中國基礎能源控股有限公司
China Primary Energy Holdings Limited

(Incorporated in the Cayman Islands with limited liability)
(Stock Code : 8117)

2025 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT



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Environmental, Social and Governance Report

I. PREAMBLE

Energy is always a fundamental part of humans' daily lives and societies' prosperous development. Under global challenges such as climate change, there is a widespread urge to shift towards alternative cleaner energy sources from the use of fossil fuels. China Primary Energy Holdings Limited (the "Company") and its subsidiaries (collectively, the "Group") understand the urge for a clean energy system and are hence committed to investing in green energy while improving their performance across the Environmental, Social and Governance ("ESG") aspects.

With the aim to achieve carbon neutrality by 2060 and to increase the proportion of non-fossil fuels in its primary energy consumption to around 25% by 2030, the Chinese government has formulated initiatives and guidelines such as the "Action Plan for Carbon Dioxide Peaking Before 2030" (《2030年前碳達峰行動方案》) to foster a greener future together with a variety of industries. In response, the Group supports the national goals by upholding its environmental and corporate social responsibility to promote the use of clean energy such as natural gas and biomass.

Under the launch of the Energy Law of the People's Republic of China (《中華人民共和國能源法》) on 1 January 2025, the Chinese government further promotes new power system and carbon control system to encourage the use of clean energy sources and reduce national carbon emissions. To align with national regulations, The Group will continuously maintain its safe and reliable natural gas supply while exploring the application of greener solutions.

Moving forward, the Group is resolutely dedicated to accelerating its clean energy transition while strengthening its contributions to environmental protection, social welfare and economic growth. Through ongoing improvement of its ESG system and metrics, the Group aims to explore and integrate sustainable alternatives across its core operations and throughout its entire value chain.

II. ABOUT THIS REPORT

The Group is pleased to present its ESG Report ("ESG Report") for financial year 2025 ("FY2025"), covering the period from 1 January 2025 to 31 December 2025. Through this ESG Report, the Group aims to present its strategic initiatives and performance of ESG management, as well as its broader commitment to corporate sustainable development. This ESG Report also outlines the major challenges and opportunities encountered on the Group's sustainability journey, alongside the effective approaches and strategies the Group will employ to navigate these obstacles and capitalise on emerging opportunities.

This ESG report has been prepared in compliance with Appendix C2 – Environmental, Social and Governance Reporting Code ("ESG Code") and under the "Comply or Explain" provision as set out in the GEM Listing Rules on the Hong Kong Exchanges and Clearing Limited ("HKEX"). Under the guidance of the HKEX's ESG Code and relevant standards, the Group has strictly followed the requirements and prescribed procedures for measuring, documenting, assessing and disclosing its ESG performance during the year under review. This ESG Report has also been prepared with reference to the Global Reporting Initiative ("GRI") Standards. For readers' convenience, a complete content index and a GRI Standards linkage table are available at the end of this ESG Report.

Reporting Scope

The reporting boundary of this ESG Report is set based on the Operational Control Approach. This ESG Report covers the key environmental and social performance within the Group's operational boundaries, which include the Group's activities in the transmission and distribution of natural gas, sales of heat and biomass gasification-related products, and property investment in the People's Republic of China (the "PRC"). For details on corporate governance, please refer to the Group's 2025 Annual Report.

Environmental, Social and Governance Report

Reporting Principles

This ESG Report has been prepared in alignment with the Reporting Principles stipulated in the ESG Code, namely Materiality, Quantitative, Balance, and Consistency. The following descriptions demonstrate the application of these principles throughout this ESG Report.

Materiality:

The Group understands the critical need to identify and assess material ESG issues, along with their associated risks and opportunities. To gather stakeholder feedback on their concerns and expectations related to sustainable development, the Group conducts an annual materiality assessment. The outcomes are reviewed by the Group's Board of Directors (the "Board") and serve as a key reference in shaping the Group's business strategies. Further details can be found in the chapter **STAKEHOLDER ENGAGEMENT**.

Quantitative:

This ESG Report summarises quantitative data and Key Performance Indicators ("KPIs") that numerically reflect the Group's environmental and social performance. Each performance table is accompanied by explanatory footnotes stating the corresponding calculation methods, assumptions and conversion factors applied.

Balance:

As transparency is essential to present a complete picture of the Group's sustainability performance, this ESG Report presents the Group's significant achievements as well as areas where further progress is needed.

Consistency:

To meaningfully track its sustainability performance over time, the Group maintains consistent reporting framework and methodology aligned with previous ESG Reports to support year-on-year comparison. In case of any significant changes to the reporting framework and/or methodologies, clear explanations will be provided.

Information Disclosure

The information in this ESG Report was gathered from multiple sources, including internal policies across the Group's subsidiaries, factual evidence of the implementation of ESG practices within the Group, staff feedback collected through online surveys including both quantitative and qualitative questions based on the reporting framework, and the statistics of the Group's annual operational and sustainability performance. This ESG Report is prepared in both English and Chinese. In case of any conflict or inconsistency, the English version shall prevail.

III. SUSTAINABILITY GOVERNANCE & STRATEGY

Board Statement

As a clean energy provider, the Group recognises its responsibility to proactively explore and adopt solutions that drive the transition towards clean energy for a sustainable future. To align with the national green development goals and its commitment to achieving carbon neutrality by 2060, the Group places an emphasis on developing and implementing targeted and effective strategies.

ESG Management Approach and Strategy

The Group understands that a strong and effective governance structure is crucial for its long-term sustainable development. As such, a "top-down" management approach has been adopted within the Group's sustainability governance framework (as illustrated in **Sustainability Governance Structure** below). This ensures that the Group's ESG vision and strategy are clearly communicated from the Board to management teams and general staff.

As the highest governance body of the Group, the Board holds ultimate responsibility for overseeing the Group's ESG issues, including the effective implementation of ESG policies and reporting. Moreover, the Board proactively evaluates, prioritises and manages material ESG issues through stakeholder engagement and materiality assessment, which will be further discussed in the chapter **STAKEHOLDER ENGAGEMENT**. Guided by the Board, the Group's management teams formulate and implement comprehensive policies and operational procedures across various ESG-related areas to turn sustainability strategies into actions.

Roles and Responsibilities

In collaboration with external ESG consultants, the management teams are tasked with assessing the effectiveness of the ESG policies implemented. The teams will monitor the Group's progress towards established goals and targets, with the findings from the materiality assessment taking into consideration.

Under the robust management approach, summarised ESG information will be presented during conference meetings to ensure the Board remains informed of the Group's ESG performance and progress against relevant targets. To further provide the Board with timely insights, the management will regularly report material issues and present the Group's annual ESG report. Through qualitative descriptions and quantitative metrics covering environmental impacts, labour practices, operations, and other relevant topics derived from its materiality assessment, the Board continuously reviews the Group's practices and performance. These metrics can be subsequently used for conducting trend analysis related to sustainability.

Looking Forward

The Group remains committed to exploring innovative and environmentally friendly technologies for energy production. These sustainable alternatives enable more efficient energy generation with lower emissions and pollutants. In particular, the Group has developed and applied low-carbon and cost-effective solutions, including electrification and biomass gasification technology using rice husk as the primary feedstock. These innovations support the national goal of achieving carbon neutrality by 2060 and contribute to a cleaner future.

Last but not least, on behalf of the Board, we would like to express our sincere gratitude to our dedicated employees, management teams, Board members, as well as our business partners and customers. All their ongoing support and valuable contributions have been essential to the Group's journey towards sustainable development.

