裕程物流集團有限公司

**Grand Power Logistics Group Limited**

(Incorporated in the Cayman Islands with limited liability)

Stock Code：8489

# 2025

## *Environmental, Social and Governance Report*

## ABOUT THIS REPORT

Grand Power Logistics Group Limited (the "**Company**" together with its subsidiaries, hereinafter referred to as the "**Group**" or "**we**" or "**us**") is pleased to present our annual environmental, social and governance ("**ESG**") report (this "**ESG Report**" or "**Report**") for the year ended 31 December 2025 (the "**Reporting Period**") to provide an overview of the Group's management of significant issues affecting its operation, including ESG matters.

Both the English and Chinese versions of this ESG Report are available on the Company's website at www.grandpowerexpress.com (under "**Announcements and Circulars**" of the "**Investor Relations**" section) and the website of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") at www.hkexnews.hk. If there is any conflict or inconsistency, the English version shall prevail. The corporate governance section can be found in the Group's annual report for the year ended 31 December 2025 on pages 33 to 50 therein, as well as in the ESG STRUCTURE and RISK MANAGEMENT sections of this ESG Report.

## ESG STRUCTURE

The board of directors (the "**Board**") of the Company has the overall responsibility of overseeing the Group's ESG strategy and reporting, including climate-related risks and opportunities. The Board is responsible for evaluating and determining the Group's ESG-related risks and ensuring that appropriate and effective ESG risk management and internal control systems are in place. The executive directors of the Company are responsible for formulating ESG management policies, strategies, goals, and annual reporting, with consideration of climate-related factors, and promoting related implementation. They also identify, evaluate, review, prioritize and manage material ESG issues, risks, and opportunities (including those related to climate change); while other departments of the Company (such as operation department, human resources & administration department and finance department) are responsible for organizing, promoting, and implementing various ESG-related tasks under the Group's ESG management policies and strategies. All tasks and the progress made against the ESG-related goals and targets will be reported to the Board regularly in order for the Board to review and re-formulate the policies and plans for the achievement of goals and targets. The Group has set short-term and long-term sustainable development vision and goals, including its commitment to achieving carbon neutrality by 2050 as a guiding method for its climate strategy, to achieve ongoing emission reduction according to governmental requirements and to address climate-related risks and opportunities. Relevant emission reduction targets and corresponding strategies are established and sustainable development factors, including climate-related factors, have been incorporated into the Group's strategic planning, business model and other decision-making processes. The Board regularly monitors and reviews the effectiveness of the management approach, including reviewing the Group's ESG performance (including climate-related goals) and adjusting corresponding action plans.

## REPORTING PERIOD

This ESG Report illustrates the Group's initiative and performance regarding the environmental and social aspects during the Reporting Period.

## REPORTING SCOPE

This ESG Report only covers Hong Kong, Shanghai, Shenzhen and Xiamen offices of the Group with core business segments principally engaged in air and ocean export and import freight forwarding services (the "**Reporting Scope**"), as the revenue from the Reporting Scope accounted for approximately 100% of the total revenue of the Group and the number of employees in the Reporting Scope constituted 100% of the total number of full-time employees of the Group during the Reporting Period, while these are also where the major office premises of the Group located. Greenhouse gas ("**GHG**") emissions (Scopes 1, 2, and relevant Scope 3 categories) are reported using the financial control approach and are aligned with the ESG Reporting Scope.

Compared to the Reporting Scope of 2024, which included offices in Hong Kong, Shanghai, Shenzhen, Xiamen and Suzhou, the Reporting Scope for this ESG Report excludes the Suzhou office which was closed down in April 2025 and is therefore no longer included in the Reporting Scope for the Reporting Period. The Group will continue to assess the impact of its business on the major ESG aspects and to include the results of such assessment in this ESG Report.

## REPORTING BASIS

This ESG Report is prepared in accordance with the ESG Reporting Code (the "**ESG Code**") as set out in Appendix C2 to The Rules Governing the Listing of Securities on GEM of the Stock Exchange (the "**GEM Listing Rules**") and Rule 17.103 under Chapter 17 of the GEM Listing Rules. The Group has complied with the mandatory disclosure requirements and the "**comply or explain**" provisions set out in the ESG Code. Certain key performance indicators ("**KPIs**"), which are considered material by the Group are disclosed during the Reporting Period, the Group will continue to optimize and improve the disclosure of KPIs.

The Group's GHG emissions were calculated based on the methodologies and emission factors set out in the \`Emissions' KPI section of this Report, with reference to Appendix 2: Reporting Guidance on Environmental KPIs of the HKEx ESG Reporting Code. Methodologies for Scope 1, Scope 2 and Scope 3 calculations, including activity data sources and emission factors, are detailed within the relevant KPI disclosures. The Group also referred to climate-related metric guidance under the IFRS Sustainability Disclosure Standards, as encouraged by the HKEX.

As a GEM issuer, the Group is encouraged, but not required, to disclose other climate-related information under Part D of the ESG Code. The disclosures made in this Report beyond Scope 1 and Scope 2 GHG emissions (including governance, strategy, risk management, scenario analysis and climate-related opportunities) are therefore provided on a voluntary basis in accordance with HKEX guidance.

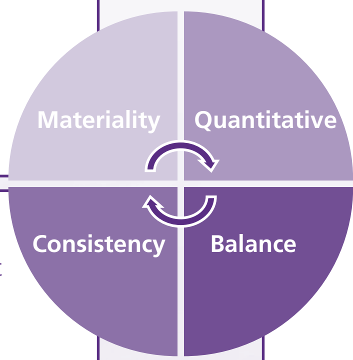
During its preparation, the Group adhered to the reporting principles of materiality, quantitative, balance and consistency by:

**Interpretation:** This ESG Report should disclose significant impacts on the environment and society, or aspects that materially affect how the stakeholders assess the Company and make decisions.

- **Application:** The Group conducts questionnaire to understand stakeholders' expectations. Based on the results of the questionnaire, the Group identifies and reports the Group's material sustainability issues (including climate-related issues).

**Interpretation:** The KPIs in respect of historical data disclosed in this ESG Report shall be calculable/measurable and comparable where applicable.

- **Application:** Under feasible situation, the Group records, calculates and discloses quantitative information and conducts comparisons with past performance. In this Report, we disclose the statistical standards, methods, sources of conversion factors etc., for the quantitative KPI.




- **Application:** The Group ensures consistency in preparing this ESG Report and managing its ESG data for future comparison.

**Interpretation:** This ESG Report should be prepared in a consistent manner, so that its ESG's KPIs can be compared to understand corporate performance.

- **Application:** The Group follows the principles of accuracy, objectivity and fairness to report its achievements and challenges in sustainable development.

**Interpretation:** The Company should objectively and truthfully report its ESG performance in an unbiased manner during the Reporting Period.

## RISK MANAGEMENT

The Group identifies and manages ESG risks (including climate-related risks and opportunities) in order to achieve its business objectives and ensure its stable development. We adopt a risk management system under a top-down risk management structure. The Board has the overall responsibility of maintaining sound ESG risk management and internal control systems within the Group. Through exercising oversight on the Group's management and active and conducive communication with management personnel and employees who are involved in the day-to-day operation of the Group's business, the Board is able to identify material ESG risks in the aspects of emissions, consumption of resources, impact on natural resources and climate change, as well as other social aspects pertaining to our Group. As part of this, the Board is responsible for identifying and assessing the Group's significant ESG risks, including climate-related risks such as transition and physical risks, determining related risk levels, and formulating counter measures which management implements through relevant departments and business units. The Board is also responsible for reviewing and monitoring the effectiveness of the Group's ESG risk management and internal control systems, and for ensuring that the Group has taken reasonable measures to manage significant risks, including those related to climate change. The Group believes that ESG risks and opportunities, particularly climate-related ones, have gradually become an important factor in its business, and has taken the approach to incorporate ESG risks and opportunities into its routine risk management process as a means of enhancing its overall risk evaluation, prioritizing and management and control capabilities.

## APPROVAL OF THE REPORT

This ESG Report was approved by the Board on 25 March 2026.

## CONTACT INFORMATION

The Group welcomes your feedback on this ESG Report for its sustainability initiatives. Please contact us through the Company's website at www.grandpowerexpress.com.

## STAKEHOLDER ENGAGEMENT

We identified the key stakeholders of our business operations and interacted with our stakeholders regularly through various communication channels. The following table illustrates the issues of concern of our major stakeholders and the methods we use to communicate with them:

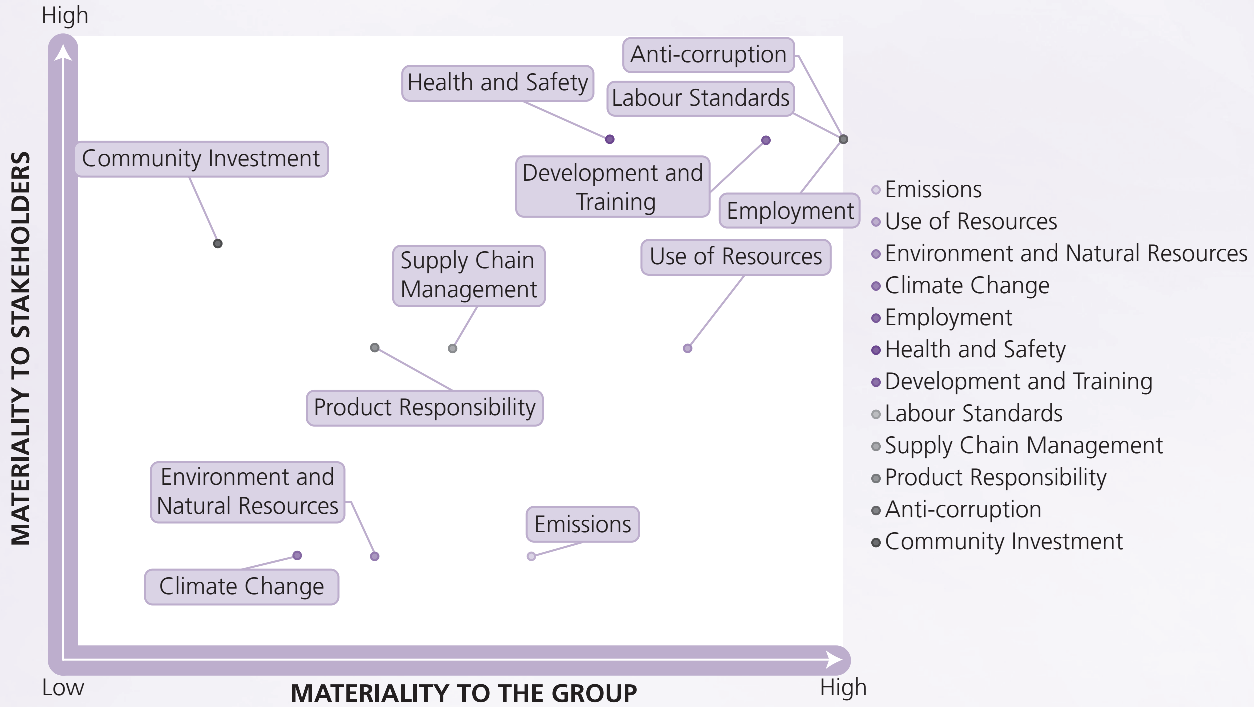
| Stakeholders | Expectation | Engagement Channels | Measures |
|---|---|---|---|
| Government | – Abide by laws and regulations<br>– Timely tax payment<br>– Promote regional economic development and employment | – On-site inspections and checks<br>– Company's website | – Operated, managed and settled taxes according to laws and regulations, strengthened safety management<br>– Cooperated with the government's supervision, inspection and evaluation |
| Shareholders and investors | – Provide high transparency of information disclosure<br>– Protect shareholders' rights and interests | – Annual general meeting and shareholders' meetings<br>– Annual report, interim report and corporate announcements<br>– Company's website | – Issued notices of general meetings and proposed resolutions according to the GEM Listing Rules<br>– Disclosed corporate information by publishing annual reports, interim reports and announcements<br>– Disclosed corporate contact details on the Company's website and in reports and ensured all communication channels are available and effective |

| Stakeholders | Expectation | Engagement Channels | Measures |
| --- | --- | --- | --- |
| Employees | – Education and training<br>– Career development opportunities<br>– Healthy and safe working environment<br>– Safeguard the rights and interests of employees | – Employee communication<br>– Training, seminars and briefing sessions<br>– Intranet and emails | – Provided healthy and safe working conditions and environment<br>– Provided training to employees<br>– Provided attractive remuneration packages |
| Customers | – Provide safe and high-quality products and services<br>– Stable business relationship<br>– Uphold business ethics | – Company's website, brochures and annual reports<br>– Email and customer service hotline<br>– Complaint handling mechanism<br>– Regular meetings<br>– Sales representatives' visits | – Provided prompt, quality and customized services<br>– Maintained transparent and open communication channels between the Company and the customers |
| Suppliers | – Long-term cooperation<br>– Strong business relationship | – Suppliers' reviews and assessments<br>– Regular meetings | – Performed contractual obligations according to agreements<br>– Enhanced daily communication and established long-term cooperation with quality suppliers and contractors |
| Public and communities | – Discharge social responsibilities<br>– Community involvement | – Charity and social investment<br>– Annual report | – Maintained transparent and open communication channels between the Company and communities |

