanisms, and carrying out diverse employee care activities. This lays a solid foundation for the sustainable development of the organisation.

4.1.1 Employee Rights and Interests

Upholding a "people-oriented" philosophy, we have built a rights protection system covering three dimensions, including employment, labour rights, and diversity and equality, dedicated to creating a fair, respectful, and inclusive workplace environment.

- Employment

  The Group strictly complies with relevant laws and regulations, including the *Labour Law of the People's Republic of China*, the *Labour Contract Law of the People's Republic of China*, and the *Law of the People's Republic of China on the Protection of Minors*. It continuously strengthens the human resource management system, formulates and improves institutional documents such as the *Human Resource Planning Management System*, the *Recruitment Management System*, the *Management System on Induction and Probation Period of New Employees*, and the *Employee Separation Management System*. Through systematic and standardised management mechanisms, it effectively supports talent attraction and retention, facilitating the organisation's sustainable development.

  In 2025, we continued to advance the optimisation and innovation of our talent introduction mechanisms, deeply integrating the principles of diversity, equity, and inclusion throughout the entire recruitment process. By clarifying recruitment standards and expanding diverse channels, we enhance the fairness and precision of talent selection, focusing on building an open, inclusive, and dynamic talent ecosystem. This injects fresh energy and momentum for achieving sustainable development. Concurrently, we adhere to a "competency-based" selection principle, emphasising the rejuvenation and professional development of talent, and ensuring the fairness and transparency of the recruitment process.

Campus recruitment	By launching the 2025 Campus Recruitment Programme, precisely targeting key universities, the Company organised over 35 campus recruitment events, conducted a cumulative total of 435 interviews, and ultimately hired 40 high-potential graduates.
Internal referral	The Company continued to promote and optimise the implementation of its internal referral scheme. In 2025, 18 outstanding candidates were successfully hired through internal referrals.
Online recruitment	Through multiple leading recruitment platforms such as Liepin, BOSS Zhipin, and 51 job, the Company promoted job openings, achieving broad coverage of recruitment information and effectively meeting the majority of its hiring needs.
Headhunter partnership	In collaboration with an RPO (Recruitment Process Outsourcing) partner, the Company efficiently advanced the recruitment of mid-to-senior level talent, successfully hiring 1 candidate for a mid-senior level position.

• Labour Rights

We attach high importance to compliant employment practices. We strictly comply with the *Law of the People's Republic of China on the Protection of Minors*, resolutely prohibiting any improper employment practices such as child labour or forced labour. We explicitly commit to taking immediate corrective measures and holding relevant parties strictly accountable should any such violations be identified. In accordance with the *Recruitment Management System*, we strictly prohibit the hiring of individuals under 16 years of age. Upon hiring, original identity documents must be verified and copies retained to ensure "person-identification consistency" and prevent the disguised use of child labour under the pretext of internships or apprenticeships. We strictly prohibit forcing or coercing employees to work through violence, threats, illegal restriction of personal freedom, or other means, fully safeguarding employees' rights to voluntary employment and free resignation. All new hires undergo identity verification procedures, establishing traceable employment records to prevent risks of illegal employment and forced labour at the source.

The Group highly values the development of mechanisms for employee democratic participation and rights protection. Based on the specific circumstances of each entity, we promote the orderly establishment of labour unions and employee representative organisations, earnestly safeguarding employees' rights to information, participation, and supervision in corporate governance. Simultaneously, considering actual business operations, we have established internal regulations concerning manpower and working hour management that undergo labour union deliberation procedures and are filed with labour supervision authorities. No violations of labour law occurred in Cheerwin Group during the Reporting Period.

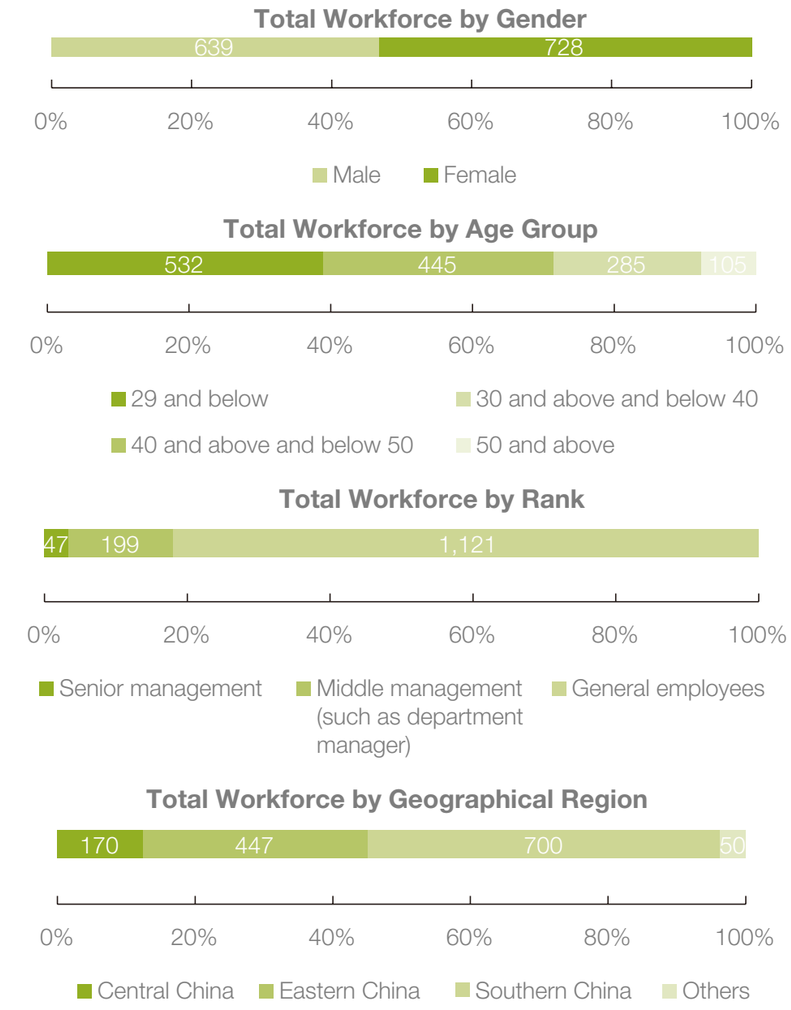
Regarding significant matters involving employees' vital interests, such as Group organisational restructuring or collective workforce optimisation, the Company lawfully and duly seeks opinions from the respective local street-level labour union organisations, fully fulfilling democratic procedures. We have established an Employee Representative Congress system, regularly elect employee representatives, and annually organise the review and revision of important systems, including those related to human resource management. Upon approval by the Employee Congress, relevant systems are promptly published on the Knowledge Park platform and Cheerwin Academy, ensuring transparency and widespread employee awareness.

Anfu Cheerwin has lawfully established a Labour Union Committee and formulated the *Anfu Cheerwin Labour Union Committee Management Regulation* to standardise union operations. The union implements a "written confirmation for membership" mechanism. All regular in-service employees can voluntarily apply for membership from their date of hire, with membership becoming effective upon confirmation. Membership is automatically terminated upon an employee's transfer or resignation to ensure standardised and dynamically managed union operations. By strengthening institutional union development, Anfu Cheerwin has achieved tangible results in areas such as safeguarding employee rights, improving internal communication and coordination, and enhancing team cohesion.

• Diversity and Equality

The Group upholds the core principles of diversity and equality, committed to fostering a fair and inclusive employment environment for both employees and external talents. We resolutely avoid any form of differential treatment in all human resource management processes, including recruitment, promotion, and remuneration, based on factors such as race, gender, ethnicity, religious belief, age, marital or parental status, health condition, or nationality. We strictly prohibit discrimination and harassment in daily work, earnestly ensuring that female employees receive equal and fair treatment regarding remuneration, benefits, career development, and promotion opportunities.

As of the end of the Reporting Period, the Group's full-time workforce totalled 1,367 employees, of whom 728 were female, accounting for 53.26%. Within the senior management team of 47 members, 27.66% were female. The Group employed 29 individuals from ethnic minorities and 7 individuals with disabilities.