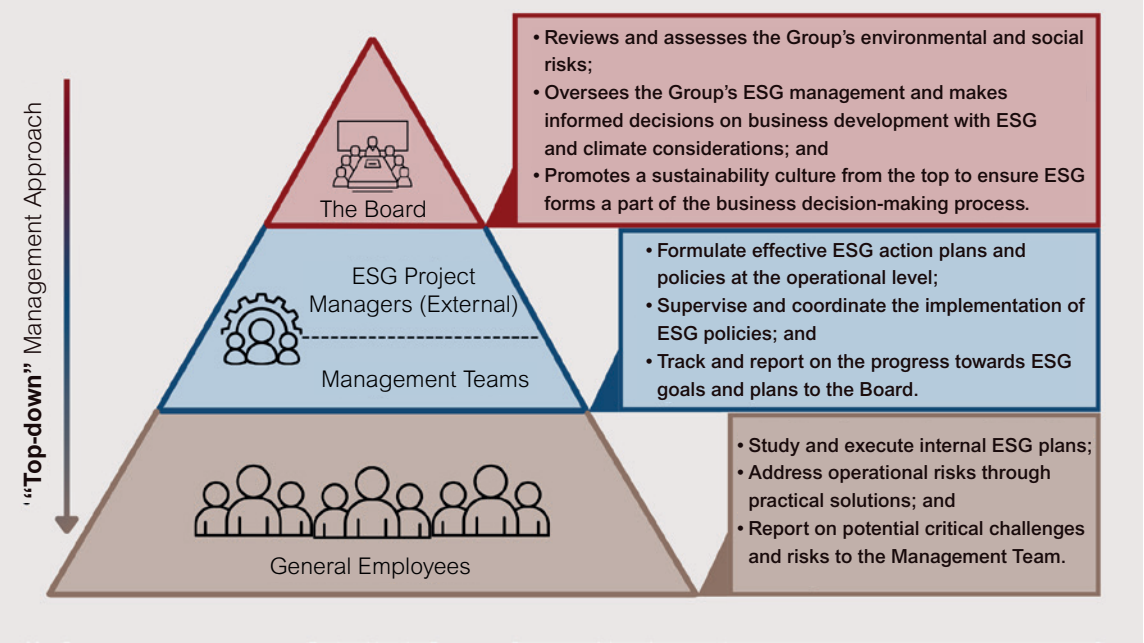
Integration of ESG Risk Management

Risk management is fundamental to ensuring the Group's stable and resilient business operations. In response to the evolving needs of its stakeholders and dynamic industry trends, the Group regularly reviews and refines its sustainability policies. This process carefully considers material ESG-related risks and aligns the Group's strategy with current challenges and opportunities.

To manage ESG risks effectively, the Group has implemented a transparent and efficient reporting mechanism. This system allows the Board to promptly identify, evaluate and address both current and potential ESG risks. Furthermore, the system facilitates informed adjustments to the Group's annual budgeting and commercial planning processes, ensuring resources are allocated to support its strategic sustainability goals.

As part of its ESG integration plan, the Group demonstrates its commitment to promote ESG principles and strategies across all relevant Board committees and functional departments. For a comprehensive overview of the Group's risk management approaches, please refer to the chapter **CLIMATE-RELATED DISCLOSURE**.

Sustainability Governance Structure



IV. STAKEHOLDER ENGAGEMENT

The Group considers understanding and responding to stakeholder concerns and expectations as essential for creating long-term values. Placing a great importance on stakeholder feedback, the Group focuses on building and maintaining close relationships with its stakeholders.

In FY2025, the Group engaged with its stakeholders via multiple communication channels and promptly addressed their feedback. This proactive management on stakeholder relationships allowed the Group to understand their needs and expectations, while formulating targeted strategies in response. The table below summarises the stakeholder expectations and their preferred communication channels.

Table 1 Stakeholders Expectations and Communication Channels

Stakeholders	Expectations and Concerns	Communication Channels
Government and regulatory authorities	– Compliance with laws and regulations – Support economic development – Business sustainability – Acceleration of energy restructuring towards clean and renewable energy	– Supervision on the compliance with local laws and regulations – Routine reports and tax paid
Shareholders	– Return on investments and targets achievements – Corporate governance and communication – Policy reviews and performance monitoring	– Regular reports and announcements – Regular general meetings – Official company website
Employees	– Employees' remuneration and benefits – Career development – Feedback and communication channels – Implementation of ESG strategies – Health and safety in the workplace – Transition to clean and renewable energy – Environmental protection – ESG due diligence – Transparent ESG disclosure	– Performance reviews – Regular training programs – Regular meetings (private meetings or AGMs) – Emails, notice boards, hotline, caring activities with management – Questionnaires and online surveys – Written comments and responses
Customers	– Production quality assurance – Protect the rights of customers – Qualified products with good performance against environmental indicators – Environmental protection	– Customer satisfaction survey – Customer service hotline and email – Face-to-face meetings and onsite visits

Stakeholders	Expectations and Concerns	Communication Channels
Suppliers	– Fair and open procurement – Win-win cooperation – Business ethics – Environmental protection – ESG due diligence	– Open tendering – Suppliers' satisfactory assessment – Face-to-face meetings and onsite visits – Industry seminars – Questionnaires and online surveys – Written comments and responses
Professional bodies	– Climate change awareness and inputs – Laws and regulations compliance – Implementation of ESG strategies	– Routine reports – Emails, hotline, enquires
General public	– Involvement in community activities – Laws and regulations compliance – Awareness of environmental protection – Promotion of the use of natural gas	– Media conferences and responses to enquiries – Public welfare activities – Regular reports and announcements – Face-to-face interview

Materiality Assessment

Shaped by each company's unique background, business model and operational characteristics, ESG risks and opportunities vary significantly across industries. To systematically identify, evaluate and prioritise material ESG issues, the Group conducts an annual materiality assessment with the feedback gathered through stakeholder engagement.

In FY2025, the Group engaged an external agency to conduct the materiality assessment survey, involving key stakeholders in the process. These stakeholders, including employees and suppliers, were selected based on criteria such as the extent of mutual influences and dependence. Participants were asked to evaluate 28 ESG issues, categorised under seven pillars, namely environment, employment, supply chain management, product responsibility, anti-corruption, community relations, and leadership and governance.

Through a stepwise approach, the Group collected, analysed, and prioritised stakeholder feedback and ratings on different ESG topics. In FY2025, the Group continued to apply weightings on the ratings of the ESG topics, distinguishing the E, S and G pillars to ensure a balanced evaluation. The results were presented below.

Materiality Assessment Outcome	
Areas that are identified to be relatively more important to external stakeholders only • N.A.	**Areas that are identified to be vital** • Labour Practices • Employee Remuneration and Benefits • Occupational Health and Safety • Employee Development and Training • Customer Privacy and Data Security • Marketing and Promotion
Areas that are identified to be relatively insignificant • Greenhouse Gas ("GHG") Emissions • Energy Management • Water and Wastewater Management • Solid Waste Stewardship • Climate Change Mitigation and Adaptation • Renewable and Clean Energy • Green Procurement • Intellectual Property Rights • Labelling Relating to Products/Services • Internal Grievance Mechanism • Participation in Philanthropy • Cultivation of Local Employment • Support of Local Economic Development • Business Model Adaptation and Resilience to Environmental, Social, Political and Economic Risks and Opportunities • Management of the Legal and Regulatory Environment (regulation-compliance management) • Critical Incident Risk Responsiveness • Systemic Risk Management (e.g. Financial Crisis)	**Areas that are identified to be relatively more important to internal stakeholders only** • Engagement with Suppliers • Environmental and Social Risk Management of Supply Chain • Supply Chain Resilience • Product/Service Quality and Safety • Business Ethics and Anti-corruption

According to the outcomes of the materiality analysis, "Labour Practices", "Employee Remuneration and Benefits", "Occupational Health and Safety", "Employee Development and Training", "Customer Privacy and Data Security", and "Marketing and Promotion" were identified as the Group's material ESG topics. Subsequently, the Board reviewed and approved the outcomes. With the materiality assessment, the Group is able to centralise its resources on the management of its material ESG issues and promptly develop strategies to address potential risks.

UN Sustainable Development Goals ("SDGs")

In FY2025, the Group continued to leverage the widely recognised framework to shape its business strategies, thereby maintaining the process of performance benchmarking on the global SDGs. With valuable insights gathered from stakeholder engagement and a detailed analysis in connections with global sustainability issues, the Group identified six SDGs, which were Goal 3: Good Health and Well-being, Goal 4: Quality Education, Goal 5: Gender Equality, Goal 6: Clean Water and Sanitation, Goal 7: Affordable and Clean Energy, and Goal 8: Decent Work and Economic Growth, as its priority for ongoing improvement.



Stakeholders Feedback

As the Group strives for excellence, feedback from all stakeholders is greatly appreciated, particularly on the topics listed of high significance in the materiality assessment. Readers are also welcomed to share their views with the Group at info@china-p-energy.com.

V. ENVIRONMENTAL SUSTAINABILITY

Dedicated to fostering environmental and community sustainability within its operating regions, the Group continuously monitors and regulates its emissions and resources consumption to ensure compliance with applicable laws and regulations in Hong Kong and the PRC throughout its daily operations. By aligning its initiatives with national energy transition goals and global climate objectives, the Group integrates environmental stewardship into the core of its business, actively contributing to broader environmental protection efforts.

This section mainly discloses the Group's policies, practices and quantitative data on emissions, the use of resources, as well as the environment and natural resources in FY2025.

A.1. Emissions

In FY2025, the Group complied with relevant environmental laws and regulations in its operating regions relating to air emissions, discharges into water and land, generation of hazardous and non-hazardous wastes, and noise that have a significant impact on the Group, including but not limited to:

- Environmental Protection Law of the PRC (《中華人民共和國環境保護法》); and
- Law of the PRC on the Prevention and Control of Atmospheric Pollution (《中華人民共和國大氣污染防治法》).