## MATERIALITY ASSESSMENT

In order to better understand stakeholders' opinions and expectations on the Group's ESG performance, the Group has adopted a systematic approach to conduct the annual materiality assessment, by inviting relevant stakeholders (as mentioned in the section headed "STAKEHOLDER ENGAGEMENT" in this ESG Report) to participate in the materiality survey and rate the potentially significant issues, and taking the Group's business development strategies and industry practices as reference. The Group analyzed the results of the materiality survey into a materiality matrix. The identified significant issues and stakeholders' concerns will be reviewed and discussed with the management and disclosed in this ESG Report. During the Reporting Period, the Group's materiality matrix is as follows:

**Materiality Matrix**



## A. ENVIRONMENTAL ASPECTS

### Aspect A1: Emissions

Due to the nature of our business, our Group's operations do not directly generate industrial pollutants, and as such our Group did not incur direct costs of compliance with applicable environmental protection rules and regulations in past years. Our Board expects that our Group will not directly incur significant costs for compliance with applicable environmental protection rules and regulations in the future.

The Group is committed to reducing its impact on the environment and its carbon footprint whilst pursuing our quest to deliver quality services with competitive prices to our customers. Consumption of fuel and energy has been a significant contributor to GHG emissions as well as other environmental concerns. The Group has adopted various practical measures to reduce the use of natural resources (thus in turn reduce emissions) as mentioned in "Aspect A2: Use of Resources" in this ESG Report.

Regarding waste, no material hazardous and non-hazardous wastes were generated during the Reporting Period in view of our nature of business. As such, quantitative disclosures and reduction targets are not disclosed pursuant to the "comply or explain" provisions of the ESG Code. The Group therefore did not set quantitative targets for reducing waste production as it is considered immaterial. However, the Group remains committed to minimizing waste generation and promoting sustainable practices across its operations. The Group will monitor the amount of non-hazardous and hazardous waste generated from its operations and will consider disclosing relevant information in future reports to enhance transparency and accountability. If deemed necessary based on the monitoring results, the Group will also set specific targets for non-hazardous and hazardous waste reduction in subsequent reporting periods to further strengthen its commitment to environmental responsibility. As part of our efforts to reduce environmental impact, the Group has implemented the following waste minimization practices:

- Paper Reduction: The Group encourages the use of electronic document processing systems to minimize paper usage, exemplified by discontinuing paper invoices and documents to customers in favor of electronic files and transitioning paper air waybills to E-airwaybill. Employees are also advised to print or photocopy on both sides of the paper, whenever applicable.

- Digital Communication: To reduce the use of physical materials, the Group promotes digital communication channels such as emails, virtual meetings, and electronic reporting.

- Responsible Disposal: Any minimal waste generated, such as from office supplies, is handled in accordance with local waste disposal regulations to ensure proper treatment and minimal environmental impact.

The Group will continue to assess waste management practices and explore additional opportunities to further reduce waste generation and contribute to environmental sustainability.

During the Reporting Period, there was no material breach of or non-compliance with the applicable laws and regulations relating to air and GHG emissions, discharges into water and land, generation of hazardous and non-hazardous waste and environmental protection by the Group. The Group will continue to assess, record and disclose its GHG emissions and other environmental data annually, and evaluate the effectiveness of existing measures.

## A. ENVIRONMENTAL ASPECTS *(Continued)*

### Aspect A1: Emissions *(Continued)*

In addition, the Group advocates emission reduction and is committed to achieving sustainable operations. To this end, we have reviewed and updated the preliminary directional targets in terms of reducing air pollutants and GHG (Scope 1 and 2) emissions in response to evolving climate-related risks and opportunities and to better align with our long-term climate goals. The Group will review the progress and explore more opportunities for various environmental protection goals. In the future, we will set more specific quantitative environmental goals to nurture the environment and cherish natural resources.

| Environmental aspects | Targets | Steps taken to achieve the targets |
|---|---|---|
| Air Pollutants Emissions | Maintain or reduce the intensity of air pollutant emissions by 2030, using 2025 as the baseline year for future target | – Carrying out regular maintenance of vehicles to keep them in good condition for operational efficiency<br>– Encouraging the use of public transportation<br>– Adopting the use of electric cars |
| GHG Emissions | Maintain or reduce the intensity of GHG emissions (Scope 1 and 2) by 2030, using 2025 as the baseline year for future target | – Adopting LED lighting in some offices<br>– Setting the temperature of air-conditioning systems between 25°C and 26°C<br>– Switching off lights and unnecessary energy-consuming devices when they are not in use<br>– Promoting environmental protection measures such as saving water and electricity by means of slogans or posters in the office |

### Aspect A1: Emissions *(Continued)*

Besides, the Group had developed the 2025 environmental target for air pollutant emissions and GHG emissions, and the results as at the end of the Reporting Period are as follows:

| Environmental KPI | Targets | Baseline Year for the 2025 target | Results as at the end of the Reporting Period |
|---|---|---|---|
| The intensity of air pollutant emissions | Maintain or reduce the intensity of air pollutant emissions in 2025 compared to 2024. | 2024 | In progress |
| The intensity of GHG emissions | Maintain or reduce the intensity of GHG emissions (Scope 1 and 2) in 2025 compared to 2024. | 2024 | In progress |

Looking forward, the Group will continue to implement the measures outlined in this Report, including measures on energy conservation and emission reduction. In light of certain targets that were not met as planned due to evolving operational circumstances or external factors, we will refine our approach accordingly. Through these ongoing efforts, we aim to progressively reduce our emissions intensity and waste intensity, moving towards our long-term sustainability goals.

Major air pollutant emissions from vehicles during the Reporting Period and the corresponding period in 2024 are as follows:

**Air Pollutant Emissions**

| Type of Air Pollutants | 2025 Air Pollutant Emissions (kg) | 2024 Air Pollutant Emissions (kg) |
|---|---|---|
| Sulphur Dioxide | **0.0725** | 0.0231 |
| Nitrogen Oxides | **3.4190** | 1.1015 |
| Particulate Matter | **0.2517** | 0.0811 |
| **Total** | **3.7432** | 1.2056 |
| **Intensity (kg/revenue HK$ Million)** | **0.0052** | 0.0012 |

*Notes:*

1. The calculation of the air pollutant emissions is based on the "How to prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs" issued by the Stock Exchange.

2. During the Reporting Period, air pollutant emissions increased compared to the corresponding period in 2024, primarily driven by greater business development activities across the Guangdong – Hong Kong – Macao Greater Bay Area, which required additional vehicle usage for visiting business partners.

## A. ENVIRONMENTAL ASPECTS *(Continued)*

### Aspect A1: Emissions *(Continued)*

During the Reporting Period and the corresponding period in 2024, details of the GHG emissions from the Group's operations are set out below:

**GHG Emissions**

| Type of GHG emissions | 2025 Equivalent $CO_2$ emissions (tonnes) | 2024 Equivalent $CO_2$ emissions (tonnes) |
|---|---|---|
| Scope 1 | **13.16** | 4.18 |
| Scope 2 | **51.88** | 55.21 |
| **Sub-total GHG emissions (Scope 1 and 2)** | **65.04** | 59.39 |
| Scope 3 | **106,261.12** | N/A |
| **Total GHG emissions (Scope 1, 2 and 3)** | **106,326.16** | 59.39 |
| **Intensity (Scope 1 and 2) (tonne/revenue HK$ Million)** | **0.09** | 0.06 |
| **Intensity (Scope 1, 2 and 3) (tonne/revenue HK$ Million)** | **147.41** | 0.06 |

*Notes:*

1. The calculation of the GHG emissions is based on the "How to prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs" issued by the Stock Exchange, and the GHG Protocol: A Corporate Accounting and Reporting Standard.

2. Scope 1 mainly refers to direct emissions from vehicles owned by the Group. During the Reporting Period, Scope 1 GHG emissions increased compared to the corresponding period in 2024, primarily driven by greater business development activities across the Guangdong–Hong Kong–Macao Greater Bay Area, which required additional vehicle usage for visiting business partners.

3. Scope 2 mainly refers to indirect emissions from the generation of purchased electricity consumed by the Group. Scope 2 GHG emissions have been calculated using the location-based method, applying local grid emission factors in Hong Kong and Mainland China, in accordance with the GHG Protocol and HKEX requirements. The Group did not use any contractual instruments (including renewable energy certificates or supplier-specific energy contracts) during the Reporting Period that would require separate market-based disclosure.

4. Scope 3 emissions: In 2025, we identified our Scope 3 GHG emissions amongst the 15 Scope 3 categories. Amongst the 15 categories, we have identified 3 categories relevant to our business, namely Category 4-Upstream transportation and distribution, Category 6-Business travel and Category 7-Employee commuting. The other categories are not included as they are irrelevant to our business or data are unavailable and unreliable for quantification. We have also disclosed our Scope 3 GHG emissions for selected categories (i.e. Categories 4, 6 and 7). Data for Scope 3 emissions is not available in 2024, as our collection of relevant activity data for Scope 3 categories commenced in 2025. As a result, the disclosures for these categories are not consistent or comparable between 2024 and 2025. As at the reporting date, the Group does not yet have sufficient reasonable and supportable data to disclose all Scope 3 emissions without undue cost or effort. We are committed to progressively improving our Scope 3 data collection and reporting, aiming to include more categories and enhance data quality in future reports.

## A. ENVIRONMENTAL ASPECTS *(Continued)*

### Aspect A2: Use of Resources

The Group places high priority on the efficient use of resources. The major resources used by the Group are fuels, electricity and water.

The Group uses water mainly for the daily needs of employees in the course of office operation. The Group has been vigorously advocating water conservation, encouraging all employees and customers to develop a habit of saving water, and guiding employees to use water reasonably. The Group is also committed to improving energy efficiency and advocating resource conservation. By implementing appropriate energy and material management programs in each business segment, we can positively influence our environment and economy while also ensuring business sustainability.