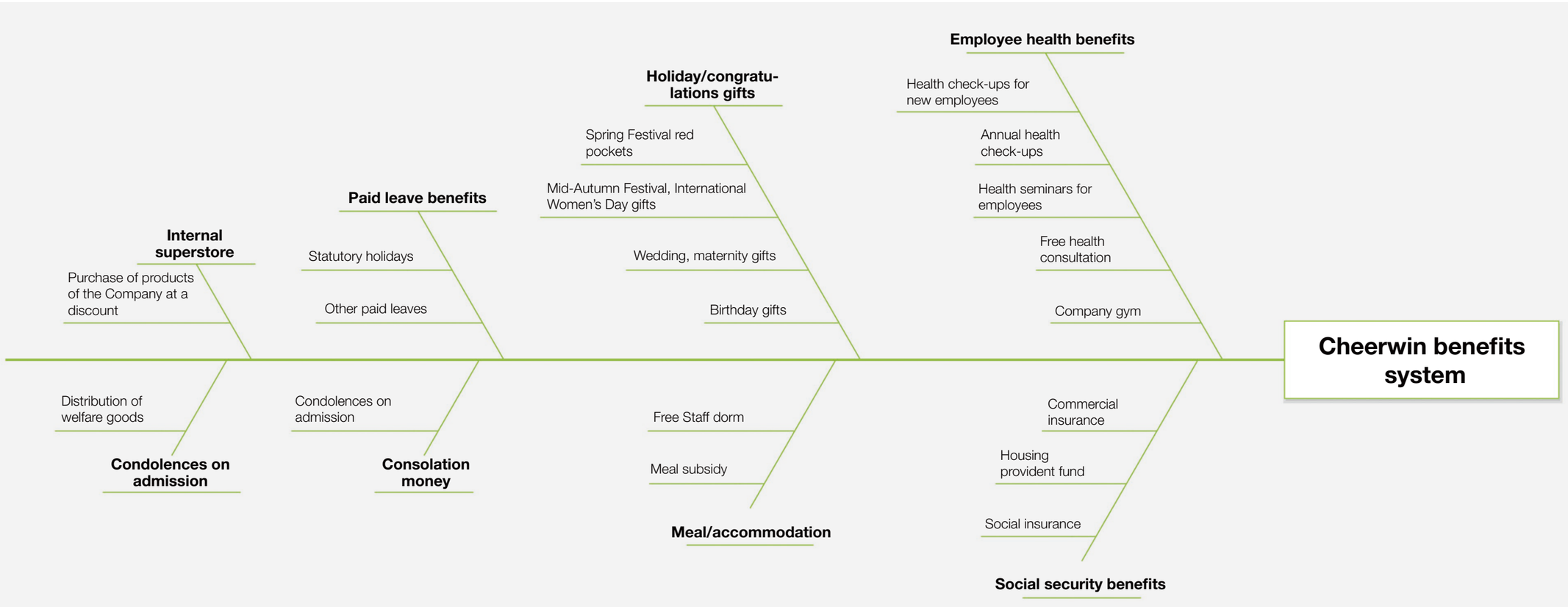


4.1.2 Remuneration and Benefits

The Group strictly complies with national laws and regulations. It has formulated and implemented the *Remuneration Management System*, the *Employee Performance Management System*, the *Employee Benefits Management System*, and the *Management System on Social Insurance and Housing Provident Fund*. Moreover, these form an open, transparent, fair, equitable, and motivational remuneration and benefits framework that earnestly safeguards employees' lawful rights and interests. In the process of continuously optimising these systems, we focus on enhancing the flexibility, fairness, and employee experience of the benefits structure. Through dynamically adjusting the implementation mechanisms for benefits, we strengthen the overall coordination and precision of resource allocation, granting employees more autonomy in their choices. Concurrently, the Group formulates annual incentive plans, implementing differentiated incentive mechanisms for key positions. This reasonably widens income differentials, strengthens performance orientation, and fully plays the strategic role of the remuneration system in talent attraction, retention, and motivation.

The Company strictly complies with the stipulations of the *Labour Law of the People's Republic of China* regarding working hours, rest and leave, and overtime pay. It fully implements various types of leave, including paid annual leave and parental leave, earnestly safeguarding employees' lawful rights and interests. We provide employees with a comprehensive benefits package covering eight key areas, including social security, paid leave, and health management. This demonstrates holistic care for both the work and life of our employees, continuously enhancing their sense of belonging and well-being.

Type	Management Measures
Working Hour Management	Based on the varying job characteristics of different positions and the market development cycles in which they operate, the Group implements a differentiated working hour management system. Sales and management positions operate under a flexible working hour system to accommodate their need for flexible schedules and results-oriented responsibilities. Frontline production positions adopt a shift system based on production plans, balancing fluctuations in production cycles with actual staffing needs. Functional and business support positions follow the standard working hour system to ensure stable work rhythms and organisational coordination, thereby comprehensively enhancing the scientific and compliant allocation of human resources.
Leave Management	In line with the actual internal management needs of the Group, employee leave management is conducted in a scientific and standardised manner. All relevant systems are strictly developed through democratic procedures, formally issued and implemented only after being reviewed and approved by the Employee Representative Congress. This ensures the compliance, fairness, and enforceability of the systems.
Remuneration Management	Based on position value and performance contribution, the Group has designed scientific compensation and incentive schemes, implementing an annual performance-based salary adjustment mechanism. Concurrently, by benchmarking against industry remuneration levels and conducting comprehensive evaluations that consider employees' actual on-the-job business capabilities, we continuously optimise the remuneration structure to reduce deviations and enhance both internal equity and external competitiveness.
Overtime Management	The Group implements a monthly or quarterly settlement mechanism for overtime hours accrued by employees, who can choose between taking compensatory time off or receiving overtime pay based on their personal circumstances. Furthermore, the Group has established a dedicated working group to supervise the implementation of overtime compensation, ensuring transparent processes and effective execution, thereby earnestly safeguarding the lawful rights and interests of employees.



4.1.3 Employee Care

The Company consistently prioritises employee care, committed to building a workplace environment characterised by equality, respect, health, and safety. During the Reporting Period, we continuously improved mechanisms for safeguarding employee rights, smoothed career development pathways, focused on employees' physical and mental well-being and work-life balance, and consistently enhanced their sense of belonging and well-being to achieve mutual growth for both the enterprise and its employees.

- Listening to Employee Voices

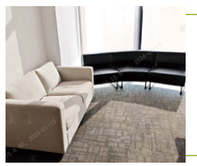
The Group values employees' opinions and feedback, consistently advocating for an open and transparent communication culture that encourages active participation in opinion solicitation. The Company has established an Employee Representative Congress. It is explicitly stipulated that any significant management system involving employee remuneration, performance, or benefits must be reviewed and approved by the Employee Congress before it can be issued and implemented to ensure democratic employee participation.

Concurrently, we fully understand the differences among employees at various levels regarding their career development stages, current work situations, and needs. Accordingly, we have developed a tiered and categorised communication mechanism to listen to employee voices and respond to their concerns promptly. The Group utilises DingTalk as its official communication platform. Employees with grievances can directly contact HR through DingTalk. Such complaints are then assigned to a dedicated HR Business Partner (HRBP) from the corresponding business line for follow-up handling. Based on established standardised procedures, this ensures grievances receive fair assessment and proper resolution.

Strengthening the Foundation for New Employee Development	The Company has conducted 230 probation review interviews for new employees throughout the Year, covering offline pet care function and store personnel, assisting newcomers in smoothly integrating and clarifying their development direction.
Strengthening Performance Review and Feedback Mechanisms	The Company has organised 9 employee performance review meetings, covering all department members, management trainees, and stationed personnel, promoting the alignment of individual growth with organisational objectives.

- Care for Female Employees

The Company highly prioritises safeguarding the rights and interests, as well as the physical and mental health, of female employees. We are committed to fostering a respectful, caring, and supportive workplace environment for them, continuously enhancing their sense of belonging and well-being.



In terms of facility support, the Company has established nursing rooms equipped with comprehensive amenities and private space, providing convenience and care for pregnant and nursing female employees, earnestly ensuring their work comfort and sense of dignity during special periods.

In terms of welfare and care, annually on International Women's Day (8 March), the Company arranges a day off for all female employees and distributes a holiday bonus, conveying festive blessings and respect. Furthermore, Mother's Day themed activities are organised to foster a warm and appreciative corporate atmosphere, strengthening the sense of belonging and cohesion among female employees.

In terms of health protection, the Company places high importance on the physical and mental health of female employees, regularly organising free screenings for the "Two Cancers" (breast cancer and cervical cancer). This helps female employees stay informed about their health status, enabling early prevention, detection, and treatment, thereby solidly building a defence line for women's health.

- Employee Activities

Concurrently, Cheerwin Group consistently prioritises corporate culture development, carrying out diverse employee activities throughout the Year. In 2025, we sequentially organised various thematic events, including the Anniversary of the Listing Celebration, the Lunar New Year Opening Ceremony, International Women's Day, Mother's Day, the Dragon Boat Festival Dragon Boat Race, the Mid-Autumn Festival Garden Fair, Christmas celebrations, quarterly birthday parties, as well as club activities encompassing badminton and basketball clubs.

Dragon Boat Festival Activities

Christmas Celebration Activities

Employee Birthday Parties

Badminton Club

Anniversary of the Listing Celebration themed "Unstoppable Momentum"

4.2 TALENT DEVELOPMENT

The Company is committed to establishing a fair, transparent, and sustainable mechanism for talent cultivation and development. Through measures such as optimising performance management, refining the promotion system, and strengthening employee training, it effectively promotes both employees' career growth and the organisation's long-term development. We emphasise the diversified cultivation and skill enhancement of talent, ensuring that every employee can find a suitable growth pathway within the enterprise's development, achieving mutual progress for both the individual and the organisation.

4.2.1 Selection and Promotion

To continuously advance the sustainable development of talent and build a fair, transparent, and predictable career development environment, the Group, based on business strategy and organisational development needs, continuously optimises the *Employee Performance Management System*. It strengthens the linkage mechanism between performance management, position value, and actual contribution, ensuring the remuneration and incentive system fully reflects employees' performance achievements and long-term value creation.

Based on performance appraisal system documents, the Company differentially sets appraisal cycles (monthly/annual) and evaluation processes according to position category and job grade level, ensuring the scientific validity and appropriateness of the evaluation criteria. Concurrently, we have established an open and transparent performance feedback and grievance mechanism. Employees can raise opinions and suggestions regarding the appraisal process or results, earnestly safeguarding the fairness of the evaluation process and employees' right to be informed.

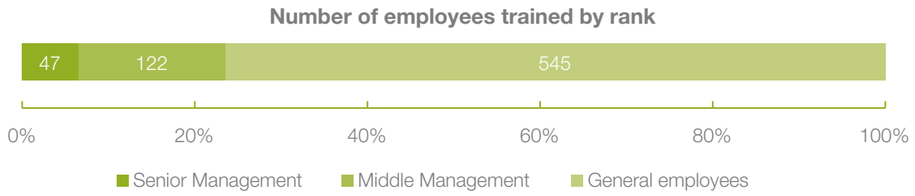
In terms of career development, Cheerwin Group has formulated and refined the *Summary of M/P/S/O Employee Promotion and Pay Rise Review Standards*, covering employees across managerial (M), professional (P), sales and marketing (S), and operational (O) sequences. This provides diverse talent with clear growth pathways. Concurrently, the Company encourages lateral mobility and vertical breakthroughs among talent through mechanisms such as internal job postings and job rotations. This aims to maximise person-job fit, stimulate organisational vitality, and support the sustainable development of the enterprise.