In FY2025, the Group mainly generated air and GHG emissions, non-hazardous solid waste and wastewater, while no hazardous waste was generated. During the year under review, the Group's air emissions included sulphur oxides ("SO_x"), nitrogen oxides ("NO_x") and particulate matter ("PM"). The Group's GHG emissions are outlined in the chapter **CLIMATE-RELATED DISCLOSURE**.

The Group's other emissions are summarised in the table below.

Table 2 The Group's Emissions by Category in FY2025 and FY2024

Emission Category		Key Performance Indicator (KPI)	Unit	Amount in FY2025	Intensity (Unit/ employee) in FY2025 [1]	Amount in FY2024 [2]	Intensity (Unit/ employee) in FY2024 [2]
Air Emissions [4]	Transportation vehicles	SO_x	kg	1.1	–	1.1	–
		NO_x	kg	507.7	–	511.3	–
		PM	kg	36.5	–	36.8	–
	Natural gas	SO_x	kg	1,217.9	7.6	782.4 [3]	4.9
		NO_x	kg	2,990.0	18.6	4,329.7 [3]	26.9 [3]
		PM	kg	445.4	2.8	337.8 [3]	2.1 [3]
Non-hazardous Waste		Solid Wastes	kg	311,060.0	1,932.0	310,190.0	1,926.6
		Wastewater [5]	m^3	128,802.0	800.0	119,737.7	743.7

1. Intensity was calculated by dividing the amount of air and other emissions by the number of employees of the Group in FY2025, which was 161;

2. The amount and/or intensity for FY2024 were extracted from the Group's FY2024 ESG Report, unless otherwise specified;

3. The amount and/or intensity for FY2024 were restated in alignment with the consolidation method for consistency;

4. Air emissions included only the air pollutants in the exhaust gas from vehicles for transportation and natural gas consumption for the Group's business operations; and

5. The total amount of wastewater discharged from the Group in FY2025 was based on direct measurement and the assumption that 100% of the consumed fresh water entered the building drainage system.

Management Approach

Transmission and Distribution of the Natural Gas Business

Being one of the Group's major operations, it is crucial for the natural gas business segment to have effective management of the environmental performance and related impacts from natural gas transmission and distribution activities. Therefore, the Group strictly complies with relevant industrial standards that govern operational practices and emissions performance, including Ambient Air Quality Standards《環境空氣質量標準》(GB3095-2012), Environmental Quality Standard for Noise《聲環境質量標準》(GB3096-2008) and Environmental Quality Standards for Surface Water《地表水環境質量標準》(GB3838-2002). In alignment with the Group's internal policies, the Safety Supervision Department, alongside other relevant departments, holds responsibility for addressing environment-related issues.

Sales of Heat and Biomass Gasification-related Products

Over the years, the Group has prioritised the development of biomass-related products as a key clean energy solution, leading to a reinforced integration of its clean energy infrastructure. To effectively monitor and evaluate environmental impacts, an online monitoring system has been implemented to record, measure, and assess the Group's performance against established environmental standards. This systematic approach on performance tracking allows the Group to set clear targets and develop actionable plans for ongoing improvement.

Air Emissions

In FY2025, the Group's air emissions primarily sourced from the use of vehicles for transportation and natural gas consumption for its business operations, with its absolute amount of air pollutants emitted from transportation vehicles generally decreased.

The Group has allocated significant resources to explore cleaner and more sustainable energy alternatives for vehicle fleets and operational support. A key initiative involves the implementation of cleaner combustion technologies to improve air quality. Additionally, the Group emphasises the safe handling of Tetrahydrothiophene (THT), a common warning odorant used in the natural gas industry in the PRC, ensuring its operations strictly comply with relevant safety and environmental regulations.

Through the gasification of biomass, including rice husk and straw, the energy inside these materials can be effectively transformed into a convenient gaseous fuel. The Group believes that accelerating this process can generate both economic and environmental advantages.

Waste

In FY2025, the solid waste and wastewater generated by the Group mainly comprised domestic solid waste and sewage from daily operations. Under the agreement signed with the local wastewater treatment plant, the Group ensures that wastewater undergoes proper treatment before discharging into the sewer, while solid waste is collected, sorted and handled by qualified third parties for recycling. During the year under review, the amount of the Group's solid waste and wastewater experienced a slight increase when compared with that of FY2024.

By adopting sustainable waste management practices, the Group maintains its commitment to effectively managing and minimising its waste generation. To further contribute to waste reduction, the Group focuses on educating its employees about environmental stewardship, highlighting the importance of waste reduction and compliance with national policies such as waste sorting and recycling regulations, and the National Water-Saving Action Plan (國家節約用水行動方案).

For the Group's business segment on the sales of heat and biomass gasification-related products, specific initiatives have been implemented for waste reduction. These include reusing carbonised material leftover from rice husk gasification. Additionally, water usage is carefully monitored by separating production and domestic consumption to minimise heat loss and prevent unnecessary waste. Industrial wastewater generated is treated through a desulphurisation process, allowing it to be reused for other purposes.

Due to the correlation between the amount of wastewater discharged and the amount of fresh water consumed, the Group proactively conserves water resources through a series of measures as outlined in the section **A.2. Use of Resources**.

A.2. Use of Resources

In FY2025, the Group's primary resources consumption included electricity, gasoline, diesel, natural gas, biomass, water, and paper, as well as paper-made raw materials. In FY2025, the Group's total energy consumption dropped by 12.9% when compared with that of FY2024. Moreover, the Group did not use any packaging materials during the year under review due to its business nature.

The Group complied with relevant laws and regulations on its use of resources, including but not limited to:

- Energy Conservation Law of the PRC (《中華人民共和國節約能源法》); and
- Provisions on the Management of Water Conservation in Cities (《城市節約用水管理規定》).

Management Approach

The Group continues to focus on enhancing the tracking, measurement and assessment of its energy and water consumption to promote efficient resource management. As part of its ongoing efforts to reduce environmental impacts, the Group consistently explores alternative solutions and implements innovative technologies, while integrating the "3R Principles" – Reduce, Reuse, Recycle. The table below outlines the Group's total resources consumption in FY2025.

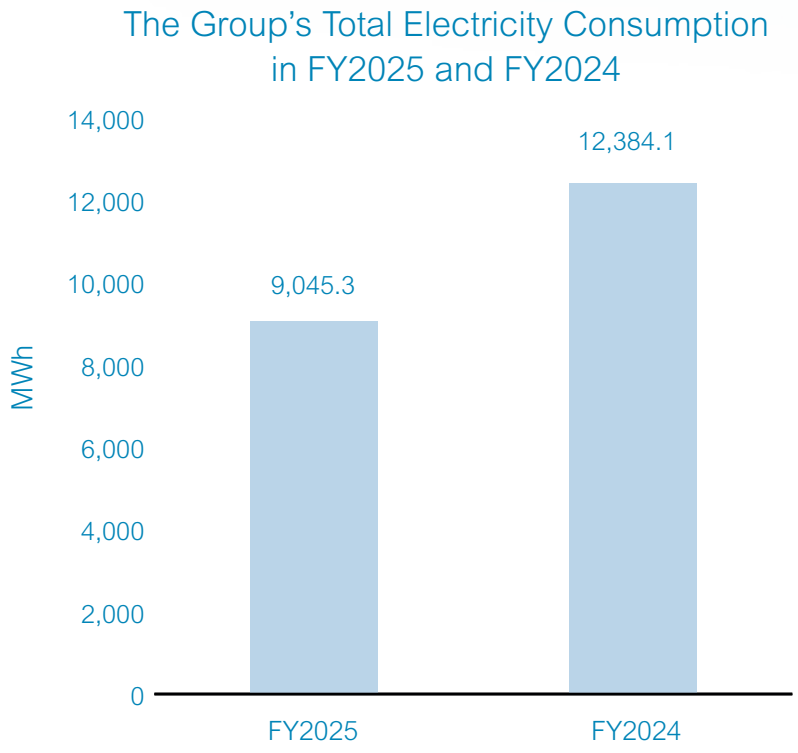
Table 3 The Group's Total Use of Resources by Category in FY2025 and FY2024

Use of Resources	Key Performance Indicator (KPI)	Unit	Amount in FY2025	Intensity (Unit/ employee) in FY2025 [1]	Amount in FY2024 [2]	Intensity (Unit/ employee) in FY2024 [2]
Energy	Electricity	MWh	9,045.3	56.2	12,384.1	76.9
	Gasoline	L	35,040.9	217.6	38,040.3 [3]	236.3 [3]
	Diesel	L	50,579.8	314.2	46,060.1 [3]	286.1 [3]
	Natural gas	m^3	400,167.0	2,485.5	253,260.0 [3]	1,573.0 [3]
	Biomass	tonnes	20,714.1	128.7	23,897.2 [3]	148.4 [3]
	Total Energy Consumption	**MWh**	**81,006.9**	**503.1**	**92,991.6 [3]**	**577.6 [3]**
Water	Water [4]	m^3	128,806.6	800.0	119,737.7	743.7
Paper	Paper	kg	395.0	2.5	505.0 [5]	3.1 [5]
Raw materials	Paper-made	tonnes	0.02	1.2×10^{-4}	– [6]	– [6]

1. Intensity was calculated by dividing the amount of resources consumed by the Group's number of employees in FY2025, which was 161;
2. The amount and intensity for FY2024 were extracted from the Group's FY2024 ESG Report, unless otherwise specified;
3. The amount and intensity for FY2024 were restated in alignment with the consolidation method for consistency;
4. The water consumption excluded the Hong Kong office of the Group in both FY2025 and FY2024 as the water bills were covered in the property management fees and regarded immaterial relative to the amount of water use for production;
5. The amount and intensity of paper consumption in FY2024 were restated in alignment with the consolidation method for consistency; and
6. No raw materials (paper-made raw materials and rice husk) were consumed or recorded by the Group in FY2024.