The Group strives to improve the efficient use of natural resources, such as minimizing waste/emissions and implementing effective recycling program. Practical measures are implemented as follows:

- adopting LED lighting in some offices;
- setting the temperature of air-conditioning systems between 25°C to 26°C;
- turning off air-conditioning and opening windows in winter to maintain air circulation;
- switching off lights and unnecessary energy-consuming devices when they are not in use;
- promoting environmental protection such as saving water and electricity by means of slogans or posters in the office;
- using electronic document processing systems to minimize the use of paper;
- using online meeting tools to reduce business trips;
- encouraging printing or photocopying on both sides of paper, where applicable;
- carrying out regular maintenance of vehicles to keep them in good condition for operational efficiency;
- adopting the use of electric cars; and
- focusing on quality management to reduce wastage and scrap resulting in less pollution.

## A. ENVIRONMENTAL ASPECTS *(Continued)*

### Aspect A2: Use of Resources *(Continued)*

During the Reporting Period and the corresponding period in 2024, the Group had not consumed significant packaging materials due to our business nature. The Group's core activities, which primarily focus on air and ocean freight forwarding services, do not involve the production, manufacturing, or direct handling of goods that require substantial packaging materials. However, the Group remains committed to promoting environmental sustainability. Additionally, the Group will continue to monitor its packaging material usage as part of its broader resource efficiency efforts and will explore opportunities to integrate sustainable practices where applicable.

Details of energy and water consumption by the Group during the Reporting Period and the corresponding period in 2024 are set out below:

**Energy Consumption**

| Type of energy | 2025 Energy consumed (kWh '000) | 2024 Energy consumed (kWh '000) |
|---|---|---|
| Unleaded petrol | **47.79** | 15.22 |
| Purchased electricity | **125.48** | 130.10 |
| **Total** | **173.27** | 145.32 |
| **Intensity (kWh '000/revenue HK$ Million)** | **0.24** | 0.14 |

*Note:*

1. The calculation of energy consumption is based on the "How to prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs" issued by the Stock Exchange.

2. During the Reporting Period, energy consumption increased compared to the corresponding period in 2024, primarily driven by greater business development activities across the Guangdong – Hong Kong – Macao Greater Bay Area, which required additional vehicle usage for visiting business partners.

**Water Consumption**

| | **2025** | 2024 |
|---|---|---|
| | **($m^3$)** | ($m^3$) |
| Running water consumed | **403.19** | 324.70 |
| **Intensity ($m^3$/revenue HK$ Million)** | **0.56** | 0.31 |

*Note:* During the Reporting Period, water consumption increased compared to the corresponding period in 2024, primarily due to the introduction of night-shift operations at our Shenzhen offices.

The Group did not encounter any problem in sourcing water that was fit for purpose and did not note any abnormal water usage during the Reporting Period.

The Group will continue to assess, record and disclose its resource usage data annually, and evaluate the effectiveness of existing measures.

In addition, the Group advocates energy and resource saving, and is committed to achieving sustainable operations. To this end, we have reviewed and updated preliminary directional targets in terms of energy use efficiency and water efficiency in response to evolving climate-related risks and opportunities and to better align with our long-term climate goals. The Group will review the progress and explore more opportunities for various environmental protection goals. In the future, we will set more specific quantitative environmental goals to nurture the environment and cherish natural resources.

### Aspect A2: Use of Resources *(Continued)*

| Environmental aspects | Targets | Steps taken to achieve the targets |
|---|---|---|
| Energy Conservation | Maintain or reduce the intensity of energy consumption in by 2030, using 2025 as the baseline year for future target | – Adopting LED lighting in some offices<br>– Setting the temperature of air-conditioning systems between 25°C and 26°C<br>– Switching off lights and unnecessary energy-consuming devices when they are not in use |
| Water Conservation | Maintain or reduce the intensity of water consumption by 2030, using 2025 as the baseline year for future target | – Promoting environmental protection such as saving water and electricity by means of slogans or posters in the office |

Besides, the Group had developed the 2025 environmental targets for energy consumption and water consumption, and the results as at the end of the Reporting Period are as follows:

| Environmental KPI | Targets | Baseline Year for the 2025 target | Results as at the end of the Reporting Period |
|---|---|---|---|
| The intensity of energy consumption | Maintain or reduce the intensity of energy consumption in 2025 compared to 2024. | 2024 | In progress |
| The intensity of water consumption | Maintain or reduce the intensity of water consumption in 2025 compared to 2024. | 2024 | In progress |

Looking forward, the Group will continue to implement the measures outlined in this Report, including measures on energy conservation and water conservation. In light of certain targets that were not met as planned due to evolving operational circumstances or external factors, we will refine our approach accordingly. Through these ongoing efforts, we aim to progressively reduce our energy consumption intensity and water consumption intensity, moving towards our long-term sustainability goals.

## A. ENVIRONMENTAL ASPECTS *(Continued)*

### Aspect A3: The Environment and Natural Resources

The Group raises staff awareness on environmental issues through education and training and enlists employees' support in improving the Group's performance, promotes environmental awareness among customers, business partners and shareholders, supports community activities in relation to environmental protection and sustainability, and evaluates and monitors regularly the impact of past and present business activities upon health, safety and environmental matters. In view of the potential impact to the environment and natural resources from our value chain activities, the Group is committed to assessing and managing these areas through enhanced monitoring and collaboration with value chain partners. With the integration of policies mentioned in the sections headed "Aspect A1: Emissions" and "Aspect A2: Use of Resources" of this ESG Report, the Group strives to minimize the impacts on the environment and natural resources. The principal business activities of the Group do not have a significant impact on the environment and natural resources.

### Aspect A4: Climate Change

***Governance***

The Board holds ultimate oversight of the Group's climate strategy, climate-related risks and opportunities, and the achievement of our targets. The insights from the assessment are integrated by the Board when overseeing the Group's overall strategy, evaluating major transactions, and reviewing the risk management framework. This process involves considering the trade-offs associated with different climate-related risks and opportunities to inform balanced decision-making. The Board encourages its members possess or develop the necessary skills and competencies to oversee climate-related risks and opportunities through ongoing training. In assessing whether the Board collectively maintains the appropriate skills and competencies to oversee climate-related risks and opportunities, the Board conducts periodic reviews of its knowledge needs through discussions during routine meetings. These reviews allow the Board and senior management to identify areas where additional climate-related expertise may be beneficial. Where gaps are identified, the Group would consider to arrange external briefings, industry updates, or targeted ESG-related training for directors and senior management to ensure continued alignment with evolving regulatory expectations and climate-related developments. To strengthen management's accountability and effectiveness in addressing climate-related matters, the Group will explore the feasibility of enhancing our remuneration policies by incorporating climate-related performance metrics into executive remuneration.

## A. ENVIRONMENTAL ASPECTS *(Continued)*

### Aspect A4: Climate Change *(Continued)*

***Governance*** *(Continued)*

The Board has delegated the day-to-day management of climate-related risks and opportunities to the executive directors and management across relevant departments. While there is no separate climate committee in view of the size of the Company, these responsibilities are embedded within the existing roles of the Group's senior management team. This includes executives responsible for operational supervision, risk management and internal control, who integrate climate considerations into their respective functional duties. Oversight is exercised through routine reporting channels, whereby senior management provides updates on climate-related risks, opportunities and progress during regular management meetings and scheduled reporting to the Board. Climate-related matters are reported to the Board through established reporting lines, whereby executive directors and senior management provide updates during routine Board meetings. The Board is informed of climate-related risks, opportunities, performance metrics and emerging regulatory developments at least annually, and more frequently where material issues arise. Management integrates climate-related controls and monitoring procedures into the Group's existing internal control and risk management systems, ensuring that climate-related considerations are reviewed alongside other operational, compliance and strategic risks.

Further information on the Group's governance of climate-related issues is set out in the "ESG STRUCTURE" and "RISK MANAGEMENT" section of this Report.

***Strategy and Risk Management***

To enhance climate risk resilience and seize climate-related opportunities, we have conducted a climate risk assessment and scenario analysis to examine the potential impacts of climate change on our operations and value chain over the short term (2025–2026), medium term (2027–2030), and long term (2031–2050). While our short-, medium- and long-term horizons are not yet formally integrated into the Group's internal strategic planning cycles, we apply them as reference timeframes to guide our ongoing climate-related assessments. The Group will continue to assess how these horizons can be progressively aligned with our business planning and capital allocation processes as our climate-related capabilities mature. We simulated climate impacts by using two highly contrasting scenarios. This approach enabled us to evaluate the resilience and robustness of our business under various future conditions. Both scenarios were developed using publicly available frameworks from well-known organizations, including the Intergovernmental Panel on Climate Change (IPCC) and the Network of Central Banks and Supervisors for Greening the Financial System (NGFS). Our assessment involves uncertainty due to the methodologies used to project the impacts of these risks over three time horizons. The primary source of this uncertainty is the reliance on climate models, which require various assumptions about the frequency, intensity, and geographical distribution of climate events to estimate future conditions. The scenario analysis was carried out during the Reporting Period and will be reviewed and updated periodically as part of the Group's ongoing climate-related risk assessment process.

## A. ENVIRONMENTAL ASPECTS *(Continued)*

### Aspect A4: Climate Change *(Continued)*

***Strategy and Risk Management*** *(Continued)*

*Description of the Climate Scenarios Used in Analysis of 2025* :

| | Green Scenario (1.5 – 2°C) | Brown Scenario (3°C) |
|---|---|---|
| Rationale for Selection | • The Green Scenario is selected to assess the impacts of climate actions taken to achieve the 1.5°C target under the Paris Agreement | • The Brown Scenario is chosen to evaluate the impacts of exacerbated climate change in the absence of effective climate action |
| Scenario Description | • Nations gradually adopt coordinated global climate actions to keep the global temperature rise below 2°C by 2100<br>• Economy: Low-carbon logistics and freight forwarding become global consensus, driving sustained economic growth<br>• Technology: Cutting-edge technologies in areas such as clean energy, energy-efficient office equipment, electric vehicles (EVs), and digital platforms for supply chain optimization receive increased investment and policy support. Traditional internal combustion engine vehicles are phased out earlier than expected. The cost of EVs and renewable energy is anticipated to decline significantly around 2030.<br>• Market: Clients and stakeholders show an increasing preference for low-carbon and transparent supply chain solutions. Demand for freight forwarders that demonstrate strong environmental performance and offer green logistics options grows, though primarily concentrated in multinational corporations with stringent sustainability requirements, resulting in limited overall demand growth in the broader market. | • Nations are working toward existing climate targets and plans and strive to keep the global temperature rise below 3°C by 2100<br>• Economy: A surge in nationalism worldwide hinders international cooperation and free trade, ultimately constraining economic output growth<br>• Technology: Insufficient investments restrict R&D in green logistics technologies and the adoption of energy-efficient solutions for office and vehicle fleets. The transition to low-carbon operations is slow.<br>• Market: Driven by economic factors, clients prioritize cost over sustainability, with no significant preference for green freight services. Traditional, lower-cost logistics options dominate. |

## A. ENVIRONMENTAL ASPECTS *(Continued)*

### Aspect A4: Climate Change *(Continued)*

***Strategy and Risk Management*** *(Continued)*

*Description of the Climate Scenarios Used in Analysis of 2025：(Continued)*

| | **Green Scenario (1.5 – 2°C)** | **Brown Scenario (3°C)** |
|---|---|---|
| Key Reference Parameters | • Physical Risk: SSP1-2.6<br>• Transition Risk: NGFS – Delayed Transition | • Physical Risk: SSP2-4.5<br>• Transition Risk: NGFS – Nationally Determined Contributions (NDCs) |

*Notes:*

1. The Shared Socio-economic Pathways (SSPs) are scenarios of global socioeconomic development created by the Intergovernmental Panel on Climate Change (IPCC). SSP1-2.6 and SSP2-4.5 refer to two scenarios of socioeconomic development, corresponding to the temperature increases of around 1.7°C and 2.7°C, respectively.