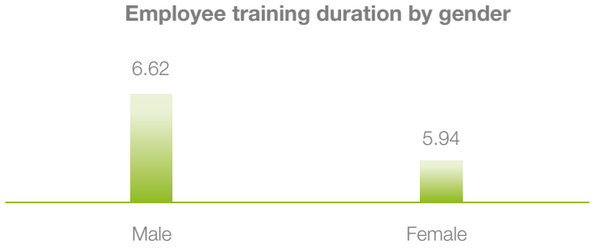
Category	Process	Achievement
Internal Transfer	Employees may express their intention for a transfer. The releasing department provides an assessment opinion based on the employee's performance and job suitability, while the receiving department conducts an interview evaluation. The final transfer decision is made by comprehensively considering feedback from both parties and the specific requirements of the position.	During the Reporting Period, a total of 2 employees were internally transferred across business positions and departments.
Internal Job Posting	Adhering to the principles of "openness, fairness, impartiality, and merit," a review panel conducts a comprehensive assessment of candidates. This process includes qualification review, presentation and defence, and capability evaluation, considering candidates' on-site performance, past achievements, and development potential.	During the Reporting Period, the Company organised 2 internal job posting exercises, attracting 14 participants, with 10 employees successfully selected through the process.

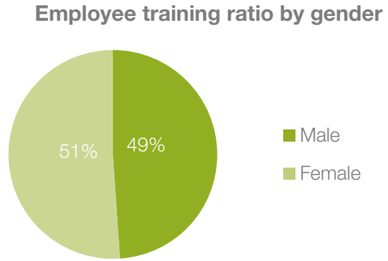
4.2.2 Training and Empowerment

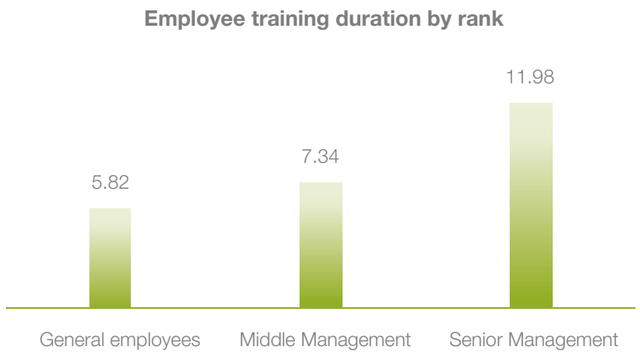
Based on business strategy and talent development needs, Cheerwin Group has established a systematic talent cultivation system. The *Training Management System* standardises the training process, accurately matching the growth requirements of employees at all levels and across all positions. Relying on the Cheerwin Academy, we have created a diversified curriculum system, delivering professional and comprehensive training and empowerment. This continuously enhances organisational capabilities, providing solid talent support for enterprise development.

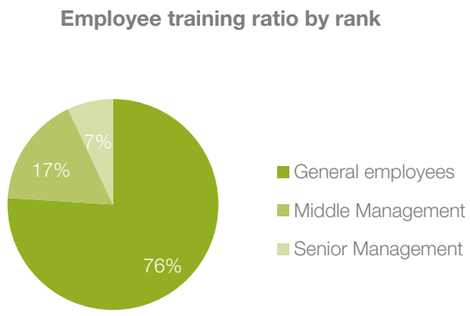
During the Reporting Period, we conducted a total of 340 training sessions covering various groups, including management, campus recruits, and new employees. The total training duration reached 8,553 hours, with an average training duration of 11.98 hours per participant.











Cheerwin Group empowers employees to grow and enhance their professional capabilities and value identification through diversified training programmes. The Company's training system covers multiple dimensions, including internal general training, onboarding, management training, and specialised programmes. Based on practical needs, we provide targeted empowerment training to strengthen employees' deep understanding of corporate culture and systematically equip them with professional knowledge and skills, thereby contributing to the sustainable development of the Company.

Chairman's Training
Training on *From Strategy to Execution* was conducted for all employees to enhance organisational cohesion, cultural alignment, and consolidate the foundation for sustainable development.

New Employee Induction Training
Training sessions are held for newly joined employees every 2-3 months. These sessions are designed to foster a deep understanding of the Group's core cultural values, sustainable development initiatives, and industry brand reputation.

AI General Skills Training
General AI skills training is provided to all employees every 2-3 months, covering fundamental knowledge and application scenarios to improve their understanding and competency in utilising AI tools.

Management Training
Management training sessions are conducted for middle-management staff, focusing on optimising communication and collaboration, and equipping them with effective management methodologies and skills.

General Training
Targeted training sessions are conducted around practical business operations, covering areas such as pet store service, marketing expense compliance management, risk prevention, and legal practices, thereby continuously strengthening employees' hands-on capabilities.

Cheerwin Group Training System

Case Study **Building a Full-Cycle Development System for Campus Recruits to Empower Sustainable Talent Growth**

To continuously solidify the talent pipeline and promote the long-term sustainable development of the organisation, the Company places high importance on the recruitment and cultivation of young talent. We systematically implemented a specialised onboarding training programme for the campus recruits of 2025. The campus recruit training for the Year focused on enhancing comprehensive competencies, covering several key dimensions. A total of 17 specialised training sessions were conducted, reaching 40 campus recruits.

Concurrently, to ensure training quality and learning outcomes, we utilised a digital platform to dynamically track each campus recruit's learning progress, task completion, and capability development trajectory, creating personalised development profiles. Phased assessment was incorporated during the training period. We employed a combined evaluation method of "examinations + job rotation practice" to comprehensively measure participants' knowledge acquisition and overall performance, achieving an overall programme assessment pass rate of 90%. Through this systematic, traceable, and visualised cultivation mechanism for campus recruits, the new generation of employees can rapidly integrate into the Company, enhance their professional capabilities, and successfully embark on their careers.

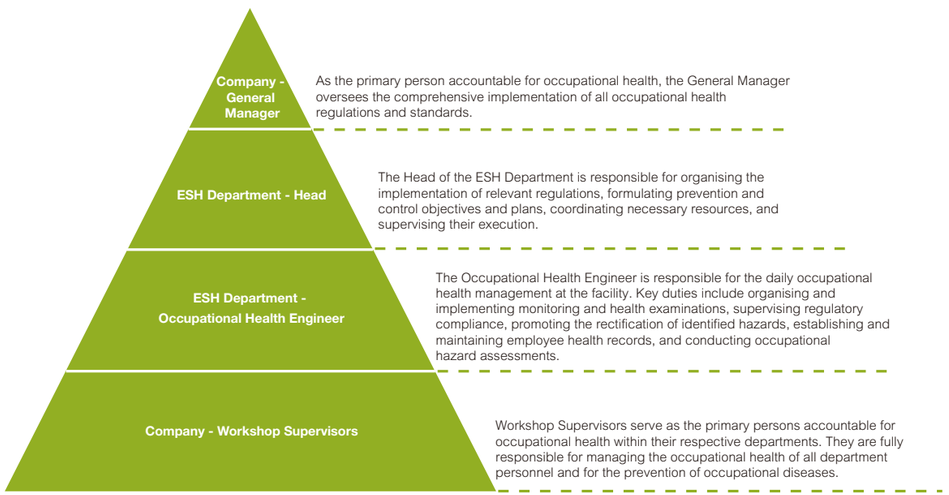
4.3 HEALTH AND SAFETY

The Group strictly complies with national laws and regulations, including the *Production Safety Law of the People's Republic of China*, the *Measures for the Supervision and Administration of Occupational Health Surveillance of Employers*, and the *Law on Prevention and Treatment of Occupational Diseases of the People's Republic of China*. Centred on the *All-staff Post Responsibility System for Work Safety*, it has updated and improved multiple internal regulations, such as the *Occupational Health Management Regulations*, the *Safe Operations Management Regulation*, the *Personal Protective Equipment Allocation Standard and Management System*, and the *Publicity, Education and Training Systems on Prevention and Treatment of Occupational Diseases*. The filing of the *Emergency Response Plan for Production Safety Accidents and the Emergency Response Plan for Sudden Environmental Incidents in Enterprises and Public Institutions* has been completed, and the *Emergency Response Procedure* has been formulated, continuously promoting the implementation of these systems.

4.3.1 Safety Management Mechanism

The Company is shifting its occupational health and safety management from the traditional focus on "physical injury prevention" towards a direction that "prioritises both physical and mental health" and "deepens management systems", continuously optimising the work safety and employee health management framework. We clearly clarify the safety responsibilities of all personnel, from the General Manager to frontline employees. A grassroots safety management system has been established, coordinated and managed by the ESH Department, with collaborative implementation by various functional departments and position-specific safety officers. This strengthens the risk assessment mechanism and drives system updates and process improvements.

To prevent, control, and eliminate occupational disease hazards, Anfu Cheerwin has established an occupational safety management structure, with General Manager serving as the primary responsible person, ESH Department Head responsible for overall coordination and implementation, Occupational Health Engineers responsible for execution and supervision, and workshop supervisors serving as the direct responsible persons for health and safety within their respective departments. This creates clear tiers and defined responsibilities.



Occupational Safety Management Structure and Responsibilities of Anfu Cheerwin

Furthermore, both Anfu Factory and Panyu Factory have obtained ISO 45001 Occupational Health and Safety Management System certification, continuously solidifying the foundation of safety management.

Occupational Health and Safety Management System Certification

4.3.2 Safety Management Targets

To effectively safeguard employees, the Group and its subordinate plants have established quantifiable safety performance indicators and annual targets based on their respective operational realities, consistently enhancing the standard of work safety.

Corporate targets

Target description	2025 achievement status
Annual work-related injury rate per 1,000 employees < 5.5‰ Annual assessment target: Work-related injuries resulting in more than one lost day ≤ 2 cases	All targets achieved

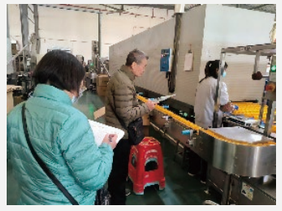
Factory targets

Target description	2025 achievement status
Annual major work-related injury rate = 0 Annual fire accident rate = 0 Occupational disease cases = 0	All targets achieved

Furthermore, we clearly define occupational health responsibilities from Company management to workshop supervisors, ensuring accountability is firmly assigned to each subsidiary and factory. We standardise operational procedures for key production and operational stages, effectively preventing the occurrence of occupational diseases and safety incidents. No work-related fatalities have occurred at Cheerwin Group in the past three years.