Electricity

In FY2025, the Group's electricity consumption decreased by 27.0%, which demonstrates the effectiveness of relevant policies and practices on electricity conservation.



To enhance the efficiency of its electricity consumption, the Group has adopted the following practices during its daily operations:

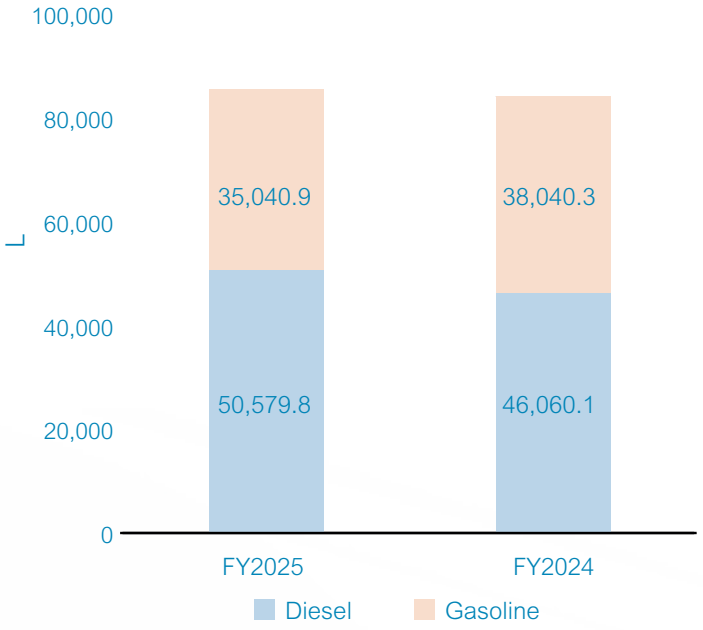
- Switch off idling lights and air-conditioners;
- Place "Saving electricity, turn off the light when leaving" posters in prominent places as reminder;
- Conduct regular maintenance on electrical appliances, including refrigerators, air-conditioners and paper shredders;
- Prioritise electrical appliances with certified energy-saving labels during procurement;
- Include electricity bills of office operations in annual budget management;
- Prohibit heating equipment and other high-electricity-consuming appliances in the office; and
- Adopt the use of renewable energy, such as installing solar panels at rooftops.

Meanwhile, the Group has equipped its production factories with variable frequency equipment to further improve the electricity consumption efficiency.

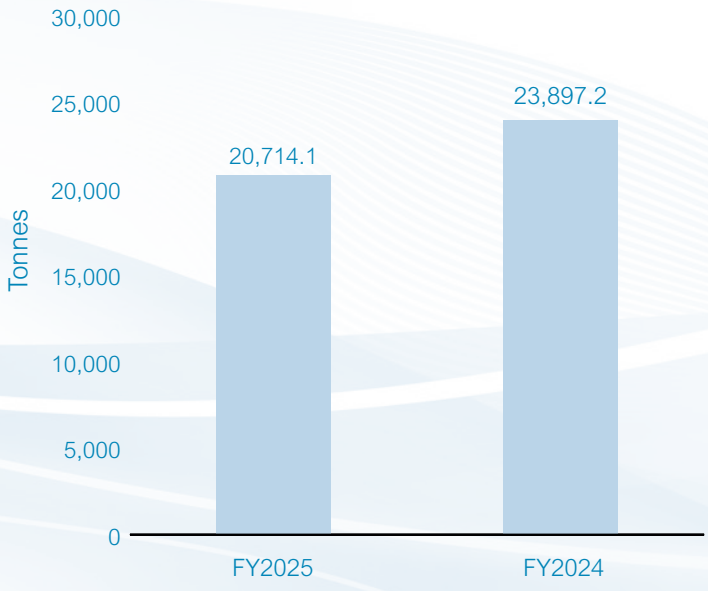
Other Energy Resources

In FY2025, the Group consumed other energy resources, including gasoline, diesel, natural gas, and biomass. The consumption of diesel and natural gas increased, while the consumption of gasoline and biomass dropped by 7.9% and 13.3% respectively.

The Group's Total Gasoline and Diesel Consumption in FY2025 and FY2024



The Group's Total Biomass Consumption in FY2025 and FY2024



To minimise its fuel consumption for transportation purpose, the Group has launched the following initiatives:

- Conduct regular vehicle maintenance to promote fuel conservation and regulate emissions;
- Adopt vehicle sharing for business travel when appropriate; and
- Encourage the use of public transportation as an alternative for employee commuting.

Water

Striving to fully utilise water resources, the Group consumes water efficiently and prevents unnecessary water loss. In FY2025, the Group's water consumption slightly increased when compared with FY2024. Through the implementation of water-saving measures, the Group strives to regulate its water consumption during its daily operations.

To increase the efficiency of its water consumption, the Group has taken the following practices:

- Reuse the circulating water for cooling as heating water and domestic water;
- Place "Saving Water Resource" posters in prominent places to promote water conservation;
- Conduct leakage tests on water taps, washers and other components of the water supply system regularly for prompt identification and repair;
- Include water bills of office operations in annual budget management;
- Adjust the flow rate of water taps; and
- Repair dripping taps promptly.

During the year under review, the Group did not face any issues in sourcing water that is fit for purpose.

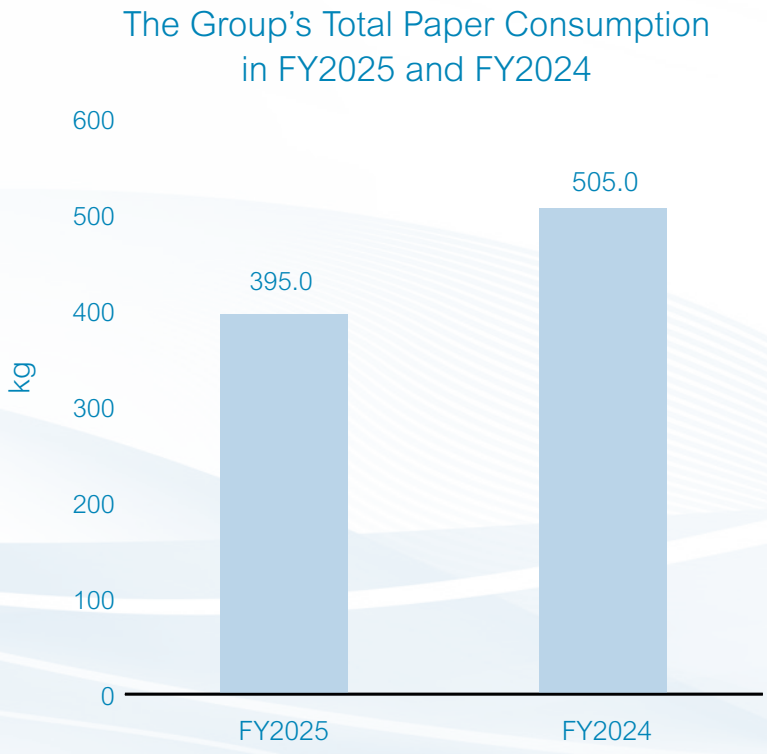
Paper

In alignment with the principle of "Circular Economy", the Group strives to foster a paperless working environment. In response, the Group actively reduces, reuses, and recycles paper-made products during its daily operations. Apart from paper recycling, the Group also encourages employees to adopt digital formats for storing and reviewing documents.

To further contribute to paper reduction, the Group has implemented the following measures during its daily operations:

- Set double-sided printing as the default mode;
- Place paper trays beside printers to collect and recycle used single-sided paper;
- Print documents on recycled paper;
- Place "Think Before Print" posters to remind staff of avoiding unnecessary printing;
- Publish information through email or electronic bulletin boards; and
- Encourage customers to select electronic invoice.