2. The Network of Central Banks and Supervisors for Greening the Financial System (NGFS) issued a set of six different scenarios by considering transition and physical risks and the implementation of climate policies. Specifically, Delayed Transition and Nationally Determined Contributions (NDCs) correspond to the disorderly path of limiting global warming to within 2°C and the "hothouse earth" path of limiting global warming to within about 3°C, respectively.

As a result of our scenario analysis and risk assessment in 2025, we identified 6 climate-related risks and 5 climate-related opportunities deemed to carry potential financial repercussions for our business and value chain. For each of these risks, we have identified specific climate-related events that could lead to financial implications affecting our Group. We summarized the outcomes of the climate scenario analysis for each of the identified climate-related risks across both low-temperature (i.e. Green Scenario) and high-temperature scenarios (i.e. Brown Scenario). The Group assesses climate-related risks using qualitative criteria such as the expected severity of operational disruption, the likelihood of supply chain instability, and the potential financial implications for the business. These assessments are based on professional judgment and experience informed by available data, industry practices and scenario analysis outcomes.

## A. ENVIRONMENTAL ASPECTS *(Continued)*

### Aspect A4: Climate Change *(Continued)*

#### ***Strategy and Risk Management*** *(Continued)*

*Description of the Climate Scenarios Used in Analysis of 2025：(Continued)*

| Risk/Opportunity Driver | | Scenario | Potential impact across time horizon Short-term | Medium-term | Long-term |
|---|---|---|---|---|---|
| Physical risk | Acute Risk: Increasingly severe extreme weather events, such as typhoons and floods | Brown Scenario<br>Green Scenario | Low<br>Low | Medium<br>Low | Medium<br>Low |
| | Chronic Risk: Long-term heatwaves caused by the global average temperature rise | Brown Scenario<br>Green Scenario | Low<br>Low | Medium<br>Low | Medium<br>Low |
| Transition risk | Policy and legal risk: Increasingly strict carbon emission reduction policies and regulations | Brown Scenario<br>Green Scenario | Low<br>Medium | Low<br>Medium | Medium<br>Low |
| | Technical risk: The development of low-carbon technology may affect competitiveness and costs | Brown Scenario<br>Green Scenario | Low<br>Medium | Low<br>Medium | Medium<br>Low |
| | Market risk: Shifts in supply and demand for certain services due to climate change pressures | Brown Scenario<br>Green Scenario | Low<br>Medium | Low<br>Medium | Medium<br>Low |
| | Reputation risk: Changing stakeholder perceptions and expectations regarding a company's contribution to or mitigation of climate change | Brown Scenario<br>Green Scenario | Low<br>Medium | Low<br>Medium | Medium<br>Low |

## A. ENVIRONMENTAL ASPECTS *(Continued)*

### Aspect A4: Climate Change *(Continued)*

***Strategy and Risk Management*** *(Continued)*

*Description of the Climate Scenarios Used in Analysis of 2025：(Continued)*

| Risk/Opportunity Driver | | Scenario | Potential impact across time horizon<br>Short-term | Medium-term | Long-term |
|---|---|---|---|---|---|
| Opportunity | Resource efficiency: Opportunities from improving resource utilization | Brown Scenario<br>Green Scenario | Low<br>Medium | Low<br>Medium | Low<br>Medium |
| | Energy sources: Opportunities from the diversification and transition of energy sources | Brown Scenario<br>Green Scenario | Low<br>Medium | Low<br>Medium | Low<br>Medium |
| | Products and services: Opportunities from low-carbon service offerings | Brown Scenario<br>Green Scenario | Low<br>Medium | Low<br>Medium | Low<br>Medium |
| | Markets: Opportunities from the expansion into climate-conscious markets | Brown Scenario<br>Green Scenario | Low<br>Medium | Low<br>Medium | Low<br>Medium |
| | Resilience: Opportunities from the supply chain flexibility as a competitive advantage | Brown Scenario<br>Green Scenario | Low<br>Medium | Low<br>Medium | Low<br>Medium |

Based on the results of the climate risk and opportunity assessment, we have realized that climate-related risks and opportunities present new challenges to the Group's operations and, to some extent, impact our financial performance. In response to the climate-related financial information disclosure, we assessed potential financial impacts of climate-related risks and opportunities on the Group in 2025 by combining key climate scenario parameters and the actual conditions of our business operations. The climate-related risks and opportunities are concentrated in our principal activities concerning provision of freight forwarding services operated in Hong Kong and Mainland China (exposed to typhoons and floods), our leased offices (requiring energy efficiency and business continuity), and our supply chain dependencies on partner airlines and co-loaders. Ultimately, our value chain serves to support our clients' import and export needs, making the resilience of each link critical to maintaining consistent service availability.

## Aspect A4: Climate Change *(Continued)*

### *Strategy and Risk Management* *(Continued)*

*Description of the Climate Scenarios Used in Analysis of 2025：(Continued)*

| Category | Time Horizon | Influencing Path (business model and value chain) | Financial Impact | Our Mitigation Strategy |
|---|---|---|---|---|
| **Physical Risks** | | | | |
| **Acute Risk:** Increasingly severe extreme weather events, such as typhoons and floods. | Short-term | **Business Model:** Critical leased office infrastructure severely damaged, disrupting operations and increasing maintenance costs. Insurance expenditure may rise.<br><br>**Value Chain:** Partner airlines and co-loaders' operations may be disrupted (e.g., flight cancellations, port closures), affecting our ability to move shipments for clients, potentially leading to delays and penalties. | • Increased operating costs due to repairs and higher insurance premiums.<br><br>• Potential revenue loss from business interruption and delayed shipments. | • To formulate and continuously promote the Business Continuity and Emergency Response Plan for sudden natural disasters.<br><br>• To establish an emergency response mechanism and conduct regular drills to improve disaster prevention capabilities.<br><br>• To monitor weather forecasts closely and communicate with partner airlines and co-loaders to adjust shipment schedules in advance. |
| **Chronic Risk:** Long-term heatwaves caused by the global average temperature rise. | Long-term | **Business Model:** The safety risk for employees increases, potentially resulting in additional medical and health-related costs. Increased energy consumption for office cooling, leading to higher electricity bills.<br><br>**Value Chain:** No direct impact on partner operations, but potential for heat-related disruptions at airports or cargo handling facilities, causing minor delays. | • Increased costs from employee welfare and potential safety liability.<br><br>• Increased operating costs from higher electricity expenses. | • Provide cooling devices, high-temperature subsidies, and remind employees to stay hydrated. |

## A. ENVIRONMENTAL ASPECTS *(Continued)*

### Aspect A4: Climate Change *(Continued)*

#### *Strategy and Risk Management* *(Continued)*

*Description of the Climate Scenarios Used in Analysis of 2025：(Continued)*

| Category | Time Horizon | Influencing Path (business model and value chain) | Financial Impact | Our Mitigation Strategy |
|---|---|---|---|---|
| **Transition risk** | | | | |
| **Policy and legal risk:** Increasingly strict carbon emission reduction policies and regulations. | Medium-term | **Business Model:** More resources may need to be invested to meet compliance requirements, leading to increased operating costs.<br><br>**Value Chain:** Strict carbon policies may increase costs for our partner airlines and co-loaders (e.g., carbon taxes on fuel), which could be passed on to us through higher freight rates. | • Increased administrative costs.<br><br>• Potential increase in cost of service if partners transfer or pass on compliance costs to our business. | • To constantly monitor climate-related policies and adjust internal management policies to ensure compliance.<br><br>• To establish emergency plans, including the identification of alternative partners or routes if key partners face constraints. |
| **Technical risk:** The development of low-carbon technology may affect competitiveness and costs. | Medium-term | **Business Model:** The cost of investing in or accessing low-carbon technology may increase.<br><br>**Value Chain:** Our partner airlines and co-loaders may invest in new low-carbon equipment (e.g., more efficient aircraft, electric ground handling vehicles). If this equipment fails and causes service disruptions, it could impact our ability to deliver shipments on time. | • Potential increase in cost of service from partner airlines and co-loaders passing on technology costs.<br><br>• Potential revenue loss if partners' technical failures disrupt our shipments. | • To diversify partner airlines and co-loaders base to reduce the risk of service disruption due to technological failures. |
| **Market risk:** Shifts in supply and demand for certain services due to climate change pressures. | Medium-term | **Business Model:** Increased cost or reduced availability of freight capacity if climate change impacts key trade lanes (e.g., droughts affecting river levels for barge transport, or severe weather disrupting major airline hubs).<br><br>**Value Chain:** Our clients may shift their demand towards freight forwarders who can demonstrate more resilient and lower-carbon supply chain options. | • Increased cost of service due to limited capacity.<br><br>• Potential revenue declines if clients seek alternative logistics providers with better ESG credentials. | • Continuously monitor economic and climate trends that could impact key trade lanes.<br><br>• Build strong relationships with multiple airlines and co-loaders to ensure capacity access.<br><br>• Regularly review service offerings and explore offering greener route options to meet evolving client preferences. |

## A. ENVIRONMENTAL ASPECTS *(Continued)*

### Aspect A4: Climate Change *(Continued)*

#### ***Strategy and Risk Management*** *(Continued)*

*Description of the Climate Scenarios Used in Analysis of 2025：(Continued)*

| Category | Time Horizon | Influencing Path (business model and value chain) | Financial Impact | Our Mitigation Strategy |
|---|---|---|---|---|
| **Transition risk** | | | | |
| **Reputation risk:** Changing stakeholder perceptions and expectations regarding a company's contribution to or mitigation of climate change. | Medium-term | **Business Model:** Negative perception from investors, clients, or the public if the Company is perceived as not taking sufficient action to reduce its carbon footprint (e.g., relying on high-emission partner carriers or inefficient office practices).<br><br>**Value Chain:** Key clients with their own ESG commitments may exclude the Group from their approved supplier lists if it fails to meet their sustainability criteria or provide transparent carbon footprint data for their shipments. | • Potential revenue loss from client churn or being excluded from tender lists.<br><br>• Increased finance costs or administrative costs in securing financing or favorable insurance terms. | • Prioritize partnerships with airlines and co-loaders who have strong environmental credentials.<br><br>• Engage with partners to encourage better environmental practices and explore options for offering lower-carbon logistics.<br><br>• Actively communicate climate-related initiatives and achievements to stakeholders, including clients and investors. |
| **Opportunity** | | | | |
| **Resource efficiency:** Opportunities from improving resource utilization. | Medium-term | **Business Model:** Practices like energy conservation in leased offices and optimizing use of company cars (e.g., route planning) can lower operational costs.<br><br>**Value Chain:** Partnering with airlines and co-loaders who optimize their networks and consolidate shipments can improve efficiency and potentially reduce our costs and our clients' emissions. | • Reduced administrative costs from lower utility and fuel bills.<br><br>• Reduced cost of service from more efficient partners. | • Improve resource utilization efficiency in the leased office by optimizing energy use, replacing with energy-efficient office equipment, and promoting recycling.<br><br>• Select partners based on their resource efficiency, use of digital tools for shipment consolidation to lower overall supply chain costs and resource consumption. |