4.3.3 Safety Risk Prevention and Control

The Group continuously improves its EHS (Environment, Health, and Safety) management system, adhering to the principle of "Prevention First, Combining Prevention with Control". We have established a full-process risk control mechanism covering pre-incident prevention, in-process control, and post-incident response. Management measures are implemented focusing on key prevention and control areas. This includes systematically advancing the "Three Simultaneities" management of occupational disease protection facilities in construction projects, routinely conducting hazard factor monitoring, standardising pre-employment, on-the-job, and post-employment occupational health examinations for employees, and establishing individual health records to achieve dynamic management.

"Three Simultaneities"	Detailed Process	Highlights
Pre-event Prevention and Control	System Enhancement	Monitoring regulatory updates, improving internal systems, and formulating corresponding control indicators.
	Risk Identification	Conducting regular site visits, systematically identifying potential work safety and occupational health risks in conjunction with process flows and job operations.  **Photo of workplace hazard factor testing** **Photo of occupational health and safety inspections on site**
	Risk Assessment	Establishing a professional team to comprehensively assess and implement tiered controls for potential risks, based on the Group's actual operations.
In-Process Risk Prevention and Control	Risk Control	• Establishing an emergency response organisational structure and improving the risk emergency response plans; • Strictly implementing safe operating procedures for high-risk tasks and the permit-to-work system for special operations; • Regularly assessing equipment conditions and implementing upgrades based on risk assessment results to enhance operational safety; • Identifying and eliminating environmental hazards, continuously optimising the work environment; • Providing adequate and appropriate personal protective equipment (PPE), conducting regular fire drills to strengthen emergency response capabilities, and carrying out regular mosquito disinfection in green areas of the headquarters office compound. **"One Police, Six Designated Roles" Fire Drill** **Emergency Evacuation Drill at the Integrated Plant**

"Three Simultaneities"	Detailed Process	Highlights
In-Process Risk Prevention and Control	Risk Control	 **Mosquito Disinfection** **Dust and Noise Isolation Partitions**
	Risk Monitoring and Dynamic Adjustment	• Dynamically monitoring risk factors and conducting targeted hazard inspections on a daily, weekly, and monthly basis; • Continuously evaluating and optimising existing control measures based on monitoring and inspection results.
	Accident Reporting and Investigation Analysis	• Establishing an accident reporting mechanism and conducting timely investigations; • Conducting in-depth analysis of direct and root causes from the dimensions of personnel, equipment, environment, and management; • Based on investigation findings, identifying shortcomings in safety management and operational procedures, summarising lessons learned, and driving improvements.
Post-event Prevention and Control	Health Monitoring and Follow-Up	• Organising regular health check-ups for all employees, dynamically monitoring their health status, and optimising health management measures based on the assessment results; • Providing timely care and coordinating medical resources for employees involved in incidents or work-related injuries to assist in their early recovery. **Employee Wellness Examinations**
	Mechanism Improvement and Process Optimisation	• Regularly assessing corporate risks and dynamically updating prevention and control measures; • Optimising safety systems and procedures in response to regulatory changes and practical experience; • Enhancing information dissemination to ensure universal awareness; • Strengthening safety training to elevate employees' risk awareness and response capabilities.

To further strengthen forward-looking risk management, the Company proactively identifies and prepares to address key risks that may arise in the coming year.

No.	Risk Item	Cause of Risk	Potential Impact	Mitigation Measures
1	High-Risk Operations	Machinery-related injuries, fire, falls from height, struck by objects, confined space entry, etc.		Enhance approval procedures for high-risk operations, strictly verify operator qualifications to ensure certified personnel only, and implement full-process safety precautions.
2	Special Equipment	Machinery-related injuries, vehicle-related incidents, falls from height		Employees are required to hold relevant certificates before taking up their posts and take proper safety precautions.
3	Fire and Explosion	Flammable and explosive hazardous chemicals	Financial losses, reputational risk	Enhance source control, strictly manage storage and usage, comprehensively eliminate ignition sources, intensify inspection and safety measures for electrical installations, rigorously enforce the hot work permit system, and concurrently improve emergency response plans with regular drills.
4	Confined Spaces	Risk assessment for the wastewater treatment station and post-completion of Phase III construction		Conduct thorough risk identification and assessment, develop specific work plans, and provide personnel training. Adhere to the "ventilate first, then test, then work" principle before entry, confirming safe conditions. Continuously monitor the environment and assign dedicated personnel for oversight during operations. Conduct personnel and equipment checks post-operation, followed by analysis and review. Maintain emergency preparedness throughout to ensure operational safety, maximising risk prevention and loss reduction.
5	Waste Liquid Leakage	Leakage of waste liquid during transfer, entering the Company's stormwater drainage network	Resulting in contamination incidents at the stormwater discharge point	Activate the emergency response plan: immediately close the stormwater gate to contain the contaminated water, and deploy emergency pumps to transfer the wastewater to the Company's wastewater treatment plant for compliant processing.

Furthermore, in our daily operations, we comprehensively implement occupational health and safety management principles from the top-down, continuously advancing the dual enhancement of occupational disease prevention and workplace environment safety.

Strengthening Accountability: Anfu Cheerwin Fortifies Occupational Health Defences

- **Workshop Environment Rectification and Enhancement**

  To improve employee health and safety, the Company implemented three measures such as introducing floor scrubbers to reduce water accumulation and minimise slip-and-fall risks, posting anti-slip signage to remind personnel of floor safety, and conducting safety training emphasising cleaning specifications and emergency procedures. These measures significantly improved the workshop environment, enhanced employee safety awareness, and effectively eliminated potential safety hazards.

- **Annual Monitoring of Occupational Hazard Factors**

  In response to occupational disease prevention requirements, Anfu Cheerwin, in accordance with standards such as the *Occupational Exposure Limits for Hazardous Agents in the Workplace*, commissioned the Ji'an Centre for Disease Control and Prevention to conduct the 2025 annual monitoring of occupational hazard factors. The monitoring covered dust and noise, with all results meeting national limit requirements. The Company has implemented dust, toxic substance, and noise control facilities, provided personal protective equipment, and plans to increase investment in protective facilities, enhance protection levels for positions with elevated noise exposure, and conduct regular occupational health examinations to safeguard employees' health rights.

- **Safety Training and Empowerment**

  The Group continues to deepen its safety culture development by regularly organising systematic safety training. By strengthening awareness of job-specific safety responsibilities, it helps employees correctly respond to and handle various types of work safety incidents, earnestly safeguarding employee health and production safety. During the Reporting Period, we completed occupational health and safety training for all employees at the production bases, significantly enhancing the professional skills and management competency of the relevant personnel.

Case Study **Safety Training Communication and Education**

Anfu Factory

Anfu Factory systematically conducted online and offline occupational health and safety training covering 12 topics, including safety for resuming work after breaks, fire safety, hazardous chemical management, and new employee orientation. Throughout the Year, a total of 13 training sessions were held, accumulating over 240 trainee attendances, achieving a coverage rate of more than 80% of the total workforce and ensuring comprehensive coverage of critical positions. Each training session lasted at least one hour, effectively enhancing overall safety awareness and risk prevention capabilities.

Panyu Factory

Panyu Factory conducted occupational health and safety training covering 10 topics, including occupational health management, use of personal protective equipment, travel safety, and safety precautions in specific environments. Over the Year, safety training was delivered to a cumulative total of 343 attendees, with an average session duration of 30 minutes. Furthermore, in November, we organised 3 employees to participate in Red Cross first-aid responder training, who successfully obtained their Red Cross first-aid responder certificates. This training effectively improved the safety awareness and risk response capabilities of the participants.

Case Study **Mental Health Training**

The Group deeply recognises that employee mental health is also a core element in ensuring production safety and enhancing organisational effectiveness. Accordingly, we have integrated mental health into our employee health management system, extending health management from occupational safety into the psychological domain. It has systematically implemented mental health education and training for workshop employees engaged in high-stress operations.