With the promotion of paper conservation and employee support in such initiatives, the Group's paper consumption lowered by 21.8%. Moreover, the Group recycled 17.5 kg of paper, supporting the idea of "Circular Economy".



A.3. The Environment and Natural Resources

As a key player in the energy sector, the Group recognises the vital role of renewable energy in generating clean power. Drawing on years of experience in the natural gas business and recent investment into biomass gasification, the Group is actively pursuing a sustainable future. To support this commitment, the Group has continuously monitored and evaluated its environmental footprints using clearly defined KPIs.

In FY2025, the Group maintained a strong focus on managing its emissions and consumption of natural resources. In particular, the Group achieved reductions in its electricity and paper consumption. Understanding the importance of transitioning to greener alternatives, the Group has dedicated efforts to developing biomass gasification heating. This modern and sustainable solution provides the public with a cleaner heating option and supports the national shift towards a low-carbon development model.

To proactively manage and mitigate potential environmental impacts, the Group emphasises the implementation of robust precautionary measures. One such initiative is the installation of an atmospheric online monitoring system, which ensures that emitted fumes meet local air quality standards.

Enhancing energy efficiency remains the Group's core strategic goals for improving environmental sustainability. The Group tracks progress towards its environmental targets by systematically recording and measuring energy and water consumption throughout production. In FY2025, the Group did not impose any significant environmental impacts under the effective implementation of various measures. To further improve operational efficiency and foster innovation, the Group has established specific targets outlined in the table below. By setting these targets, the Group aims to motivate its employees to actively contribute to its environmental sustainability efforts and accelerate its transition to a low-carbon business model.

Targets and Actions

Aspect	Target	Action
Air and GHG Emissions	Setting FY2021 as the baseline year, the Group aims to reduce its overall GHG emissions (Scopes 1 and 2) by 22.5% by 2030.	The Group is steadfast in advancing electrification as a core strategy to improve sustainable energy solutions and promote cost-effective and low-carbon technologies across its transportation and operational activities.
Waste	Setting FY2025 as the baseline year, the Group aims to maintain its waste intensity fluctuation at 5% above or below.	The Group continuously adopts its sustainable waste management practices to effectively control and manage the waste it generates.
Electricity	Setting FY2025 as the baseline year, the Group aims to maintain its electricity consumption per product at the same level.	The Group maintains its alignment with the principle of "Rationally Using and Saving Electricity", while integrating it into its overall business strategies to enhance energy efficiency.
Other Energy Resources	Setting FY2025 as the baseline year, the Group aims to maintain its gasoline consumption at the same level.	The Group is dedicated to reducing gasoline consumption by optimising travel and transportation plans. Simultaneously, the Group continues to explore innovative concepts and the applications of environmentally friendly technologies to ensure sustainable long-term business operations.
Water and Wastewater	Setting FY2025 as the baseline year, the Group aims to maintain the production water loss rate within 10%.	The Group further encourages its employees to save water through awareness-enhancing initiatives.

VI. SOCIAL SUSTAINABILITY

B.1. Employment

Recognising that effective employee management is essential, the Group is dedicated to treating every employee with fairness and respect, as well as valuing their inputs and hard work to address their needs and concerns. The Group aims to foster a positive and supportive working environment, hence, it is committed to offering sustainable career development opportunities for all employees, ensuring mutual growth. In alignment with its commitment, the Group's employee management practices follow the principle of "paying respect to the dedicated, utilising the competent, fostering the aspired and incentivising the innovative".

In FY2025, the Group had a total of 161 employees. For details on the breakdown of the Group's employee distribution, please refer to the table below.

Table 4 Number of Employees by Age Group, Gender, Employment Type, Position Level, Geographical Location of the Group in FY2025 [1]

Unit: Number of employees	Age group				
Gender	30 or below	Between 31 and 40	Between 41 and 50	51 or above	Total
Male	15	30	30	33	108
Female	6	10	20	17	53
Total	21	40	50	50	161

Unit: Number of employees	Position level			
Gender	General staff	Middle management	Senior management and directors	Total
Male	67	24	17	108
Female	33	15	5	53
Total	100	39	22	161

Employment type			
Full time	Part time	Temporary	Total
159	0	2	161

Geographical location	
Locations	Number of employees
PRC	151
Hong Kong	10
Total	161

1. The employment data in headcount was obtained from the Group's Human Resources Department based on the employment contracts entered into between the Group and its employees. The data covered employees engaged in a direct employment relationship with the Group according to relevant local laws and workers whose work and/or workplace was controlled by the Group. The methodology adopted for reporting on employment data set out above was based on "How to Prepare an ESG Report – Appendix 3: Reporting Guidance on Social KPIs" issued by HKEX.

Law Compliance

To ensure compliance with relevant laws and regulations in the PRC and Hong Kong, the Group regularly reviews and updates its employment policies. In FY2025, the Group adhered to relevant laws and regulations, including but not limited to:

- Employment Ordinance (Chapter 57 of the Laws of Hong Kong);
- Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong);
- Minimum Wage Ordinance (Chapter 608 of the Laws of Hong Kong);
- Labour Law of the PRC (《中華人民共和國勞動法》); and
- Labour Contract Law of the PRC (《中華人民共和國勞動合同法》).

Management Approach

The Group's Human Resources Department is responsible for regularly reviewing and updating relevant company policies in accordance with the latest laws and regulations. The Group has developed a set of fundamental strategies to strictly and effectively manage its employment system, including:

- Provide employees with equal recruitment and promotion opportunities;
- Adopt both internal and external recruitment for vacant positions; and
- Consider multiple essential criteria, such as work performance, for employee promotion.

To support the management of its employment system, the Group has implemented various employment policies and mechanisms, including the Human Resources Management System (人力資源管理制度), Labour Contract Renewal Management System (勞動合同續簽管理制度), Comprehensive Management System (綜合管理制度) and Employee Handbook.

Recruitment and Promotion

The Group upholds the principle of gender equality in all recruitment and promotion activities and manages relevant activities in accordance with its "Yearly Recruitment Plan". To attract high-calibre candidates, the Group provides fair and competitive remuneration and benefits, which are determined by evaluating individual performance, personal attributes, job experiences, career aspiration and market benchmarks.

The Group's General Department (綜合部) is tasked with reviewing interview outcomes and submitting them to the general manager for final approval. Subsequently, there will be strict recruitment and onboarding procedures, which require all new employees to complete the "Employee Enrolment Registration Form" (員工入職登記表).

To ensure equality, promotion opportunities within the Group are offered based on objective criteria aligned with market benchmarks. Employees who deliver excellent performance and contribute significantly to the Group's success are considered as eligible candidates for promotion.

Compensation and Dismissal

To ensure fair compensation for its employees' contribution, the Group regularly reviews its compensation packages and conducts performance appraisal. Salary packages are adjusted annually, taking factors of the overall market level, inflation rate and the Group's profitability into consideration.

The Group strictly prohibits any form of unfair or illegitimate dismissals. For employees exhibiting underperformance, a progressive disciplinary process is followed, which begins with a verbal warning before issuing a warning letter. Dismissal occurs only when an employee repeatedly fails to correct their performance or continues to make the same mistakes despite prior warnings in accordance with established internal policies.

Table 5 Employee Turnover Rate by Age Group, Gender and Geographical Location of the Group in FY2025 [1]

Unit: Number of employees	Age group				
Gender	30 or below	Between 31 and 40	Between 41 and 50	51 or above	Total
Male	1	4	8	5	18
Employee turnover rate	6.7%	13.3%	26.7%	15.2%	16.7%
Female	2	0	5	2	9
Employee turnover rate	33.3%	0.0%	25.0%	11.8%	17.0%
Total	3	4	13	7	27
Total employee turnover rate	14.3%	10.0%	26.0%	14.0%	16.8%

Geographical location		
Locations	Employee turnover	Employee turnover rate
PRC	27	17.9%
Hong Kong	0	0.0%
Total	27	16.8%

1. The turnover data in headcount was obtained from the Group's Human Resources Department based on the employment contracts entered into between the Group and its employees. Turnover rate was calculated by dividing the number of employees who left the Company in FY2025 by the number of employees as of the end of FY2025. The methodology adopted for reporting on turnover data set out above was based on "How to Prepare an ESG Report – Appendix 3: Reporting Guidance on Social KPIs" issued by HKEX.

Working Hours and Rest Period

The Group applies uniform policies regarding working hours and annual leaves to all employees. Attendance is tracked using a punch-in system to monitor their compliance with designated schedules and relevant legal requirements. Employees are compensated for any overtime work. Apart from statutory holidays, employees are also entitled to additional special leaves, such as maternal leave, medical leave and bereavement leave.