## A. ENVIRONMENTAL ASPECTS *(Continued)*

### Aspect A4: Climate Change *(Continued)*

#### ***Strategy and Risk Management*** *(Continued)*

*Description of the Climate Scenarios Used in Analysis of 2025：(Continued)*

| Category | Time Horizon | Influencing Path (business model and value chain) | Financial Impact | Our Mitigation Strategy |
|---|---|---|---|---|
| **Opportunity** | | | | |
| **Energy sources:** Opportunities from the diversification and transition of energy sources. | Medium-term | **Business Model:** If our leased offices utilize renewable energy, it could lead to more stable and potentially lower energy costs for the Company. Transitioning our corporate cars to electric vehicles (EVs) can reduce fuel costs and emissions.<br><br>**Value Chain:** Partnering with airlines and co-loaders who use sustainable aviation fuel (SAF) or having electric ground fleets can reduce the overall carbon footprint of the services we offer to our clients. | • Reduced administrative costs related to energy.<br><br>• Enhanced brand value potentially leading to increased sales. | • When renewing leases for office, prioritize properties that utilize or invest in renewable energy sources.<br><br>• Transition the company car to EVs.<br><br>• Prioritize partnerships with airlines and co-loaders that are investing in SAF and fleet electrification. |
| **Products and services:** Opportunities from the low-carbon service offerings | Long-term | **Business Model:** As client demand for low-carbon logistics rises, the Group can offer value-added services such as carbon footprint reporting for each shipment, or 'green' logistics options using SAF or optimized sea routes.<br><br>**Value Chain:** Collaborate with partner carriers to secure access to lower-carbon transport options and verified emissions data, which can be passed or transferred on to clients to meet their ESG procurement requirements. | • Increased revenue from value-added services.<br><br>• Higher profit margins, as green logistics services can command premium pricing. | • Develop capabilities to provide carbon footprint reporting for client shipments.<br><br>• Work with clients to offer customized low-carbon logistics portfolios. |

## A. ENVIRONMENTAL ASPECTS *(Continued)*

### Aspect A4: Climate Change *(Continued)*

#### *Strategy and Risk Management (Continued)*

*Description of the Climate Scenarios Used in Analysis of 2025：(Continued)*

| Category | Time Horizon | Influencing Path (business model and value chain) | Financial Impact | Our Mitigation Strategy |
|---|---|---|---|---|
| **Opportunity** | | | | |
| **Markets:** Opportunities from the expansion into climate-conscious markets | Medium-term | **Business Model:** Expand into client segments with strict climate requirements (e.g., multinational corporations with net-zero commitments), where demand for sustainable freight forwarding is growing.<br><br>**Value Chain:** Proactively develop service capabilities (e.g., offering lower-carbon routing options or shipment-level carbon reporting) to meet the sustainability procurement criteria of climate-conscious clients in both Hong Kong and Mainland China. | • Access to high-growth markets, increasing revenue streams. | • Monitor climate policies and consumer trends in target markets, adjusting service offerings in advance. |
| **Resilience:** Opportunities from the supply chain flexibility as a competitive advantage | Medium-term | **Business Model:** Climate change may cause transport disruptions in certain regions or lanes, but companies with flexible sourcing of partners and routes can quickly shift shipments to unaffected options, ensuring service continuity for clients.<br><br>**Value Chain:** A globally diversified partner base (multiple airlines, co-loaders, and routes) allows the Company to respond rapidly to climate-related disruptions, turning volatility into a competitive edge. | • Reduced revenue volatility from supply disruptions.<br>• Potential market share gains as competitors face shortages. | • Maintain a dynamic partner portfolio with options to switch carriers or routes based on climate risk assessments.<br>• Build strong relationships with airlines and co-loaders in multiple climate zones to ensure priority access during disruptions. |

## A. ENVIRONMENTAL ASPECTS *(Continued)*

### Aspect A4: Climate Change *(Continued)*

***Strategy and Risk Management*** *(Continued)*

*Description of the Climate Scenarios Used in Analysis of 2025*：*(Continued)*

Based on the identification and evaluation of potential climate-related risks and opportunities, we have incorporated climate-related risks into the risk management system of the Group, in order to clarify the responsibilities, key management requirements, and standards of relevant departments and subsidiaries. For details, please refer to the "ESG STRUCTURE" and "RISK MANAGEMENT" section of this Report. In addition, we manage climate-related risks in accordance with the process of "Risk Identification, Risk Assessment, Risk Prioritization, Risk Response, and Risk Monitoring" to enhance the overall management ability and performance of climate-related risks.

**Climate-related Risk Management Process**

| Risk Identification | Risk Assessment | Risk Prioritisation | Risk Response | Risk Monitoring |
|---|---|---|---|---|
| Identify climate risks that affect the Group and their importance to business operations. | Determine the nature of the identified risks and assess their impact. | Consider the costs of addressing climate risks and the potential losses that may be avoided, in order to prioritize the risks. | Develop and implement response measures based on the assessment and prioritisation of climate-related risks. | Conduct assessments of climate risks regularly, and check the effectiveness of risk response measures. |

At this stage, the Group is not able to provide quantitative forecasts of future financial impacts arising from climate related risks and opportunities due to the limited availability of reasonable and supportable forward looking data and the high level of measurement uncertainty involved. The Group does not currently have any dedicated capital investment or divestment plans that are specifically driven by climate-related considerations. Any future climate-related capital expenditures will be assessed based on operational needs, commercial rationale and evolving regulatory requirements. The Group has also not formulated any climate-specific funding strategy at this stage. Climate-related initiatives, where required, will continue to be supported through existing operational budgets, and the Group will evaluate additional funding needs as climate-related requirements or strategic priorities evolve. While separate quantification of individual climate related financial effects is not feasible, the Group expects that the combined financial impact of climate related risks, primarily those relating to extreme weather events, energy price fluctuations, and supply chain disruptions, would most likely affect cost of services, operational costs and gross margin in future periods. Such impacts are not expected to be material in the short term given the Group's business scale and exposure profile.

**Aspect A4: Climate Change** *(Continued)*

***Strategy and Risk Management*** *(Continued)*

*Description of the Climate Scenarios Used in Analysis of 2025：(Continued)*

The Group allocates resources to climate-related risk management primarily through existing management and operational functions. Relevant responsibilities are undertaken by senior management and department heads as part of their normal duties, supported by routine budgeting for ESG-related activities such as data collection, and operational improvements. The Group will continue to resource climate-related initiatives proportionately to its business scale and operational needs, and will evaluate additional resource requirements as regulatory expectations and climate-related risks evolve.

The Group does not currently have a formal climate-related transition plan in place. Given the nature and scale of our operations, the Group has not yet developed a structured transition pathway or defined assumptions or dependencies that would normally form part of such a plan. At this stage, the Group continues to monitor evolving regulatory requirements, market expectations and industry practices, and will consider formulating a more concrete transition plan as and when it becomes appropriate and feasible.

Climate related risks are prioritised using the same qualitative considerations applied in the Group's broader risk management framework. Risks with potentially greater operational, financial or compliance implications are assigned higher priority for monitoring and management, ensuring alignment with the Group's overall risk ranking approach. There were no material changes to the Group's processes for identifying, assessing, prioritising and monitoring climate related risks compared with the previous reporting period. Enhancements will be considered as more data, regulatory guidance and climate related tools become available.

***Metrics and Targets***

Our Group adopts the key metrics to assess and manage climate-related risks and opportunities. The energy consumption and greenhouse gas (GHG) emissions indicators are the key metrics used to assess and manage relevant climate-related risks where we consider such information is relevant for evaluating the impact of our operation on global climate change. Our Group regularly tracks our energy consumption and GHG emissions indicators to assess the effectiveness of emission reduction initiatives, as well as set targets to contribute our effort to have minimal impact on global warming. Our GHG emissions data, energy consumption data, and progress against targets are presented in the "Emissions " and "Use of Resources" section of this Report.

## A. ENVIRONMENTAL ASPECTS *(Continued)*

### Aspect A4: Climate Change *(Continued)*

***Metrics and Targets*** *(Continued)*

During the Reporting Period, the Group did not incur any material capital expenditure, financing or investment that was specifically dedicated to addressing climate related risks or pursuing climate related opportunities. Given the Group's business nature as office-based freight forwarding, climate related initiatives are currently undertaken through existing operational budgets. The Group will continue to monitor its climate related exposures and may allocate targeted capital resources as and when climate related projects become necessary or relevant to its operational needs.

The Group has adopted a long-term aspiration to achieve carbon neutrality by 2050. This aspirational target serves as a directional guide for the Group's ongoing climate-related actions and is informed by the global temperature-alignment objectives set out in the latest international climate agreements, including pathways referenced by the Intergovernmental Panel on Climate Change (IPCC). Given the Group's operational scale and the predominance of Scope 1 emissions from vehicles owned by the Group and Scope 2 emissions from office electricity consumption across our Hong Kong and Mainland China offices, the carbon-neutrality aspiration currently applies to the Group's Hong Kong and Mainland China operations. The Group has established a quantified emissions baseline or interim decarbonisation milestones at this stage. Future development of a more detailed roadmap will be contingent upon improved data availability, evolving regulatory expectations, and ongoing enhancements to the Group's climate-related measurement capabilities. The target is not derived using a sectoral decarbonisation approach, and the Group does not presently plan to rely on carbon credits. Should the Group consider the use of carbon credits in the future, relevant verification schemes and associated criteria will be disclosed.

Our Group does not currently apply internal carbon pricing in our decision-making processes. The potential implementation of internal carbon pricing will be explored in the future.

Given the Group's business nature as a freight forwarder with leased offices and no ownership of physical transportation assets (relying instead on partner airlines and co-loaders), the Group's exposure to climate-related transition or physical risks is limited. Substantially within our reporting boundary, the Group's operating assets comprise leased office premises and a small number of corporate cars, and therefore the Group does not hold physical assets that are materially sensitive to climate-related transition or physical risks. Based on currently available information, the Group estimates that nearly all of its business activities fall into a low-exposure category with respect to climate-related transition and physical risks.

In a similar manner, the Group's ability to capture climate-related opportunities (such as energy efficiency improvements or sustainable logistics practices) is also modest due to the limited scale and operational profile of the business. Accordingly, the Group considers that its business activities currently have minimal alignment with climate-related opportunities. The Group will continue to assess its level of exposure as the regulatory environment and business operations evolve.

## B. SOCIAL ASPECTS

### Aspect B1: Employment

We believe that we have always maintained a good working relationship with our employees. The Group believes that a key to our success is our ability to recruit, retain, motivate and develop talented and experienced staff members. We have a recruitment policy in place to maintain a fair and effective recruitment procedure. Under such policy, we normally recruit employees with the appropriate skills, both technical and personal, in order to meet our current and future needs and to ensure that the appointed employees are qualified and competent to carry out the duties. We also actively consider candidates from diverse racial backgrounds and persons with disabilities.

We entered into individual labor contracts with each of our employees in accordance with the applicable labor laws in Hong Kong and the People's Republic of China ("**PRC**"), which cover matters such as wages, employee benefits and grounds for termination. The remuneration package which our Group offers to our employees includes salary, bonuses, allowances and medical benefits. In general, we determine an employee's salary based on each employee's qualifications, experience, capability as well as the prevailing market remuneration rate. Furthermore, the Group accommodates colleagues' family needs by offering flexible leave arrangements.