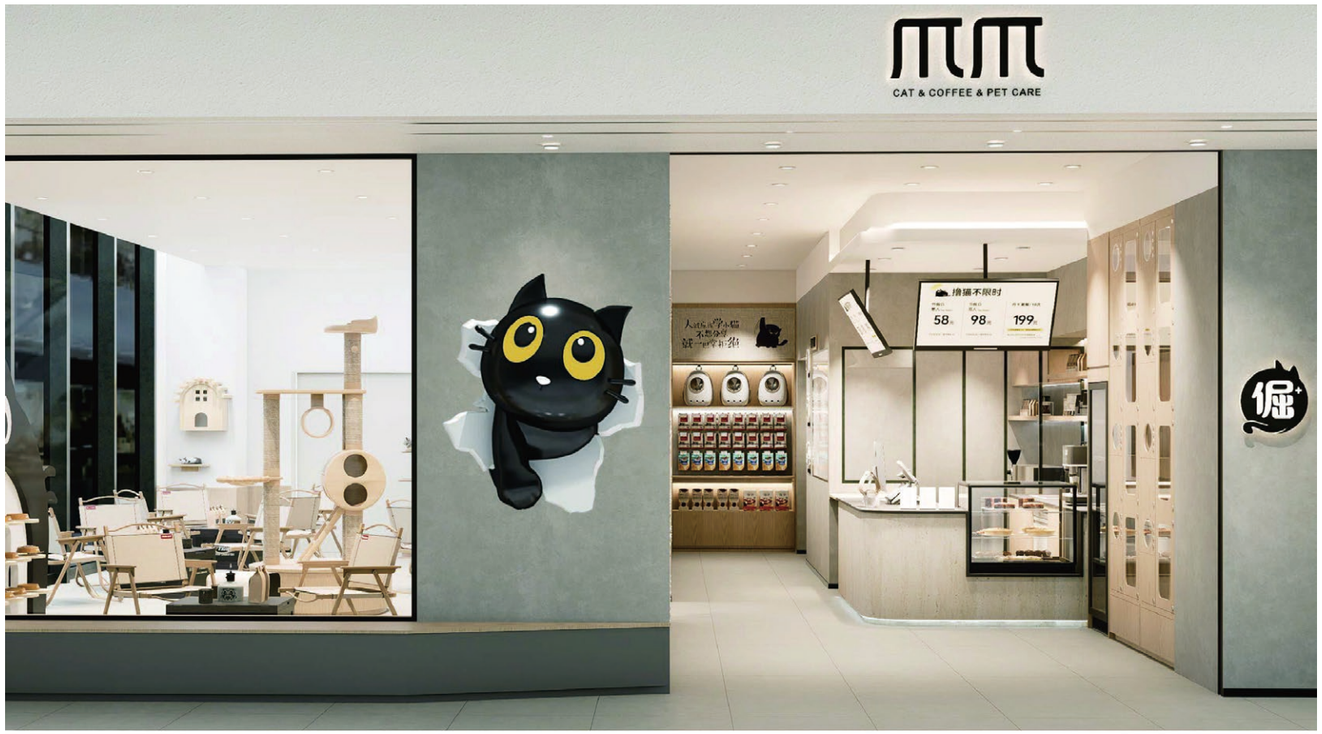
COMMUNITY ENGAGEMENT AND PUBLIC WELFARE

Cheerwin Group continuously refines its supply chain and distribution channel management systems. Through institutional development, digitalisation, and capacity building, it deepens collaboration with partners, driving synergistic improvement and development in compliance, sustainability, and responsible performance among suppliers and distributors. Regarding social responsibility, the Company actively fulfils its corporate duties, focusing on public health support and community care to contribute to social well-being.

2,026 persons
trained Distributor Salesperson Training

RMB **1,784,945**
Philanthropic Donations

SDGs addressed in this section



5.1 RESPONSIBLE PROCUREMENT

The Company upholds the principles of sustainable development, strengthens whole lifecycle management of suppliers and collaborative empowerment of distributors, driving the supply chain towards compliance, efficiency, and green development. Through institutional standards, digitalisation for efficiency, and shared responsibility, it continuously optimises collaborative relationships, enhancing the overall resilience and responsibility level of the value chain.

5.1.1 Supplier Management

Cheerwin Group continuously advances the development of a sustainable supply chain management system, constructing a full-cycle management system covering supplier qualification, daily operations, and performance evaluation. Using categorised management, green collaboration, and digitalisation for efficiency as core levers, it comprehensively enhances the compliance, operational efficiency, and sustainable development level of the supply chain.

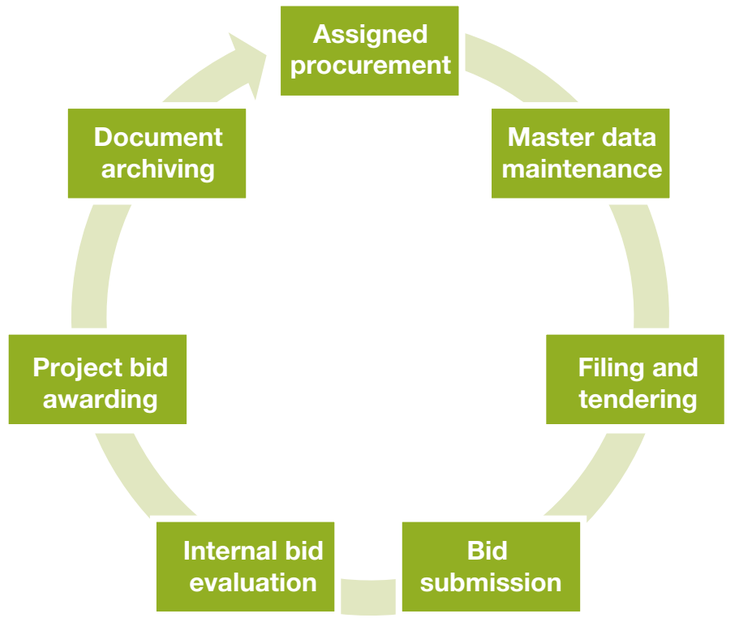
Based on business characteristics, the Company implements supplier categorisation and differentiated control. Multiple departments such as Procurement, Technology, and Quality, conduct qualification assessments of suppliers across dimensions such as credentials, production capacity, technical standards, quality systems, and cooperative performance, ensuring suppliers possess stable supply and compliant operational capabilities. Concurrently, key ESG indicators such as environmental compliance, labour rights, occupational safety, and business ethics, are incorporated as mandatory entry criteria. All suppliers engaged for annual cooperation must sign the *Supplier Code of Conduct* and the *Integrity Agreement*, strengthening responsible supply chain development at the source and earnestly fulfilling the Company's governance responsibility over the value chain.

Regarding green procurement, the Group continuously promotes the application of sustainable materials, prioritising the introduction of suppliers that use eco-friendly inks and renewable resources. It implements monthly supply ratio controls for key packaging materials such as cartons, boxes, labels, and bottles, dynamically monitoring and steadily increasing the proportion of sustainable materials used. Through regular technical exchanges and joint training with core suppliers, it deepens strategic collaboration, driving green process optimisation and low-carbon technology innovation. Relying on the integrated management model of "categorisation + green + strategy", we achieve the unification of controlled supply chain quality, efficient response, and environmental friendliness, partnering with collaborators to build a transparent, efficient, and responsible supply chain ecosystem.

Conduct regular monthly PEST analyses to systematically track external environmental dynamics in politics, economy, society, and technology. Assess their potential impact on the supply chain and develop corresponding risk mitigation plans in advance.
Establish a robust procurement management process covering key stages such as supplier qualification, delivery and contract fulfilment, and performance evaluation. This process systematically builds and dynamically maintains a qualified supplier list.
Prioritise the introduction of suppliers demonstrating outstanding performance in sustainable practices, including partners that utilise clean energy and environmentally friendly materials. For suppliers failing to meet environmental protection and compliance standards, implement mechanisms for either corrective support or orderly exit, as appropriate.
For OEM manufacturers in the household cleaning and aerosol product categories, place particular emphasis on evaluating their application of environmentally friendly agents and clean energy during production processes. Guide and encourage these suppliers to enhance their green manufacturing capabilities, thereby supporting the supply chain in achieving sustainable development goals.
Continuously monitor suppliers' working capital status to assess their financial stability.

Supplier Lifecycle

In 2025, we continued to operate the SRM (Supplier Relationship Management) procurement management system. Through its full-process modules covering tender and bid management, including online invitation, bidding, bid opening, evaluation, and awarding, we have achieved complete online and standardised operations for our tendering and bidding activities. Through employing a unified platform and internal-external collaboration mechanisms, the system effectively ensures the openness, fairness, and impartiality of the tendering and bidding process. It simultaneously enables centralised archiving and traceable management of all tender-related documentation, significantly enhancing procurement transparency, compliance, and overall management efficiency.



SRM Procurement Management System

- Oversight and Grievance Mechanism

To ensure fairness, transparency, and compliance in supply chain management, Cheerwin Group has established comprehensive supplier ESG grievance channels. Through diverse approaches such as telephone, written correspondence, and email, the Company receives and handles feedback and reports from suppliers regarding ESG matters. The Company has developed a standardised grievance handling procedure to ensure each complaint receives a timely response and appropriate resolution. Simultaneously, we attach high importance to the protection of whistleblower information, and have established a strict confidentiality management system to earnestly safeguard the rights and interests of those who report concerns.

Feedback Channels
• ESG Feedback Email: esg@cheerwin.com
• Feedback Hotline: (020) 8125 2793

5.1.2 Supplier Empowerment

The Company continuously advances the optimisation of supplier management. Through a weekly production, supply, and sales coordination meeting mechanism, it strengthens cross-departmental information connectivity, promptly identifies and addresses potential risks in material procurement, and enhances supply chain response efficiency and collaboration levels. Simultaneously, upholding an open collaboration philosophy, the Company establishes long-term, stable, and mutually beneficial strategic relationships with suppliers and partners. By integrating resources and complementing strengths, it builds a collaborative development ecosystem, promotes sustainable development of the supply chain, and achieves shared growth and value creation.

We regularly conduct special training sessions for suppliers on integrity in business practices, strengthening their compliance awareness and risk prevention capabilities, advocating for the principle of ethical operation. This promotes the formation of a fair, transparent, and sustainable supply chain cooperation environment, fostering a healthy and orderly business ecosystem.

Case Study Building a Responsible Supply Chain: Sustainability Advocacy at the Suppliers Conference

At the Group's 26th Pest Control Season Launch Conference, the Supply Chain Department delivered sustainability-focused training to attending suppliers, covering themes of integrity and compliance, human rights protection, and environmental conservation. Through knowledge dissemination and case study sharing, the training reinforced suppliers' understanding of requirements related to business ethics, employee rights, and green production. It aimed to promote the implementation of sustainable management practices, working together to build a compliant, transparent, and responsible supply chain ecosystem.

We firmly believe that the resilience of the supply chain stems from the co-development of capabilities. While advancing its own smart manufacturing upgrades, the Company proactively extends its technological capabilities upstream into the supply chain. By sharing process standards, automation specifications, and quality management requirements, it empowers suppliers to achieve synchronous growth.

Case Study Upstream-Downstream Synergy: Strategic Supplier Production Base Automation Transformation Project

Faced with challenges such as continuously rising labour costs, production steps heavily reliant on worker experience and physical labour, noticeable product quality fluctuations, and potential safety hazards in the work environment, Cheerwin Group collaborated with upstream suppliers to systematically advance the intelligent upgrade of key processes.