Equal-opportunity and Anti-discrimination

The Group is committed to fostering a workplace that is fair, respectful and diverse. As an equal opportunity employer, the Group's human resources and employment decisions are made in consideration of anti-discrimination and equal opportunities. Moreover, training and promotion opportunities, as well as dismissals and retirement policies, are determined regardless of employees' gender, race, age, disability, family status, marital status, sexual orientation, religion beliefs, nationality or any other non-job-related factors. Across all business units, the Group upholds zero tolerance towards workplace discrimination, harassment or victimisation. An equal opportunities policy has been established in adherence to relevant laws and regulations, including but not limited to:

- Disability Discrimination Ordinance (Chapter 487 of the Laws of Hong Kong); and
- Sex Discrimination Ordinance (Chapter 480 of the Laws of Hong Kong).

Furthermore, the Group fosters a collaborative and transparent relationship between general and managerial staff by encouraging open communication and teamwork. The Group's Administration Department and the Trade Union Committee are instrumental in facilitating these internal dialogues and maintaining positive employee relations. Their responsibilities include supporting all employees in improving job satisfaction and labour security, as well as offering counselling services and handling grievances.

Additionally, the Group collects employee feedback through written or face-to-face surveys to better understand their experiences. The inputs help shape a fair and supportive working environment. The Group values the suggestions and insights provided by its employees and considers incorporating their perspectives into decision-making processes regarding operations and management.

Other Benefits and Welfare

In FY2025, the Group provided employees with medical subsidies, particularly under extreme high temperatures. Apart from offering bonuses, employees enjoy catering benefits and festive gifts. To enhance the cohesiveness between employees, the Group also organised team-building activities from time to time.

During the year under review, the Group complied with relevant laws and regulations relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare that have a significant impact on the Group.

B.2. Health and Safety

Law Compliance

The Group has been focusing on protecting employee well-being and minimising their exposure to occupational health and safety risks. To ensure a secure and stable working environment, the Group has established a series of internal policies aligned with relevant national and local regulations relating to occupational health and safety.

In FY2025, the Group abided by laws and regulations relating to the workplace health and safety in its operating regions, namely:

- Occupational Safety and Health Ordinance (Chapter 509 of the Laws of Hong Kong);
- Law of the PRC on Work Safety (《中華人民共和國安全生產法》); and
- Regulation on Work-Related Injury Insurance (《工傷保險條例》).

Management Approach

To reduce workplace hazards and enhance employee health and safety awareness, the Group has established a comprehensive mechanism and implemented effective policies governing safety and labour practices. These are designed in accordance with relevant standards, including GB/T 29639-2013, GBZ 1-2010, GB 12011-2009 and GB 2811-2007. In addition, to maintain a safe working environment, the Group has developed internal policies and guidelines, such as the Fire Safety Management System (消防安全管理制度), Engineering Safety Management System (工程安全管理制度), Quality Management Manual (質量管理手冊), Accident Contingency Plan and Regular Drill Management System (事故應急預案及定期演練管理制度) and Production Safety Emergency Plan (生產安全事故應急預案).

The General Manager Office oversees and supervises the implementation of these internal policies on health and safety, as well as coordinates with other departments under a clear accountability system. For instance, the fire safety manager conducts regular fire safety meetings, which are attended by second-level responsible persons, managers, and heads of functional departments. External oversight is also conducted by local authorities, including the Administration for Market Regulation and Economic Development Zone Management Committee, which monitor the Group's implementation and performance of its safety control measures, such as the operations and maintenance of pressure vessels.

Moreover, several management measures on occupational health and safety risks have been implemented throughout operations, including:

- Provide employees with appropriate personal protective equipment, including helmets, safety shoes, anti-freezing gloves and cotton anti-static gloves;
- Conduct routine maintenance on fire equipment installed, such as automatic smoke spray system and powder fire extinguishers;
- Implement an emergency management system with well-defined responsibility allocation and detailed procedures in handling any emergency. For instance, the robust combustible gas leakage detection and alarm system were strictly designed based on the GB 50028 standard to continuously monitor the parameters at all sites;
- Arrange annual emergency fire drills and set safety signs to enhance safety awareness of employees;
- Place the first aid kit in accessible places; and
- Provide employment injury insurance for its employees.

Table 6 Number of work-related fatalities and lost days due to work injury of the Group in the past three financial years [1]

Year	FY2025	FY2024	FY2023
Number of work-related fatalities	0	0	0
Lost days due to work injury	0	0	0

1. The information about injury and fatality was obtained from the Group's Human Resources Department. The methodology adopted for reporting the number and rate of work-related fatalities set out above was based on "How to Prepare an ESG Report – Appendix 3: Reporting Guidance on Social KPIs" issued by HKEX.

During the year under review, the Group complied with the relevant laws and regulations relating to providing a safe working environment and protecting the employees from occupational hazards that have a significant impact on the Group.

B.3. Development and Training

Management Approach

The Group prioritises the continuous development of its employees' knowledge and skills, enabling them to excel in their roles and contribute to innovative ideas. To support their development, the Group has applied a multifaceted strategy that aligns with its business needs, while assisting employees in reaching their professional aspirations through the provision of fair training opportunities.

The Group's General Department is tasked with designing and organising training programmes. This includes creating annual training plans and coordinating monthly training sessions and assessments across departments. To enhance the efficiency in managing employee development and trainings, the Group has implemented a series of internal policies, such as the Employee Training Management Measures (員工培訓管理辦法). These policies provide clear guidelines and procedures on training programme categorisation, participant selection, training procedures and budget management. By establishing these guidelines, the Group ensures that training programmes adhere to the principles of "Enterprise-Oriented, Market-Oriented and Era-Oriented" (面向企業、面向市場、面向時代).

All new employees receive holistic orientation training, which introduces the Company's corporate culture, business processes, health and safety policies, vehicle management procedures and corporate development history. For experienced employees, the Group offers a variety of training programmes designed to enhance their skills and competencies. Furthermore, the Group encourages life-long learning by supporting participation in external training programmes that align with individual career goals, thereby advancing their capacity and competitiveness. Employees who obtain professional certifications relevant to their positions are also eligible for reimbursement.

In FY2025, the Group offered training on various aspects, including operations, management, as well as health and safety. In particular, the Group emphasises the health and safety of employees, and hence there were training on areas such as safe driving and preventive measures under extreme weather. During the year under review, there were also training on contingency procedures against gas leakage.

Table 7 Number and Percentage of Employees Trained in the Group by Gender and Position Level in FY2025 [1]

Unit: Number of employees	Position level			
Gender	General staff	Middle management	Senior management and directors	Total
Male	42	9	6	57
% of employees trained	50.6%	10.8%	7.2%	68.7%
Female	20	6	0	26
% of employees trained	24.1%	7.2%	0.0%	31.3%
Total	62	15	6	
% of employees trained	74.7%	18.1%	7.2%	

Total number of employees	161
Total number of employees trained	83
Total percentage of employees trained	51.6%

1. The training information was obtained from the Group's Human Resources Department. Training refers to the vocational training that the Group's employees attended in FY2025. The methodology adopted for reporting on the number and percentage of employees trained set out above was based on "How to Prepare an ESG Report – Appendix 3: Reporting Guidance on Social KPIs" issued by HKEX.

Table 8 Training Hours Received by the Employees of the Group by Gender and Position Level in FY2025 [1]

Unit: Training Hours	Position level			
Gender	General staff	Middle management	Senior management and directors	Total
Male	561.5	81.5	17.5	660.5
Average training hours	8.4	3.4	1.0	6.1
Female	224	9.5	0	233.5
Average training hours	6.8	0.6	N/A [2]	4.4
Total	785.5	91.0	17.5	894.0
Average training hours	7.9	2.3	0.8	5.6

1. The training information was obtained from the Group's Human Resources Department. The methodology adopted for reporting training hours set out above was based on "How to Prepare an ESG Report – Appendix 3: Reporting Guidance on Social KPIs" issued by HKEX; and

2. As there was no female employee at the position of senior management and directors received training during the year under review, the average training hours of the category cannot be determined.

B.4. Labour Standards

In compliance with the principle of "System Regulation and Contract Regulation" (制度監管與合同監管), the Group adhered to relevant laws and regulations relating to preventing child and forced labour that have a significant impact on the Group in FY2025, including but not limited to:

- Employment Ordinance (Cap. 57 of the Laws of Hong Kong);
- Labour Law of the PRC (《中華人民共和國勞動法》); and
- Labour Contract Law of the PRC (《中華人民共和國勞動合同法》).