The Group strictly complies with national and local government regulations, including but not limited to the Labor Law of the PRC*(《中華人民共和國勞動法》), the Employment Promotion Law of the PRC*(《中華人民共和國就業促進法》), the Labor Contract Law of the PRC*(《中華人民共和國勞動合同法》) and the Employment Ordinance (Chapter 57 of the Laws of Hong Kong), the Sex Discrimination Ordinance (Chapter 480 of the Laws of Hong Kong), the Race Discrimination Ordinance (Chapter 602 of the Laws of Hong Kong), the Family Status Discrimination Ordinance (Chapter 527 of the Laws of Hong Kong), by adopting a fair, just and open recruitment process to eliminate discrimination in the recruitment process, whose employees face no discrimination regardless of race, gender, color, age, family background, ethnic tradition, religion, physical fitness and nationality, thus allowing them to enjoy a fair treatment in every aspect including recruitment, salary, training and promotion, labor contract termination and retirement, with an endeavor to attract professionals with diverse backgrounds joining the Group. The Group is committed to providing equal opportunities in all respects and maintaining employee diversity, and strongly prohibit any unfair treatment. We also ensure that there is gender diversity when recruiting staff at middle to senior levels, engage more resources in career development and conduct female staff training with the aim of promoting them to the senior management or directorship of our Company. This is evidenced by the fact that we already have women serving as department heads.

During the Reporting Period, there was no material non-compliance regarding recruitment and promotion, compensation and dismissal, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare brought against the Group or its employees.

## B. SOCIAL ASPECTS *(Continued)*

### Aspect B1: Employment *(Continued)*

Below is a detailed breakdown of our employees within the Reporting Scope by gender, age group, employee category, geographical region and employment type as at 31 December 2025 and as at 31 December 2024:

| | **2025** | | 2024 | |
|---|---|---|---|---|
| | **Number of staff** | **% of total** | Number of staff | % of total |
| **By gender** | | | | |
| Male | **21** | **60.0** | 21 | 56.8 |
| Female | **14** | **40.0** | 16 | 43.2 |
| Total | **35** | **100.0** | 37 | 100.0 |
| **By age group** | | | | |
| 25 or below | **1** | **2.9** | 2 | 5.4 |
| 26-40 | **12** | **34.2** | 13 | 35.1 |
| 41-50 | **14** | **40.0** | 15 | 40.6 |
| 51 or above | **8** | **22.9** | 7 | 18.9 |
| Total | **35** | **100.0** | 37 | 100.0 |
| **By employee category** | | | | |
| General | **15** | **42.9** | 17 | 46.0 |
| Supervisor | **12** | **34.2** | 12 | 32.4 |
| Middle and Senior Management | **8** | **22.9** | 8 | 21.6 |
| Total | **35** | **100.0** | 37 | 100.0 |
| **By geographical region** | | | | |
| Hong Kong | **21** | **60.0** | 22 | 59.5 |
| PRC | **14** | **40.0** | 15 | 40.5 |
| Total | **35** | **100.0** | 37 | 100.0 |
| **By employment type** | | | | |
| Full-time | **34** | **97.1** | 36 | 97.3 |
| Part-time | **1** | **2.9** | 1 | 2.7 |
| Total | **35** | **100.0** | 37 | 100.0 |

## B. SOCIAL ASPECTS *(Continued)*

### Aspect B1: Employment *(Continued)*

Below is a detailed breakdown of the turnover rate of our employees employed within the Reporting Scope by gender, age group and geographical region as at 31 December 2025 and as at 31 December 2024. They are defined by the categories of employees leaving employment divided by the average number of employees in those specified categories during the Reporting Period.

| | **2025** | | 2024 | |
|---|---|---|---|---|
| | **Number of staff** | **% of total** | Number of staff | % of total |
| **Turnover rate by gender** | | | | |
| Male | **1** | **4.8** | 4 | 19.0 |
| Female | **2** | **13.3** | 8 | 44.4 |
| Overall | **3** | **8.3** | 12 | 30.8 |
| **Turnover rate by age group** | | | | |
| 25 or below | **1** | **66.7** | 1 | 50.0 |
| 26-40 | **2** | **16.0** | 4 | 27.6 |
| 41-50 | **–** | **–** | 2 | 12.1 |
| 51 or above | **–** | **–** | 5 | 83.3 |
| Overall | **3** | **8.3** | 12 | 30.8 |
| **Turnover rate by geographical region** | | | | |
| Hong Kong | **1** | **4.7** | 8 | 32.0 |
| PRC | **2** | **13.8** | 4 | 28.6 |
| Overall | **3** | **8.3** | 12 | 30.8 |

*Note:*

1. Turnover rate for employees in the relevant categories = L(x)/E(x)×100, L(x) = Number of employees leaving employment in the specified category, E(x) = The average total number of employees at the beginning and end of the Reporting Period in the specified category.

## B. SOCIAL ASPECTS *(Continued)*

### Aspect B2: Health and Safety

We place a strong emphasis on the occupational safety of our staff. To demonstrate our care for employees' health and safety, the Group established a safe and healthy working environment and policy for all employees by establishing monitoring procedures for safety management. The policies include but not limited to the following:

– posting warning signs on bright and transparent glass doors, where appropriate, to avoid collision;

– cautioning employees to carefully store and work with sharp items such as paper knives, scissors and tacks to prevent injury;

– cautioning employees to keep long hair or loose clothing away from the shredder's feed opening and turn off the shredder before removing and emptying the waste box or cleaning the shredder;

– conducting daily inspections by the administrative staff throughout the office area to ensure the working environment is free of hazardous items, and to promptly follow up on any damaged tools or facilities;

– placing computer screens at right angles to the window to avoid unfavorable reflection of light;

– prohibiting smoking in the office premises;

– prohibiting storage of excessive inflammables in the office premises;

– prohibiting blocking or locking exit doors (which should give access to an open and safe area) or passageways;

– preventing obstruction to access to fire facilities and educate employees on the usage of fire equipment such as fire extinguishers and fire hoses and reels;

– recommending that employees take a break after long periods of continuous work;

– providing personal protective and medical supplies in the office, such as first aid kits, masks, and rapid test kits even after COVID-19;

– providing air purification equipment in the office and regularly cleaning air conditioners;

– recommending that employees keep a comfortable viewing distance from the computer screen; and

– educating employees on the correct postures when handling heavy objects.

## B. SOCIAL ASPECTS *(Continued)*

### Aspect B2: Health and Safety *(Continued)*

During the Reporting Period, there were no material accidents nor claims for personal or property damage. There were also no interruptions or non-compliances in our business which may or have a significant impact on our Group during the Reporting Period.

We also maintain insurance coverage for employees' compensation, medical, social securities and public liability insurance. Additionally, the Group organizes employee gatherings from time to time to foster closer connections among team members, strengthen team cohesion, support mental well-being, and enhance employees' sense of belonging to the Company.

In each of the past 3 years including the Reporting Period, no work-related fatalities or lost days due to work injury were recorded; and the Group was not aware of any material non-compliance with the relevant laws and regulations, such as the Occupational Safety and Health Ordinance (Chapter 509 of the Laws of Hong Kong), which relate to providing a safe working environment and protecting employees from occupational hazards and have significant impacts on the Group.

The Group has established an internal management team which is responsible for monitoring the implementation of the aforementioned occupational health and safety policies and measures.

### Aspect B3: Development and Training

Our management considers our employees to be key assets that play a pivotal role in our continuous growth. It is our policy to maximize the potential of our employees through training and development. Our employee training and development aim to equip our employees with the knowledge and skills necessary to perform their job functions and enhance their capabilities.

We encourage our staff to participate in the training courses requested by relevant government departments, such as the Civil Aviation Department for practitioners in the logistics field.

During the Reporting Period, we arranged for our staff to take part in the Dangerous Goods Regulations and Regulated Agent courses hosted by a consultancy corporation. We believe it is a win-win approach for achieving both employees and corporate goals as a whole.

## B. SOCIAL ASPECTS *(Continued)*

### Aspect B3: Development and Training *(Continued)*

Below is a detailed breakdown of the percentage of employees who received training by gender and employee category during the Reporting Period and the corresponding period in 2024:

| | **2025** | | 2024 | |
|---|---|---|---|---|
| | **Number of staff who received training** | **Percentage of employees who received training in the category**[1] | Number of staff who received training | Percentage of employees who received training in the category |
| **By employee category** | | | | |
| General | **1** | **6.7** | – | – |
| Supervisor | **1** | **8.3** | 2 | 16.7 |
| Middle and Senior Management | **–** | **–** | 4 | 50.0 |
| **Overall** | **2** | **5.7** | 6 | 16.2 |
| **By gender** | | | | |
| Male | **2** | **9.5** | 5 | 23.8 |
| Female | **–** | **–** | 1 | 6.3 |
| **Overall** | **2** | **5.7** | 6 | 16.2 |

## B. SOCIAL ASPECTS *(Continued)*

### Aspect B3: Development and Training *(Continued)*

Below is a detailed breakdown of the composition of employees who received training by gender and employee category during the Reporting Period and the corresponding period in 2024:

| | **2025** | | 2024 | |
|---|---|---|---|---|
| | **Number of staff who received training** | **Composition of employees who received training in the category[2] (%)** | Number of staff who received training | Composition of employees who received training in the category (%) |
| **By employee category** | | | | |
| General | **1** | **50.0** | – | – |
| Supervisor | **1** | **50.0** | 2 | 33.3 |
| Middle and Senior Management | **–** | **–** | 4 | 66.7 |
| **Total** | **2** | **100.0** | 6 | 100.0 |
| **By gender** | | | | |
| Male | **2** | **100.0** | 5 | 83.3 |
| Female | **–** | **–** | 1 | 16.7 |
| **Total** | **2** | **100.0** | 6 | 100.0 |

*Note:*

1. The calculated percentage represents the proportion of employees in the specified category who have participated in training (including the employees who resigned during the Reporting Period), out of the total employees in that specified category.

2. The calculations are made with reference to the methods, assumptions and guidelines set out in the following Guidance and Standards: HKEX's Appendix 3: Reporting Guidance on Social KPIs in "How to prepare an ESG Report", to calculate the percentage of employees trained. Percentage of employees trained in the relevant categories = T(x)/T x 100, T(x) = Number of employees who took part in training in the specified category, T = Number of total employees who took part in training.

## B. SOCIAL ASPECTS *(Continued)*

### Aspect B3: Development and Training *(Continued)*

Below is a detailed breakdown of the training hours received by employees by gender and employee category during the Reporting Period and the corresponding period in 2024:

| | **2025** | | 2024 | |
|---|---|---|---|---|
| | **Total number of training hours** | **Average Number of training hours per employee** | Total number of training hours | Average Number of training hours per employee |
| **By employee category** | | | | |
| General | **27** | **1.8** | – | – |
| Supervisor | **27** | **2.3** | 54 | 4.5 |
| Middle and Senior Management | **–** | **–** | 4 | 0.5 |
| **Total** | **54** | **1.5** | 58 | 1.6 |
| **By gender** | | | | |
| Male | **54** | **2.6** | 57 | 2.7 |
| Female | **–** | **–** | 1 | 0.1 |
| **Total** | **54** | **1.5** | 58 | 1.6 |

*Note:*

1. Average training hours for employees in relevant categories = Total number of training hours for employees in the specified category/Number of employees in the specified category.

### Aspect B4: Labor Standards

The Group is fully aware that child labor and forced labor violate fundamental human rights and pose threat to sustainable social and economic development. The Group strictly complies with relevant labor laws in Hong Kong and PRC, such as the Labor Law of the PRC*(《中華人民共和國勞動法》), the Labor Contract Law of the PRC*(《中華人民共和國勞動合同法》), the Regulations on Paid Annual Leave for Employees of the PRC*(《中華人民共和國職工帶薪年休假條例》), the Social Insurance Law of the PRC*(《中華人民共和國社會保險法》) and Regulations on Management of Housing Provident Fund of the PRC *(《中華人民共和國住房公積金管理條例》), as well as the Employment Ordinance (Chapter 57 of the Laws of Hong Kong).