In 2025, Cheerwin Group initiated the Strategic Supplier Production Base Automation Transformation Project. This initiative empowered suppliers to upgrade to 28-cavity high-speed stamping forming equipment, achieve fully automated loading/unloading and intelligent temperature control for drying ovens, and integrate an AGV logistics system to streamline material flow. Key measures also included optimising fragrance-receiving automation. These steps leveraged smart manufacturing to drive the synergistic upgrade of the entire value chain. Under the Company's leadership, the base achieved fully automated, end-to-end product quality control, increasing average daily production capacity efficiency by approximately 30%. Concurrently, the workshop environment became clean, orderly, and safety-compliant, fundamentally improving employee working conditions.

Moving forward, we will continue to empower suppliers, advance production process automation, deepen energy conservation and emission reduction efforts, and work together to establish green and smart benchmark factories.

Case Study Deepening Collaboration to Build a Green Supply Chain

We maintain a long-term, in-depth collaborative relationship with iGAO Packaging, an industry-leading supplier in the pump dispenser bottle category. We continuously engage in technical exchanges and joint training to gain deeper insights of its key process technologies in pump dispenser bottle production. Concurrently, we focus on the sustainable supply capacity of upstream raw materials, jointly exploring green manufacturing pathways with iGAO Packaging to ensure the continuous improvement of resource utilisation efficiency and environmental performance. This supports the green transformation and long-term, stable development of the entire industry chain.

5.2 WIN-WIN PARTNERSHIP

Cheerwin Group firmly believes that growing together with partners is the enduring foundation of channel development. In 2025, we focused on three key areas including organisational upgrades for brand service providers, targeted support for underperforming stores, and emergency response during special periods, to systematically advance channel empowerment. Through standardised training, data-driven diagnostics, and replicable best practices, we empower partners to evolve from “executors” into “operators,” fostering an efficient, agile, and sustainable industry ecosystem.

5.2.1 DISTRIBUTOR MANAGEMENT

Cheerwin Group consistently regards distributors as critical partners in the value chain. By establishing institutional standards, digital empowerment, and co-developing competencies, we are transforming the manufacturer-distributor relationship from a traditional transactional model into a long-term, collaborative partnership. This approach solidifies the market foundation for the brand’s long-term development and achieves shared success for the enterprise, its channels, and consumers.

The Group prioritises institutional development as a core mechanism to comprehensively strengthen compliance management and order maintenance for distributors. We have issued the *2025 Offline Channel Promotion Management Regulations*, stipulating that promotional activities must prioritise new and strategic products. The regulations strictly control promotion frequency: for pest control products, the minimum interval between retail price promotions for the same SKU shall be no less than 30 days, and secondary promotions are strictly prohibited. Concurrently, we have established a price inspection mechanism and a disciplinary system for violations to ensure market order stability.

Regarding service provider management, we rigorously implement the *Management Measures for Brand Service Providers*, which cover the entire lifecycle from onboarding and operation to performance evaluation and offboarding. Adhering to the principle of open recruitment as the primary method, supplemented by targeted selection, we ensure a transparent selection process. Through tiered management and dynamic assessment, we drive service providers towards greater professionalism and corporatisation, mitigating market volatility caused by improper account closures.

Account Opening Management	• Qualification review & partner recruitment process (open tender or targeted invitation) • Account opening application & approval
Account Closure Management	• Closure classification (voluntary surrender or legal termination) • Closure process (termination application, contract dissolution, account settlement) • Debt recovery & market handover
Territory Adjustment	• Territory adjustment application, approval & data maintenance
Daily Operations	• Tiered management & training support • Designated operating territory maintenance • Management of cross-region sales
Service & Support	• Training management (core team, general team training) • Customer inquiry & complaint handling

Full Lifecycle Management of Brand Service Providers

To enhance channel management efficiency and transparency, the Company continuously advances the digital application of the TPM (Trade Promotion Management) system. Distributors can submit reimbursement documentation online through the system. After automated back-end review based on predefined rules, reimbursements are processed, significantly reducing manual costs and improving processing efficiency. The TPM system also provides a data visualisation dashboard, enabling distributors to view reimbursement progress and results in real time. This enhances information symmetry, supports scientific business planning, and ensures full-process traceability and monitoring of promotional activities.

In 2025, the Company implemented a dedicated upgrade to the TPM system. The key optimisations focused on two primary areas. Firstly,in line with Group-wide unified management procedures, all distributor promotion-related operational activities were fully integrated into the Group’s unified management system. This specifically achieved the integration and synchronisation of TPM promotional activity data, two-way feedback of activity execution data, online end-to-end approval workflow, and upgrades to system master data synchronisation and management rules. Secondly,core data from the data middle platform, including budget sheets and expense reports, were migrated back to the TPM system. This further strengthened the system’s integrated control capabilities.

5.2.2 Distributor Empowerment

The Company emphasises stimulating the internal drive of brand service providers to promote the continuous upgrading of their organisational capabilities. We conduct regular business training, operational guidance, and performance feedback to help service providers enhance their professional service capabilities and market response efficiency. As of the end of the Reporting Period, the Company had conducted a cumulative total of 60 training sessions, covering 2,026 sales personnel. Each session lasted 100 minutes, resulting in a total training duration of 100 hours. Concurrently, we have established a scientific performance evaluation system, incorporating dimensions such as service quality, compliance implementation, and customer satisfaction, thereby creating a positive incentive mechanism.

Case Study **Gaining Market Insights for Shared Future Growth**

During the Reporting Period, Cheerwin Group organised 23 practical briefing sessions focusing on market insights and business development to empower brand service providers. The meetings systematically outlined the national and regional market landscape, analysed high-potential trend categories, and clarified the advantages and growth opportunities for channel partners through comparisons between our own products and those of the competitors'. Tailored guidance was provided to optimise product structures and promotion strategies based on regional characteristics, thereby improving resource utilisation efficiency. Distinguished clients were invited to share practical experience in marketing planning, implementation, resource allocation, and effectiveness evaluation to ensure replicable best practices. This series of briefing sessions effectively strengthened channel partners' strategic understanding and implementation capabilities, deepened consensus on collaboration, and supported refined operations and sustainable growth in regional markets.

Case Study **Empowering the Frontline with Professional Training to Drive Market Growth**

During the Reporting Period, in response to the demand for mosquito-borne disease prevention and control, Guangdong Province launched a comprehensive special campaign for adult mosquito elimination. Against this backdrop, relying on its professional pest control brands such as Superb and Babeking, Cheerwin Group conducted offline concentrated mosquito control training in the Panyu region for service providers and sales teams. The training focused intensively on professional pest control knowledge, product application, and consumer education skills. Through this systematic training, frontline stores actively implemented product displays, promoted mosquito control knowledge, organised group purchase promotions, and guided consumers, effectively enhancing consumer trust and purchase conversion. This fully demonstrated the dual driving role of professional training in both public health response and market growth.

Case Study **Building Flagship Stores to Enhance Brand Market Image**

Cheerwin Group actively promotes the development of "Five-Uniform" stores, seizing key retail locations, and creating displays for flagship outlets. In 2025, the Company established a total of 3,877 dual-brand flagship stores, 468 Babeking standalone flagship stores, 4,221 household care flagship stores, 398 "Kitchen, Bathroom & Bulk Stack" flagship stores, and 13,954 "Cut-Case & Hang" flagship stores, comprehensively enhancing marketing impact and brand image.

5.3 SOCIAL WELFARE

Upholding a strong sense of corporate social responsibility, Cheerwin Group consistently gives back to society through diversified philanthropic efforts, committed to improving public health, supporting community development, and safeguarding environmental well-being. By establishing a systematic social responsibility management system, the Company actively fulfils its social duties in areas such as donations, epidemic prevention and control, and community support, demonstrating its long-term commitment to societal welfare. During the Reporting Period, Cheerwin Group donated cash and products totalling RMB1,784,945.

Case Study Embracing the National Games with a Philanthropic Spirit

On 16 August, Cheerwin Group carried out the "Guarding Health, Supporting the National Games" public welfare event at Guangzhou Cultural Park. Aligning with the needs of the National Games and dengue fever prevention, the event featured booth displays of products such as mosquito repellents and household care items. A mosquito repellent experience zone was set up, where volunteers provided on-site demonstrations and disseminated knowledge on mosquito prevention for outdoor activities, promoting the concept of "Healthy Sports + Scientific Mosquito Prevention." This effectively raised public awareness of protection.

As a prelude to the 21-day countdown to the National Games opening ceremony, the 12th Guangzhou Tower International Climbing Challenge, sponsored by China Everbright Bank, was held on 19 October. In response to the call of "Everyone Welcomes the National Games", the Group actively formed a "Pioneer Team" by selecting three employee representatives to participate in the climbing challenge. It also donated materials worth approximately RMB60,000 to support the Guangzhou Charity Federation's "Micro-Wishes, Warming Ten Thousand Homes" and "Love Bud Action" initiatives, as well as charity medical aid programmes. Through the dual-track model of "event participation + philanthropic donation," the Group promoted the integration of team building and public welfare, demonstrating its corporate social responsibility.

Case Study Multi-party Collaboration to Build a Strong Defence Line: Fulfilling Public Health Responsibility with Professional Pest Control

In the summer of 2025, facing a sudden outbreak of Chikungunya fever, Cheerwin Group swiftly activated its emergency response mechanism. Relying on the strengths of its professional pest control brands, including Superb and Babeking, it actively engaged in public health protection through a dual-track approach of "material donations + public education".