The Group is committed to eradicating illegal employment practices, including child labour, underage workers, and forced labour. To ensure lawful employment, the Group's Human Resources Department mandates that all applicants submit valid identification documents, such as an identity card and household register (if applicable), and resume, before the confirmation of employment. This process verifies that every candidate is at least 18 years old and legally eligible for employment.

The Human Resources Department is also responsible for monitoring the adherence to the latest laws and regulations prohibiting child labour and forced labour. Meanwhile, human resources policies are regularly reviewed to ensure alignment with applicable labour standards. A dedicated reporting mechanism has been established to monitor and enforce legal compliance. Furthermore, the Group conducts annual onsite inspection of its administration and personnel to identify and assess any compensation or employment risks from the previous year. In cases where any practice is found to violate relevant labour laws, regulations or standards, the corresponding employment contract will be terminated promptly.

B.5. Supply Chain Management

Recognising that environmental and social risks can emerge throughout its supply chain and affect the Group's operational continuity, operating subsidiaries of the Group closely monitor, assess, and manage suppliers with the goal of building a sustainable and resilient value chain.

In FY2025, the Group engaged with a total of 35 major suppliers, with 1 supplier located in Hong Kong and the remaining suppliers located in the PRC.

Management Approach

The Group's Supplier Evaluation Criteria (供方評定準則) provides guidance for conducting thorough evaluations and comparisons during supplier selection. The following key elements are considered when assessing and prioritising potential suppliers:

- Quality of goods and services;
- Business license and previous track record(s);
- Market reputation;
- Quality management system;
- Production capacity;
- Technical parameters;
- Delivery time;
- Financial performance; and
- Fulfilment of social and environmental responsibilities.

The Group's Procurement Department is tasked with coordinating, managing, and monitoring supplier-related issues. To reduce environmental and social risks, the Group selects and collaborates with suppliers based on a defined set of criteria, including quality, pricing, punctuality and compliance with environmental regulations.

Additionally, the Group has established the Measures for the Environmental Impacts of the Party (對相關方施加環境影響的管理辦法), which is a framework designed to assess, review and manage supplier practices. Suppliers who found to have breached relevant environmental regulations or whose operations present potential environmental risks will not be considered for partnerships.

To ensure its suppliers align with local laws, regulations and ethical standards, the Group maintains consistent communication through diverse channels, such as the internet and phone calls. In FY2025, 100% of the suppliers were covered and monitored by the Group's supplier management policy.

Transmission and Distribution of the Natural Gas Business

Liquefied natural gas ("LNG") serves as the main raw material for the Group's natural gas operations. To secure a reliable supply, the Group enters into long-term gas supply contracts and annual supplementary agreements with reputable suppliers, which are carefully selected for their proven production capabilities and strong industry standing.

The Group sources LNG from upstream suppliers, which include state-owned enterprises, and oversees its product distribution to industrial, commercial, and residential customers. To ensure safety and operational effectiveness, the Group has implemented Safety Plans and Emergency Plans. Regular and close communication with its suppliers is also maintained to verify that LNG quality meets the GB 17820 national standard.

To address social and environmental risks across its supply chain, the Group rigorously evaluates supplier qualifications against established criteria. Selected suppliers are required to submit the monthly "Natural Gas Quality Inspection Report" to the Group, ensuring that their operating practices and product quality adhere to applicable national and local standards.

Sales of heat and biomass gasification-related products

This business segment specialises in central heating projects in parks, leveraging biomass gasification technology where rice husk serves as the main feedstock for production. The process generates steam that is delivered through pipelines to heat-dependent enterprises, while the resulting carbonised rice husk is transported by freight trucks to steel mills for use in insulating molten steel.

When procuring raw materials, particularly rice husk, the Group carefully evaluates factors like moisture levels and material integrity. To mitigate potential social and environmental risks, the Group prioritises sourcing rice husk from large and reputable rice processing plants to ensure consistent quality and reliable supply.

To maintain regular communication with these rice processing plants, the Group utilises channels such as face-to-face meetings and phone calls. Adhering to the principles of "Openness, Fairness, Impartiality and Trustworthiness" with the guidelines of the Raw Material Procurement Management System (原材料採購管理制度), the Group conducts annual quality inspections on the rice husks produced and supplied.

Moreover, the Green Procurement Policy has been adopted to encourage eco-friendly practices across the Group's value chain. As part of this policy, the Group assesses environmental impacts and production processes of the rice processing plants. In FY2025, 3 major suppliers of the Group were covered by its Green Procurement Policy. Relevant departments within the Group strictly monitor and evaluate each stage of the process, from raw material procurement, transportation, usage to production and sales.

B.6. Product Responsibility

Law Compliance

The Group is dedicated to enhancing the reliability and robustness of its products and services through ongoing improvement to its facilities, workforce, and management processes. In FY2025, the Group complied with relevant laws and regulations relating to health and safety, advertising, labelling and privacy matters relating to products and services provided that have a significant impact on the Group, including but not limited to:

- Law of the PRC on Product Quality (《中華人民共和國產品質量法》);
- Law of the PRC on the Protection of Consumer Rights and Interests (《中華人民共和國消費者權益保護法》);
- Law of the PRC on Road Traffic Safety (《中國人民共和國道路交通安全法》);
- Law of the PRC on Work Safety (《中華人民共和國安全生產法》);
- Regulations on the Safety Administration of Dangerous Chemicals (《危險化學品安全管理條例》); and
- Natural Gas GB 17820-2018 (《天然氣GB 17820-2018》).

Management Approach

To effectively demonstrate its product and service responsibilities, the Group has developed a set of internal policies, such as the Operation Department Management Regulation (營運部管理規定), Engineering Management System (工程管理制度) and Quality Management Manual (質量管理手冊).

Product Quality

Customer satisfaction is the top priority for the Group. Therefore, the Group has designated the Sales Department to collect customer feedback regarding product quality, pricing and delivery services to continuously monitor customer satisfaction levels. Upon receiving a low score in the customer satisfaction surveys, the Group will promptly initiate a comprehensive investigation. Based on the findings, corrective actions will be taken to resolve the issues, and precautionary policies will be established in accordance with the Improvement Control Procedures (改進控制程序).

During the year under review, no products are subjected to recalls for safety and health reasons. Due to its business nature and in alignment with the principle of materiality, the Group regards product recall procedures as not applicable to its operations, and hence such procedures are not disclosed in this ESG Report.

Complaints

The Group considers customer feedback as a valuable tool to reflect its performance and foster improvement. As such, all feedback received will promptly be documented and submitted to the head office for review and verification. When a complaint is validated, it will be directed to relevant departments based on the nature of the feedback, and immediate corrective actions will be taken to resolve the issue. The outcomes of these processes are then promptly communicated to the involved customers, as well as employees to enhance customer experiences.

In FY2025, the Group did not receive any complaint relating to the quality of products and services.

Advertising

Recognising the critical need to provide accurate marking information to customers and the public, the Group has implemented a set of internal procedures that strictly forbid any form of misrepresentation or exaggeration of its products. To ensure its compliance with relevant laws and regulations, the Group has appointed the General Department to monitor and verify the legitimacy, completeness and accuracy of sales and marketing materials prior to release. In case of any inconsistencies or deviations from the Group's policies, immediate corrective actions will be taken.

Privacy Matters

To safeguard customer rights, the Group adheres to its internal policies in accordance with applicable local privacy laws and regulations, including the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong). The Group's Financial Controller is responsible for monitoring and implementing internal policies, such as the Customer Property Control Procedures (顧客財產控制程序) and File Management Regulation (檔案管理規定).

All personal data collected will be used solely for its intended purposes. To ensure confidentiality, all employees must follow strict regulations prohibiting the disclosure of confidential information to external parties without customer consent. Additionally, relevant employees are required to sign a non-disclosure agreement, serving as an additional protection layer against unauthorised disclosure of confidential customer-related information, to further protect customer interests.

Intellectual Property Rights

In FY2025, the Group complied with relevant laws and regulations relating to intellectual property rights, including but not limited to:

- Patent Law of the PRC (《中華人民共和國專利法》);
- Trademark Law of the PRC (《中華人民共和國商標法》); and
- Patents Ordinance (Chapter 514 of the Laws of Hong Kong).

In alignment with the principle of materiality, labelling is regarded as not material nor applicable to the Group due to its business nature, and thus relevant issues will not be discussed in this ESG Report.

Transmission and Distribution of the Natural Gas Business

Throughout its operations, the Group strictly complies with regulations including the Regulation on the Administration of Urban Gas (城鎮燃氣管理條例) and Standard for Construction of City Gas Station (城市燃氣場站建設規範). Guided by its service principle, "Safety has no end, unremitting efforts in prevention" (安全沒有終點，防範常抓不懈), the Group has established the Safety Operation Management Policy (安全運營部管理制度) to thoroughly assess and manage gas safety procedures.