The Group strictly prohibits the employment of any child labor and forced labor. To prevent any form of child labor in the business operation, employment is only permitted for staff at the legal age of employment. New employees are required to provide true and accurate personal data when they are employed. Recruiters should strictly review the entry data including medical examination reports, academic credentials, ID cards, household registration, degree certificates and other information. The Group has established comprehensive recruitment procedures to check candidates' backgrounds in order to prevent any child labor or forced labor in operation. Once any violation is found, the Group will follow up in a more serious manner and handle such case in accordance with national and local laws and regulations, and the Group's internal rules depending on the actual situation. For example, we will timely examine the child's education status, and timely contact the local education department and its guardian to escort the child home.

The Group and its employees signed legal labor contracts in accordance with laws, which ensures that employees can resign within the terms of their employment contract, so that there is no compulsory use of labor. For the use of false information or in violation of the provisions of the Group, the Group will terminate the probation period or the labor contract immediately.

Employment contracts and other records documenting all relevant details of the employees (including age) are properly maintained for verification by relevant statutory bodies upon request.

During the Reporting Period, (i) we did not identify any issue relating to child labor or forced labor within the Group that had a significant impact on the Group; and (ii) we had complied with all the laws and regulations as mentioned above.

## B. SOCIAL ASPECTS *(Continued)*

### Aspect B5: Supply Chain Management

Our suppliers include airlines, freight forwarders and shipping liners for cargo space and other suppliers for logistics related services such as transportation and warehousing related services. We had 117 suppliers (2024: 157) during the Reporting Period, which are mainly from the PRC (including Hong Kong, Macau and Taiwan), etc. and are all subject to suppliers' engagement practices outlined below. Below is a detailed breakdown of our Group's suppliers by geographical region during the Reporting Period and the corresponding period in 2024:

| | **2025** | | 2024 | |
|---|---|---|---|---|
| | **Number of suppliers** | **% of total** | Number of suppliers | % of total |
| **By geographical region** | | | | |
| The PRC (including Hong Kong, Macau and Taiwan) | **117** | **100.0** | 156 | 99.4 |
| Other regions | **–** | **–** | 1 | 0.6 |
| Total | **117** | **100.0** | 157 | 100.0 |

We source cargo space from our suppliers under different arrangements including direct booking, block space arrangements and flight charters. We have long established business relationships with various international airlines since 2009. Our relationship with airlines has been recognized, as we were granted various awards by different airlines in the past years. To maximize our flexibility in securing cargo space, we also source cargo space from other freight forwarders depending on their cargo spaces' availability, capacity, routing and timing. Our ability to secure cargo space from these airlines as well as other freight forwarders enable us to reach a wide range of destinations.

## B. SOCIAL ASPECTS *(Continued)*

### Aspect B5: Supply Chain Management *(Continued)*

The Group selects cargo space suppliers for each shipment by taking into account various factors, such as rate, delivery schedule and availability of cargo spaces. The Group works closely with its suppliers who are committed to high quality, environmental, health and safety standards. They are not considered to pose any significant environmental and social risks to the Group's business operations. The Group has maintained a high level of ethical standards for choosing the right providers through careful selection and continuous measurement. For the selection of suppliers, in order to ensure the quality of our suppliers, we implement certain quality control procedures over our suppliers:

(i) Suppliers' selection – We maintain a list of approved suppliers which we review and update from time to time. We generally select suppliers based on their track record, their availability, ability or capability to handle relevant orders and the cost of service. In addition, we evaluate if the suppliers consider the environmental and social criteria including the prohibition on the recruitment of child and forced labor, eliminating discrimination to employees, providing a safe working environment, considering if the products and services provided are beneficial to environmental protection and fulfilling the Group's internal environmental requirement while minimizing the negative impact on the natural environment, and strictly obeying the law. The Group monitors the environmental and social performance of its suppliers to ensure that its requirements are met, and to reduce the environmental and social risks along the supply chain.

(ii) Price and performance review – We review the performance, turnaround time and pricing terms offered by our suppliers on a routine basis. We also assess whether a supplier has sufficient resources and skills to fulfill our requirements. If any suppliers repeatedly fail to meet our quality standards without immediate rectification, we may terminate the agreement with the suppliers.

(iii) Licenses check – We will check whether the supplier possesses the relevant licenses for operating their business.

The Group has established an internal management team which is responsible for monitoring the implementation of the aforementioned procedures.

## B. SOCIAL ASPECTS *(Continued)*

### Aspect B6: Product Responsibility

Our customers include freight forwarders and direct customers (i.e. customers that are not freight forwarders who purchase cargo space from our Group and directly ship their consignments, for example, manufacturers which directly ship their products to their customers through purchasing cargo space directly from our Group, or buyers of goods which arrange shipment by themselves).

The Group strictly adheres to the applicable laws and did not identify any material non-compliance with the relevant laws and regulations on health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress during the Reporting Period.

***Quality control***

We believe our established reputation and track record are important factors influencing customers' choice over freight forwarders. We have provided freight forwarding services to hundreds of customers, including direct customers and freight forwarders during the Reporting Period. We have maintained business relationships with our customers for years. We believe that this is an indication of the customers' loyalty and recognition of our service quality. We are of the view that even though our Group does not enter into fixed-term contracts with its customers, our Group, with its good reputation and track record, is able to retain existing customers and attract new customers.

In addition, having established a foothold in the freight forwarding market in Hong Kong since 2002 and expanded our Group's presence into the PRC since 2004, our directors believe that our Group's established reputation and our track record of over 20 years are important factors affecting customers' choice over freight forwarders. Over the 20 years of track record, our Group has weathered various crises in the global economy, in particular, the global financial crisis in 2008 and 2012, and successfully operated in the past difficult business/financial environments. Over the years, our Group has adapted to the ever-changing global economy by establishing a sustainable and proven business model to position our Group to meet the demands of the freight forwarding market in Hong Kong by striving for a larger market share when the opportunities arise, and maintaining a sustainable business operation when the market condition is challenging.

B. **SOCIAL ASPECTS** *(Continued)*

**Aspect B6: Product Responsibility** *(Continued)*

***Quality control*** *(Continued)*

Further, our quality of service has been recognized by the International Air Transport Association ("**IATA**") as evidenced by the certificates issued by the association to us for more than 10 years. It is an industry practice that airlines generally only offer cargo space to freight forwarders who are IATA accredited agents. In order to become an IATA accredited agent, an applicant has to, among other requirements, have at least two staff members who have attended recognized training courses on handling dangerous goods. To ensure our air operations continually comply with the latest international standards, we annually procure the most updated edition of the DGR Manual (Dangerous Goods Regulations) published by IATA. An applicant also has to submit its audited financial statements, insurance policies and sales reports on IATA member airlines for inspection by IATA to demonstrate that it has sufficient financial resources which are satisfactory to IATA. By being an IATA accredited agent, we believe that our quality of service is recognized by the association. At the same time, with the quality of our freight forwarding services, our comprehensive knowledge and excellent performance in freight and logistics, we have acquired the membership of the International Federation of Freight Forwarders Associations ("**FIATA**") and World Cargo Alliance ("**WCA**") China Global for 4 consecutive years. Since the performance of suppliers is closely related to the service quality we provide, being a member of these associations will enable us to find qualified and reliable freight forwarders, and establish long-term cooperation with overseas partners, so as to provide high-quality services for our customers. Such accreditation also serves as an entry barrier to the freight forwarding industry as it takes time to build up a reputation in the industry. We consider such recognitions as one of the key factors leading to our success.

***Customer services***

We generally do not have any specific agreements with our customers on liability for damage of goods during transit and we maintain insurance policies to cover such losses, which is an industry norm. We maintain insurance policies to cover claims against us from our customers for damage or loss on their goods. We did not encounter any incident relating to liability for damage of goods of a material nature, did not recall any items due to safety and health reasons, and did not implement any recall procedures, as our business operation did not involve the sales of products during the Reporting Period.

Our customer service team handles general enquiries, complaints and feedback from customers. We did not receive any material complaint or claim from our customers in relation to our services during the Reporting Period.

## B. SOCIAL ASPECTS *(Continued)*

### Aspect B6: Product Responsibility *(Continued)*

***Intellectual Property Rights***

The Group makes timely applications to register its new trademarks, labels and product designs to protect its intellectual property rights. Internal legal personnel and external legal advisers are hired to provide legal advice on the protection and infringement (if any) of intellectual property rights. The Group also requires its employees to keep the trade secrets and other proprietary intellectual property rights of the Group confidential.

The Group is the registrant of 10 domain names and had registered one trademark in Hong Kong. We had not experienced any infringement of our intellectual property during the Reporting Period which had a material adverse effect on our business, results of operations, financial condition and prospects, and we had not received any infringement claims nor had we filed any infringement claims against any third party during the Reporting Period.

***Consumer Data Protection and Privacy***

The Group values the privacy of personal data. We strictly comply with the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong) and Personal Information Protection Law of the PRC*(《中華人民共和國個人信息保護法》) in our operations and adopt them as our Personal Data Privacy Policy.

The collective objective of the data protection principle is to ensure that personal data is collected on a fully informed basis and in a fair manner, with due consideration towards minimizing the amount of personal data collected. Once collected, the personal data should be processed in a secure manner and should only be kept for as long as necessary for the fulfilment of the purposes of using the data. Use of the data should be limited or related to the original collection purpose. Data subjects are given the right to access and make correction to their data.

The Group has established an internal management team which is responsible for monitoring the implementation of the aforementioned policy.

### Aspect B7: Anti-corruption

To ensure operational efficiency and employees' development in a fair and honest working environment, the Group has formulated whistleblowing policy in the corporate governance manual to promote business ethics and integrity so as to avoid suspected corruption, extortion and money laundering. Our employees are encouraged to report suspected cases of corruption within the Group through channels such as letters and emails. All these practical actions not only win the trust of customers, but also enhance the sense of belonging and fair play among our employees.

During the Reporting Period, the Group did not provide formal anti-corruption training. This was due to the ongoing review and redesign of our training framework to align with evolving regulatory expectations. Looking ahead, we will invest more resources in our anti-corruption training and expand the scope of anti-corruption training data disclosure.

The Group has been in strict compliance with laws and regulations related to anti-corruption and the prevention of bribery, extortion, fraud and money laundering, including but not limited to the Company Law of the PRC*(《中華人民共和國公司法》), the Tendering and Bidding Law of the PRC*(《中華人民共和國招標投標法》), the Prohibition of Commercial Bribery Interim Provisions of the PRC*(《中華人民共和國禁止商業賄賂行為的暫行規定》), the Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Chapter 615 of the Laws of Hong Kong) and the Prevention of Bribery Ordinance (Chapter 201 of the Laws of Hong Kong).

Whistle-blowers can report verbally or in writing to the audit committee of the Company (the "Audit Committee") for any suspected misconduct with supporting evidence. The Audit Committee will conduct investigations against any suspicious or illegal behavior to protect the Group's interests. The Group has established an effective grievance mechanism to protect the whistle-blowers from unfair dismissal or victimization. In addition, requirements related to the prevention of bribery are also listed in our Employee Manual. Employees should not solicit or accept any such advantage when carrying out their duties. If employees are offered any such advantage, they should not accept it but refer the matter to their Department Head. Where any crime is suspected by the Group, a report will be submitted promptly to the relevant regulators or law enforcement authorities when the management of the Group considers it necessary. The management of the Group is responsible for overseeing the implementation and monitoring of the Group's measures to prevent bribery, extortion, fraud and money laundering and whistleblowing procedures.

## B. SOCIAL ASPECTS *(Continued)*

### Aspect B7: Anti-corruption *(Continued)*

During the Reporting Period, the Group did not identify any material non-compliance of laws and regulations related to the prevention of bribery, extortion, fraud and money laundering, and there was no legal case regarding corrupt practices, extortion and money laundering brought against the Group or its employees.