Material Support
The Group precisely targeted key venues and populations, deploying highly effective mosquito repellent products in batches to support frontline prevention and control efforts. Targeting grassroots communities, it donated 37,000 units of highly effective mosquito repellent products to nine districts across Guangzhou through the Guangzhou Charity Federation, covering high-risk areas and key demographics to effectively interrupt mosquito-borne transmission chains. For fever clinics at medical institutions, it donated 10,000 units of spray-type mosquito repellent products through the Jiangmen Municipal Health Commission, providing timely protection for medical staff and patients and reducing cross-infection risks. For outdoor workers such as sanitation personnel and delivery couriers, it donated 4,000 units of mosquito repellent lotion through the Liwan District Committee, earnestly safeguarding the health and safety of frontline labourers.

Public Education
The Group collaborated with the Guangzhou Charity Federation and Baiyun Hengfu to organise the "A Mosquito's Diary" mosquito-borne disease prevention science education campaign. Employing a "science education + public welfare" model, the campaign used interactive formats such as picture book reading, science lectures, and mosquito repellent experiments to educate children about mosquito prevention. The children transformed into "little scientists" through hands-on experiences to enhance their health protection awareness in a fun and educational setting. This translated the Group's organisational strengths into concrete actions serving the community and caring for children.

APPENDIX

APPENDIX I: TABLE OF ESG KPIs

KPIs		Unit	2023	2024	2025
Emissions					
Types of emissions and respective emissions data					
Wastewater Discharge	Total wastewater discharge	Tonne	17,401	29,539	25,575
	Total wastewater discharge intensity	Tonne/RMB million	10.77	16.23	12.86
Air Emissions	Sulphur oxides	Kg	0.13	0.07	0
	Nitrogen oxides	Kg	82.98	42.02	0
	Particulate matters	Kg	311	591	110
	Volatile organic compounds	Tonne	0.01	0.12	0.06
Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions and intensity					
Greenhouse Gas Emissions	Scope 1 greenhouse gas emissions	tCO_2e	14.42	37.04	58.63
	Scope 2 greenhouse gas emissions	tCO_2e	1,011.70	1,221.77	1,197.19
	Total GHG emissions (Scope 1 + Scope 2)	tCO_2e	1,026.12	1,258.81	1,255.82
	Greenhouse gas emission intensity	tCO_2e per RMB million	0.64	0.69	0.63
Total hazardous waste produced and intensity					
Hazardous waste	Total hazardous waste produced	Tonne	4.13	3.24	3.61
	Hazardous waste intensity	Kg/RMB million	2.56	1.78	1.81
Total non-hazardous waste produced and intensity					
Non-hazardous waste	Total non-hazardous waste produced	Tonne	274.72	237.53	332.34
	Non-hazardous waste intensity	Kg/RMB million	170.00	130.50	167.17

KPIs		Unit	2023	2024	2025
Use of Resources					
Direct and/or indirect energy consumption in total and intensity by type					
Direct energy use	Gasoline	Liter	8,886	13,546	15,409
	Diesel	Liter	1,660.00	2,176.80	1,141.26
Indirect energy use	Total electricity consumption	kWh	1,922,843.74	2,344,534.46	2,231,064.14
Energy consumption	Direct energy consumption	Tonne of coal equivalent	6.88	16.15	18.17
	Indirect energy consumption	Tonne of coal equivalent	236.32	288.14	274.20
	Total energy consumption	Tonne of coal equivalent	243.20	304.29	292.37
	Energy consumption intensity	Tce/RMB million	0.15	0.17	0.15
Water consumption in total and intensity					
Water resources	Total water consumption	Tonne	28,269	38,053	36,009
	Reclaimed water use	Tonne	7,041	7,386	3,582
	Water consumption intensity	Tonne/RMB million	17.49	20.91	18.11
Total packaging material used for finished products, with reference to per unit produced					
Packaging Materials	Total packaging materials	Tonne	2,419	3,243	1,620
	Packaging material intensity	Tonne/RMB million	1.49	1.78	0.99

Environmental data description:

- The collection period for environmental data covers 1 January 2025 to 31 December 2025. The collection scope of environmental data is the Company's production and operational areas.
- The intensity of environmental data is calculated using the total data in 2025 divided by the Company's revenue for the Year in RMB million.
- The main sources of greenhouse gas emissions (Scope 1) are diesel, gasoline, and refrigerants, and greenhouse gas emissions (Scope 2) are from purchased electricity. Greenhouse gas emissions are calculated with reference to the *Enterprise Greenhouse Gas Emissions Accounting and Reporting Guidelines – Other Industries (Trial)* and the *Announcement on the Release of Carbon Dioxide Emission Factors for Power Generation in 2022* published by the National Development and Reform Commission of the People's Republic of China. During the Reporting Period, the overall Scope 1 emissions increased compared to previous years, primarily due to factors such as the expansion of the Company's operations.
- The direct energy type includes diesel and gasoline, and the indirect energy type includes purchased electricity. The energy consumption is calculated with reference to the national standard of the People's Republic of China – *GB/T 2589-2020 General Principles for Calculation of the Comprehensive Energy Consumption*. During the Reporting Period, we updated and restated historical energy consumption data for the past three years due to enhanced precision in energy management. Historical data should be referenced based on the disclosures for the Year.
- The non-hazardous wastes are office garbage and domestic garbage generated in the office area. The hazardous waste is mainly raw material packaging drums containing meperfluthrin mother liquid and dimefluthrin mother liquid. During the Reporting Period, Anfu Cheerwin disposed of raw material packaging drums harmlessly, and the weight data was included in the non-hazardous waste.
- The total water consumption statistics include water used for production at the Company's production bases and water used in barrels at the Company's headquarters office area in Guangzhou. The municipal water consumption of the Company's headquarters office area is not included in the statistics and disclosure for the Year as it is centrally managed by the building property and the water consumption cannot be measured separately.
- In previous years, the Company's reclaimed water was primarily reused for scenarios such as irrigating green belts within the park, flushing production lines and cleaning sanitary facilities within the factory premises. Currently, due to issues such as algae growth in reclaimed water, the Company has adjusted its internal water usage structure. Reclaimed water is no longer used in fine pipeline network systems that are prone to clogging. Consequently, the volume of reclaimed water reused for the Year has decreased compared to previous years.
- The air emission data mainly come from gasoline consumption of official vehicles and air emission monitoring data of the production bases. The emission data of Panyu Cheerwin are uniformly discharged, treated and centrally monitored by the industrial park, and the Company does not record the level and density of its emissions. The calculation of emissions from petrol consumption of official vehicles is based on the *How to Prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs* issued by the Stock Exchange. During the Reporting Period, the Company updated the statistical methodology and scope for particulate matter data and has restated the data for the past three years accordingly. Historical data should be referenced based on the disclosures made in the Year.
- The packaging consumables are cardboard boxes and PET bottles used for product production.

SOCIAL KPIs

KPIs		Unit	2025
Employment			
Total workforce by gender, employment type, age group, employee category and geographical region			
Total workforce		Person	1,367
Gender	Male	Person	639
	Female	Person	728
Employment type	Full-time	Person	1,367
	Part-time	Person	0
Age group	29 and below	Person	532
	30 and above and below 40	Person	445
	40 and above and below 50	Person	285
	50 and above	Person	105
Employee category	Senior management	Person	47
	Middle management	Person	199
	General employees	Person	1,121
Geographical region	Central China	Person	170
	Eastern China	Person	447
	Southern China	Person	700
	Other regions	Person	50
Employee type	Disabled	Person	5
	Ethnic minorities	Person	29
Employee turnover rate by gender, age group and geographical region			
Annual employee turnover rate		%	28.28
Gender	Male	%	43.97
	Female	%	56.03
Age group	29 and below	%	64.94
	30 and above and below 40	%	21.52
	40 and above and below 50	%	7.24
	50 and above	%	6.31
Geographical region	Central China	%	12.43
	Eastern China	%	30.80
	Southern China	%	55.29
	Other regions	%	1.48

KPIs		Unit	2025
Health and Safety			
Number and rate of work-related fatalities occurred in each of the past three years			
Work-related fatalities	Rate of work-related fatalities	%	0% in 2023-2025
	Number of work-related fatalities	Person	0 in 2023-2025
Lost days due to work injury	Losses due to work-related injuries	Day	18
Development and Training			
The percentage of employees trained by gender and employee category			
Percentage of employees trained		%	52
Gender	Percentage of male employees trained	%	49
	Percentage of female employees trained	%	51
Employee category	Percentage of senior management trained	%	7
	Percentage of middle management trained	%	17
	Percentage of general employees trained	%	76
The average training hours completed per employee by gender and employee category*			
Gender	Average training hours completed per male employee	Hour	6.62
	Average training hours completed per female employee	Hour	5.94
Employee category	Average training hours completed per senior management officer	Hour	11.98
	Average training hours completed per middle management officer	Hour	7.34
	Average training hours completed per general employee	Hour	5.82
Supply Chain Management			
Number of suppliers by geographical region			
Total number of suppliers		Suppliers	231
Geographical region	Northern China	Supplier	11
	Central China	Supplier	28
	Northwestern China	Supplier	3
	Southern China	Supplier	114
	Eastern China	Supplier	74
	Northeastern China	Supplier	1

KPIs		Unit	2025
Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented			
Number of suppliers under review		Supplier	48
Product Responsibility			
Percentage of total products sold or shipped subject to recalls for safety and health reasons			
Product recalls	Percentage of products subject to recalls	%	0
Number of products and service-related complaints received			
Product complaints	Number of valid complaints about products and services	Complaint	38
Anti-corruption			
Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the Reporting Period			
Corruption litigation	Number of legal cases regarding corruption	Complaint	0