### Aspect B8: Community Investment

As a socially responsible company, the Group is committed to understanding the needs of the communities in which we operate. The Group strives to develop long-term relationships with our stakeholders and seek to make contributions to programs which have a positive impact on community development. The Group has always been concerned about the health issue of the vulnerable groups. Despite that no donations were made during the Reporting Period (2024: Nil), the Group is considering the appropriate resources to contribute in order to strike a balance between financial conditions and social investment in the future.

## REFERENCES TO THE ESG CODE

| Subject areas, aspects, general disclosures and KPIs | | Chapter/Disclosure |
|---|---|---|
| **A. Environmental** | | |
| **Aspect A1: Emissions** | | |
| **General Disclosure** | Information on:<br>(a) the policies; and<br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer<br>relating to air emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. | Emissions |
| **KPI A1.1** | The types of emissions and respective emissions data. | Emissions |
| **KPI A1.3** | Total hazardous waste produced and, where appropriate, intensity. | Emissions |
| **KPI A1.4** | Total non-hazardous waste produced and, where appropriate, intensity. | Emissions |
| **KPI A1.5** | Description of emission target(s) set and steps taken to achieve them. | Emissions |
| **KPI A1.6** | Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them. | Emissions |

| Subject areas, aspects, general disclosures and KPIs | | Chapter/Disclosure |
|---|---|---|
| **Aspect A2: Use of Resources** | | |
| **General Disclosure** | Policies on the efficient use of resources, including energy, water and other raw materials. | Use of Resources |
| **KPI A2.1** | Direct and/or indirect energy consumption by type in total and intensity | Use of Resources |
| **KPI A2.2** | Water consumption in total and intensity. | Use of Resources |
| **KPI A2.3** | Description of energy use efficiency target(s) set and steps taken to achieve them. | Use of Resources |
| **KPI A2.4** | Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them. | Use of Resources |
| **KPI A2.5** | Total packaging material used for finished products and, if applicable, with reference to per unit produced. | Use of Resources |
| **Aspect A3: The Environment and Natural Resources** | | |
| **General Disclosure** | Policies on minimizing the issuer's significant impacts on the environment and natural resources. | Emissions, Use of Resources and The Environment and Natural Resources |
| **KPI A3.1** | Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them. | Emissions, Use of Resources and The Environment and Natural Resources |
| **Aspect A4: Climate Change** | | |
| **General Disclosure** | Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer. | Climate Change |
| **KPI A4.1** | Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them. | Climate Change |

| Subject areas, aspects, general disclosures and KPIs | | Chapter/Disclosure |
|---|---|---|
| **B. Social** | | |
| **Employment and Labour Practices** | | |
| **Aspect B1: Employment** | | |
| **General Disclosure** | Information on:<br><br>(a) the policies; and<br><br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer<br><br>relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination and other benefits and welfare. | Employment |
| **KPI B1.1** | Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region. | Employment |
| **KPI B1.2** | Employee turnover rate by gender, age group and geographical region. | Employment |
| **Aspect B2: Health and Safety** | | |
| **General Disclosure** | Information on:<br><br>(a) the policies; and<br><br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer<br><br>relating to providing a safe working environment and protecting employees from occupational hazards. | Health and Safety |
| **KPI B2.1** | Number and rate of work-related fatalities occurred in each of the past three years including the reporting year. | Health and Safety |
| **KPI B2.2** | Lost days due to work injury. | Health and Safety |
| **KPI B2.3** | Description of occupational health and safety measures adopted, and how they are implemented and monitored. | Health and Safety |

| Subject areas, aspects, general disclosures and KPIs | | Chapter/Disclosure |
|---|---|---|
| **Aspect B3: Development and Training** | | |
| **General Disclosure** | Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. | Development and Training |
| **KPI B3.1** | The percentage of employees trained by gender and employee category (e.g. senior management, middle management). | Development and Training |
| **KPI B3.2** | The average training hours completed per employee by gender and employee category. | Development and Training |
| **Aspect B4: Labour Standards** | | |
| **General Disclosure** | Information on:<br>(a) the policies; and<br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer<br>relating to preventing child and forced labour. | Labour Standards |
| **KPI B4.1** | Description of measures to review employment practices to avoid child and forced labour. | Labour Standards |
| **KPI B4.2** | Description of steps taken to eliminate such practices when discovered. | Labour Standards |
| **Operating Practices** | | |
| **Aspect B5: Supply Chain Management** | | |
| **General Disclosure** | Policies on managing environmental and social risks of the supply chain. | Supply Chain Management |
| **KPI B5.1** | Number of suppliers by geographical region. | Supply Chain Management |
| **KPI B5.2** | Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored. | Supply Chain Management |
| **KPI B5.3** | Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored. | Supply Chain Management |
| **KPI B5.4** | Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored. | Supply Chain Management |

| Subject areas, aspects, general disclosures and KPIs | | Chapter/Disclosure |
|---|---|---|
| **Aspect B6: Product Responsibility** | | |
| **General Disclosure** | Information on:<br>(a) the policies; and<br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer<br>relating to health and safety, advertising, labeling and privacy matters relating to products and services provided and methods of redress. | Product Responsibility |
| **KPI B6.1** | Percentage of total products sold or shipped subject to recalls for safety and health reasons. | Product Responsibility |
| **KPI B6.2** | Number of products and service related complaints received and how they are dealt with. | Product Responsibility |
| **KPI B6.3** | Description of practices relating to observing and protecting intellectual property rights. | Product Responsibility |
| **KPI B6.4** | Description of quality assurance process and recall procedures. | Product Responsibility |
| **KPI B6.5** | Description of consumer data protection and privacy policies, and how they are implemented and monitored. | Product Responsibility |
| **Aspect B7: Anti-corruption** | | |
| **General Disclosure** | Information on:<br>(a) the policies; and<br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer<br>relating to bribery, extortion, fraud and money laundering. | Anti-Corruption |
| **KPI B7.1** | Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases. | Anti-Corruption |
| **KPI B7.2** | Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored. | Anti-Corruption |
| **KPI B7.3** | Description of anti-corruption training provided to directors and staff. | Anti-Corruption |

| Subject areas, aspects, general disclosures and KPIs | | Chapter/Disclosure |
|---|---|---|
| **Community** | | |
| **Aspect B8: Community Investment** | | |
| **General Disclosure** | Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests. | Community Investment |
| **KPI B8.1** | Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport). | Community Investment |
| **KPI B8.2** | Resources contributed (e.g. money or time) to the focus area. | Community Investment |

| Aspects | Description | Chapter/Disclosure |
|---|---|---|
| **Part D: climate related disclosure** | | |
| **Governance** | | |
| | Information about:<br><br>The governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities.<br><br>Management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities. | ESG Structure, Risk Management, and Climate Change – Governance |
| **Strategy** | | |
| Climate-related risks and opportunities | Information to enable an understanding of climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term. | Climate Change – Strategy and Risk Management |
| Business model and value chain | Information that enables an understanding of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain. | Climate Change – Strategy and Risk Management |
| Strategy and decision-making | Information that enables an understanding of the effects of climate-related risks and opportunities on its strategy and decision-making.<br><br>Information about the progress of plans disclosed in previous reporting periods. | Climate Change – Strategy and Risk Management |
| Financial position, financial performance and cash flows | Information about:<br><br>How climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period. | Climate Change – Strategy and Risk Management |

| Aspects | Description | Chapter/Disclosure |
| --- | --- | --- |
| | The climate-related risks and opportunities identified for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements.<br><br>Disclosures about:<br><br>How the issuer expects its financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities.<br><br>How the issuer expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities. | |
| Climate resilience | Information that enables an understanding of the resilience of the issuer's strategy and business model to climate-related changes, developments and uncertainties, taking into consideration the issuer's identified climate-related risks and opportunities.<br><br>Climate-related scenario analysis to assess its climate resilience using an approach that is commensurate with an issuer's circumstances. | Climate Change – Strategy and Risk Management |

| Aspects | Description | Chapter/Disclosure |
| --- | --- | --- |
| **Risk Management** | | |
| | Information about:<br><br>The processes and related policies it uses to identify, assess, prioritise and monitor climate-related risks.<br><br>The processes the issuer uses to identify, assess, prioritise and monitor climate-related opportunities (including information about whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related opportunities).<br><br>The extent to which, and how, the processes for identifying, assessing, prioritizing and monitoring climate-related risks and opportunities are integrated into and inform the issuer's overall risk management process. | Risk Management and Climate Change – Strategy and Risk Management |
| **Metrics and Targets** | | |
| Greenhouse gas emissions | The absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tons of $CO_2$ equivalent, classified as:<br><br>(a) Scope 1 greenhouse gas emissions;<br><br>(b) Scope 2 greenhouse gas emissions; and<br><br>(c) Scope 3 greenhouse gas emissions; | Emissions, Climate Change – Metrics and Targets |

| Aspects | Description | Chapter/Disclosure |
|---|---|---|
| | Information on:<br><br>(a) measure its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) unless required by a jurisdictional authority or another exchange on which the issuer is listed to use a different method for measuring greenhouse gas emissions;<br><br>(b) the approach it uses to measure its greenhouse gas emissions;<br><br>(c) for Scope 2 greenhouse gas emissions disclosed, disclose its location-based Scope 2 greenhouse gas emissions , and provide information about any contractual instruments that is necessary to enable an understanding of the issuer's Scope 2 greenhouse gas emissions ; and<br><br>(d) the categories included within the issuer's measure of Scope 3 greenhouse gas emissions, in accordance with the Scope 3 categories described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011). | |
| Climate-related transition risks | The amount and percentage of assets or business activities vulnerable to climate-related transition risks. | Climate Change – Strategy and Risk Management, Metrics and Targets |

| Aspects | Description | Chapter/Disclosure |
|---|---|---|
| Climate-related physical risks | The amount and percentage of assets or business activities vulnerable to climate-related physical risks. | Climate Change – Strategy and Risk Management, Metrics and Targets |
| Climate-related opportunities | The amount and percentage of assets or business activities aligned with climate-related opportunities. | Climate Change – Strategy and Risk Management, Metrics and Targets |
| Capital deployment | The amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities. | Climate Change – Metrics and Targets |
| Internal carbon prices | Information on an explanation of whether and how the issuer is applying a carbon price in decision-making (for example, investment decisions, transfer pricing, and scenario analysis); and the price of each metric tonne of greenhouse gas emissions the issuer uses to assess the costs of its greenhouse gas emissions; or an appropriate negative statement that the issuer does not apply a carbon price in decision-making. | Climate Change – Metrics and Targets |
| Remuneration | Information on whether and how climate-related considerations are factored into remuneration policy, or an appropriate negative statement. | Climate Change – Governance, Metrics and Targets |
| Industry-based metrics | Information on industry-based metrics that are associated with one or more particular business models, activities or other common features that characterise participation in an industry. | Climate Change – Metrics and Targets |

| Aspects | Description | Chapter/Disclosure |
|---|---|---|
| Climate-related targets | Information on:<br><br>The qualitative and quantitative climate-related targets the issuer has set to monitor progress towards achieving its strategic goals; and any targets the issuer is required to meet by law or regulation, including any greenhouse gas emissions targets.<br><br>Information about its approach to setting and reviewing each target, and how it monitors progress against each target.<br><br>Information about its performance against each climate-related target and an analysis of trends or changes in the issuer's performance. | Emissions, Climate Change – Metrics and Targets |
| Applicability of cross-industry metrics and industry- based metrics | Reference to and consideration of the applicability of cross-industry metrics and industry-based metrics. | Climate Change – Metrics and Targets |

* *For identification purposes only*