APPENDIX II: LIST OF APPLICABLE LAWS AND REGULATIONS AND INTERNAL POLICIES OF CHEERWIN GROUP

Area	Major Laws and Regulations	Major Internal Policies
Environmental		
	Environmental Protection Law of the People's Republic of China	Environmental Protection Management System
	Environmental Impact Assessment Law of the People's Republic of China	Energy Management System
	Law on the Prevention and Control of Atmospheric Pollution of the People's Republic of China	Energy Management Manual
	Integrated Emission Standard of Air Pollutants	Wastewater, Air Emissions and Solid Waste Discharge Management System
	Law on the Prevention and Control of Environmental Pollution by Solid Wastes of the People's Republic of China	Rules on Waste Management
	Law on the Prevention and Control of Noise Pollution of the People's Republic of China	Procedures for the Treatment of Solid Waste and Wastewater from Washing and Sterilization
	Law on the Prevention and Control of Water Pollution of the People's Republic of China	Rules on Management of Use of Air-conditioning
	Measures on the Administration of Pollutant Discharge Permits	Energy and Resources Management System
	Regulations on Urban Drainage and Sewage Treatment	Chemical Reagent Management Procedure
	Energy Conservation Law of the People's Republic of China	Housekeeping and Safety Management Procedure
	Integrated Wastewater Discharge Standard	Sustainable Development and Eco-design Specification
	Management Regulation on Waste Containers of Raw Materials	
	Technical requirement for environmental labelling products – Cosmetics	
	T/CHCIA 038-2024 Guidelines on Natural Origin Index for Detergents	
	GB 14930.1 National Food Safety Standard – Detergents	

Area	Major Laws and Regulations	Major Internal Policies
Social		
	Labour Law of the People's Republic of China	Audit and Supervision Management System
	Labour Contract Law of the People's Republic of China	Labour Contract Management System
	Law of the People's Republic of China on the Protection of Minors	Anti-corruption and Integrity Management System
	Social Insurance Law of the People's Republic of China	Expense Reimbursement Management System
	Interim Provisions on Wage Payment	Cross-region Sales Management System
	Production Safety Law of the People's Republic of China	Corporate Software Development Management System
	Law on Prevention and Treatment of Occupational Diseases of the People's Republic of China	Partner Quality Assessment Management Regulation
	Measures for the Supervision and Administration of Occupational Health Surveillance of Employers	Procedure for the Protection of Client Confidentiality and Intellectual Property
	All-staff Post Responsibility System for Work Safety	Clinical Trial Ethics and Committee Management Bylaws
	Fire Protection Law of the People's Republic of China	Cheerwin Group Laboratory Animal Centre Management System
	Patent Law of the People's Republic of China	Guiding Opinions on the Humane Treatment of Laboratory Animals
	Trademark Law of the People's Republic of China	Pet Testing – Animal Ethics and Safety Operating Procedures
	Copyright Law of the People's Republic of China	Animal Experimentation Ethics Review Management Measures
	Advertising Law of the People's Republic of China	Human Resources Planning Management System
	Measures for the Administration of Internet Advertising	Anfu Cheerwin Labour Union Committee Management Regulation
	Measures for the Administration of Internet Information Services	Recruitment Management System
	Anti-unfair Competition Law of the People's Republic of China	Probation Period Management System
	E-Commerce Law of the People's Republic of China	Resignation Management System
	Criminal Law of the People's Republic of China	Summary of M/P/S/O Employee Promotion and Pay Rise Review Standards
	Anti-Money Laundering Law of the People's Republic of China	Training Management System
	Securities Law of the People's Republic of China	Management System on Induction and Probation Period of New Employees
	Audit Law of the People's Republic of China	Remuneration Management System
	Law on Protection of Consumer Rights and Interests of the People's Republic of China	Employee Performance Management System
	Product Quality Law of the People's Republic of China	Employee Code Management System
	Regulation on the Protection of Personal Information of Telecommunications and Internet Users	Employee Attendance Management System
	Measures for the Supervision and Administration of Online Transactions	Management System on Social Insurance and Housing Provident Fund
	Personal Information Protection Law of the People's Republic of China	Employee Handbook

Area	Major Laws and Regulations	Major Internal Policies
	Data Security Law of the People's Republic of China	Employee Benefits Management System
	Measures for Ethics Review of Biomedical Research Involving Humans	Code of Safe Conduct for Employees
	Measures for Ethics Review of Life Sciences and Medical Research Involving Humans	Labour Contract Management Measures
	International Ethical Guidelines for Health-related Research Involving Humans	Management System on Occupational Health Protection of Labourers and Their Archives
	Drug Administration Law of the People's Republic of China	Accountability System on Prevention of Occupational Diseases
	Announcement No. 925 of the Ministry of Agriculture and Rural Affairs of the People's Republic of China	Publicity, Education and Training Systems on Prevention and Treatment of Occupational Diseases
	Technical Guidelines for Cosmetics Safety Assessment	Disposal and Reporting Systems on Hazards and Accidents of Occupational Diseases
	Pet Feed Labelling Regulations	Emergency Rescue and Management System on Harms of Occupational Diseases
	Regulations on the Supervision and Administration of Cosmetics	Personal Protective Equipment Allocation Standard and Management System
	GB 24330 General Safety Technical Requirements for Household Hygienic Insecticides	Safe Operating Procedures for Site Operations
	Regulations on Pesticide Administration	Management Procedures for High-risk Operation
	Measures for the Management of Pesticide Labels and Instructions	Occupational Health Management System
	Announcement No. 20 of the Ministry of Agriculture and Rural Affairs of the People's Republic of China	Safe Operations Management Regulation
		Emergency Response Procedure
		Management System on Source of Dangers
		Safety Inspection System
		Chemical Management System
		Commitment System on Safety Production
		Measures for Management of Operations of Distributors
		Rules for the Management of Acquisition and Selection of Suppliers
		Quality Management Measures for Selection of New Suppliers of Raw Materials
		Measures for Daily Quality Management of Raw Materials Suppliers
		Rules on Monitoring and Management of Prohibited and Restricted Substances in Raw Materials
		System for Daily Management of Suppliers
		Management System for Purchase of Productive Materials
		Management System on Procurement and Bidding
		New Project Initiation Management Procedures
		Measures for Quality Management of New Products and New Projects
		Testing Method Management Procedures
		Cheerwin Group Product Quality Policy
		Quality Management Manual

Area	Major Laws and Regulations	Major Internal Policies
		Rules for Management of Quality Targets
		Rules for Handling of Complaints about Market Product Quality
		Measures for Handling Quality Accidents
		Management System on Acquisition and Selection of OEMs
		Management System on Appraisal of OEMs
		Management Measures for Introduction and Appraisal of ODM Products
		Sample Management Procedures
		Management Measures for Quality Monitoring and Measurement of Semi-finished and Finished Products
		Management Measures for Monitoring and Measurement of Manufacturing Process of Products
		Cattery Management System
		Management Measures for Brand Service Providers
		Rules on Control and Management of Technical Standards of Factories
		Objectives for Product Quality Management
		Quality Assurance Plan of Disinfectant Products
		Non-conforming Product Control Measures
		Control Measures for Product Recalls and Mock Recalls
		Integrity Cooperation Agreement
		Supplier Code of Conduct
		Patent Management Rules
		Trademark Management Rules
		Intangible Assets Management System
		Copyright Management Rules
		Superb Quality Incident Handling Procedure
		Measures on Management of Information Security
		Cheerwin Group 2025 Offline Channel Promotion Management Regulations
		SOP for Omnichannel & Full-Brand New Product Launch Material Preparation

APPENDIX III: ESG REPORTING GUIDE CONTENT INDEX

Subject Areas, Aspects, General Disclosures and KPIs		2025 Environmental, Social and Governance Report
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.	ENVIRONMENTAL MANAGEMENT GREEN OPERATION
KPIs	The types of emissions and respective emissions data.	ESG KPIs
	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	ESG KPIs
	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	ESG KPIs
	Description of emission target(s) set and steps taken to achieve them.	Climate Change ENVIRONMENTAL MANAGEMENT GREEN OPERATION
	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	ENVIRONMENTAL MANAGEMENT GREEN OPERATION
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	ENVIRONMENTAL MANAGEMENT GREEN OPERATION
KPIs	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).	ESG KPIs
	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	ESG KPIs
	Description of energy use efficiency target(s) set and steps taken to achieve them.	ENVIRONMENTAL MANAGEMENT GREEN OPERATION
	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.	ENVIRONMENTAL MANAGEMENT GREEN OPERATION
	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	ESG KPIs
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	ENVIRONMENTAL MANAGEMENT GREEN OPERATION
KPIs	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Climate Change ENVIRONMENTAL MANAGEMENT GREEN OPERATION

Subject Areas, Aspects, General Disclosures and KPIs		2025 Environmental, Social and Governance Report
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.	Talent Attraction
KPIs	Total workforce by gender, employment type (for example, full – or part-time), age group and geographical region.	Talent Acquisition ESG KPIs
	Employee turnover rate by gender, age group and geographical region.	ESG KPIs
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.	Health and Safety
KPIs	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	ESG KPIs
	Lost days due to work injury.	
	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	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.	TALENT DEVELOPMENT
KPIs	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	TALENT DEVELOPMENT ESG KPIs
	The average training hours completed per employee by gender and employee category.	TALENT DEVELOPMENT ESG KPIs
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.	Talent Attraction
KPIs	Description of measures to review employment practices to avoid child and forced labour.	Talent Attraction
	Description of steps taken to eliminate such practices when discovered.	Talent Attraction
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Responsible Procurement
KPIs	Number of suppliers by geographical region.	ESG KPIs
	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Responsible Procurement
	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Responsible Procurement
	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Responsible Procurement

Subject Areas, Aspects, General Disclosures and KPIs		2025 Environmental, Social and Governance Report
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.	Quality Assurance Customer Service
KPIs	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Quality Assurance ESG KPIs
	Number of products and service-related complaints received and how they are dealt with.	Customer Service ESG KPIs
	Description of practices relating to observing and protecting intellectual property rights.	Technological Innovation
	Description of quality assurance process and recall procedures.	Quality Assurance
	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Customer Service
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.	Compliance Management
KPIs	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.	Compliance Management ESG KPIs
	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Compliance Management
	Description of anti-corruption training provided to directors and staff.	Compliance Management
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.	Social Welfare
KPIs	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Social Welfare
	Resources contributed (e.g. money or time) to the focus area.	Social Welfare

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