To maintain gas safety, a range of measures have been implemented during its operations. These measures include the implementation of the station gas supply maintenance system, incident and hidden danger management, combustible gas leakage alarm management system and operational procedures for station workers and gas supply equipment. Furthermore, the Group regularly conducts comprehensive safety inspections (綜合性安全檢查), covering indoor safety checks and comprehensive emergency rescue drills, to proactively identify and address potential gas safety risks. The Group also conducts semi-annual anti-static testing and pressure safety testing on station facilities, striving to uphold consistent safety standards.

Meanwhile, the Group operates a 24-hour monitoring system, which is supported by professional teams that inspect pipe network stability, prevent leakages, and respond any system breakdowns, to ensure safe and reliable gas delivery. The Group also emphasises communication with upstream suppliers to coordinate regular checks of pipelines, patrol systems and equipment maintenance, ensuring the safety and quality of gas supply to customers.

Sales of Heat and Biomass Gasification-related Products

Steam generation and transportation are core operations of the Group's business segment. Upholding the principle of "Understanding Users' True Needs and Providing High-Quality Products and Services", the Group integrates this commitment into its quality management. To further ensure its product and service quality, a "Steam Supply Contract" is signed with its customers, which include mutual confidentiality agreement.

To ensure smooth communication and efficient management, the Group has appointed dedicated line patrol personnel. These staff members collaborate with the customer's production department to monitor parameters such as steam supply and usage, ensuring that the steam delivered meets customer demands while upholding safety and operational efficiency.

B.7. Anti-corruption

Law Compliance

Striving to create a workplace with fairness and integrity, the Group strictly abides by the applicable laws and regulations relating to anti-corruption and bribery in its operating regions, including:

- Anti-Corruption Law of the PRC (《中華人民共和國反腐敗法》);
- Anti-money Laundering Law of the PRC (《中華人民共和國反洗錢法》);
- Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Cap. 615 of the Laws of Hong Kong); and
- Prevention of Bribery Ordinance (Cap. 201 of the Laws of Hong Kong).

In FY2025, the Group complied with relevant laws and regulations relating to bribery, extortion, fraud and money laundering that have a significant impact on the Group.

Management Approach

The Group is committed to maintaining a workplace that is fair, honest, open and governed by clear standards. Following ethical standards, the Group requires its employees and business partners to abide by the code of conduct. Internal policies, including the "Employee Handbook" (員工手冊) and "Accounting Management System" (往來賬務管理系統), have been implemented to standardise employee behaviours and cultivate a working environment with integrity. The Group's Financial Supervisor is tasked with reviewing and monitoring the implementation of anti-corruption policies within the Group.

To encourage reporting of potential misconduct, the Group provides a secure and confidential channel for whistle-blowers to protect them from retaliation or inappropriate reactions. Reports can be submitted verbally or in written form to the Group's Human Resources Department or directly to the General Manager. Once a report with sufficient details and supporting evidence is received, the Group conducts a thorough investigation on any suspected or criminal conduct. If any criminal activity is validated, the Group will promptly report the issue to relevant regulators or law enforcement authorities as deemed necessary by the Group's management.

During the year under review, the Group organised a one-hour training seminar on anti-corruption for one director, three management and 13 general employee participants. Apart from introducing the concept and laws relating to anti-corruption, the seminar also promoted the preventive measures and ethical conducts with international case studies. Additionally, employee's code of conduct highlights the official procedures for rewards and penalties, as well as under circumstances with conflict of interests. In FY2025, there were zero concluded legal cases regarding corrupt practices brought against the Group or its employees.

B.8. Community Investment

The Group is dedicated to ethical business practices with positive local economic growth. As an enterprise that prioritises creating values for all stakeholders, the Group consistently upholds strong ethical standards and demonstrates respect to communities and the environment. This commitment has fostered the Group's transparent and successful business development.

In FY2025, the Group continued to identify community investment projects and organisations that align with its core values and sustainability objectives. As a result, no monetary donations were made during the year under review. However, the Group recognises its responsibility as a corporate citizen and remains committed to the well-being of the local communities and society, with a focus on promoting health and welfare for all. Looking ahead, the Group strives to establish a structured approach to deliver greater prosperity and positive impacts to broader community members.

VII. CLIMATE-RELATED DISCLOSURES

Over the years, the Group has been committed to exploring, promoting, and implementing clean energy solutions. The knowledge and experience accumulated have allowed the Group to proactively address climate-related risks and opportunities, which are crucial factors that are going to influence its daily operations. Under global climate targets and the growing challenges of climate change, the Group has identified and assessed its material climate-related risks and opportunities. Following the ESG Code of the HKEX, the Group is formulating strategic plans to effectively manage climate-related issues and establish a robust climate management.

Governance

The Board is responsible for overseeing the Group's operations, as well as climate-related issues. To ensure that appropriate skills and competencies are available to oversee strategies designed to respond to climate-related risks and opportunities, the Board engages with external consultant from time to time to receive updates on relevant standards.

Through regular meetings held at least once a year, the Board and its committees receive information on climate-related risks and opportunities. When material ESG and climate-related issues at operational level are identified, the management will report to the Board in a timely manner, and handling procedures will then be discussed during the contingency meetings. By reviewing ESG performance through summaries and calculations in ESG Reports, the Board and its committees oversee the setting of the targets related to significant climate-related risks and opportunities, as well as monitoring and reviewing progress towards such targets.

While the Board monitors and reviews the effectiveness of the management approach, including the review of metrics, targets and action plans, the management supports in assessing and managing climate-related risks and opportunities by coordinating and communicating between departments, along with maintaining effective management systems for environmental and financial data.

Meanwhile, the Group has developed guidelines standardising the procedures to manage its climate-related risks and opportunities. The Senior Management has been designated to oversee climate-related risks and opportunities by reviewing, monitoring, and executing internal policies.

Strategy

In recent years, the Group has conducted a comprehensive risk assessment to identify and assess its climate-related risks and opportunities on its operations and value chain. This strengthens the Group's ability to monitor and manage climate-related risks effectively.

To ensure that its strategic response to climate-related issues is aligned with its business and financial planning, the Group has categorised its climate-related risks and opportunities into short-term (1 year), medium-term (3 years), and long-term (10 years). The following climate-related risks and opportunities, which may significantly affect the Group's business operations, have been identified.

Risk		Potential Impacts	Responses	Resource Allocation	Priority
Physical Risk	**Chronic Risk** *Time Horizon of Impacts:* • Medium-term *Description:* • Rising sea level and mean temperature due to global warming	• It may compromise the stability of the Group's existing assets, potentially resulting in asset write-offs and premature decommissioning. The rising mean temperature may destabilise the Group's supply chain, specifically by reducing the potential capacity of biomass gasification.	• Examine plants and transmission pipelines regularly to prevent wear and damage	High	High
			• Ensure stable natural gas supply and mitigate safety hazards	High	High
			• Eliminate risks of gas leakage caused by fractures or defects in facilities	High	High
			• Strengthen operational facilities for natural gas transmission and distribution	Medium	Medium
			• Conduct routine inspections and maintenance to ensure optimal conditions of facilities	Medium	Medium
Transition Risk	**Policy and Legal Risk** *Time Horizon of Impacts:* • Medium-term *Description:* • Enhanced emissions-reporting obligations • Increased pricing of GHG emissions	• As regulations become more stringent, the resulting ripple effect is anticipated to drive an increase in both compliance and operating costs.	• Offset compliance and operating costs through preventative measures that reduce potential damage	High	High
			• Enhance the Group's sustainability reputation to attract more investment	High	High
			• Engage external consultants to ensure compliance with the latest climate-related requirements and allocate additional resources to implement climate-related strategies	Medium	Medium
			• Staying updated on climate-related issues and standards with professional advice to minimise the risk of fines	Medium	Medium

Risk		Potential Impacts	Responses	Resource Allocation	Priority
	Market Risk *Time Horizon of Impacts:* • Medium- to Long-term *Description:* • Shifting consumer preferences, i.e., decreased demand for natural gas due to the global trend towards renewable energy	• Less demand in natural gas business segment may lead to the decline in revenue.	• Invest in advanced innovative technologies	High	High
			• Explore greener options, including renewable energy, to align with the global shift toward renewable energy and sustainability	Medium	Medium
			• Assess the feasibility of low-carbon alternatives	Medium	Medium
			• Transition toward sustainable alternatives, such as biomass gasification, to replace the natural gas business segment	Medium	Medium

Opportunity	Potential Impacts
Markets *Time Horizon of Impacts:* • Medium- to Long-term *Description:* • Starting out and scaling up the potential of renewable energy sources, including the biomass gasification opportunities in business development	• It can improve the Group's reputation and directly drive sustainable development by promoting the use of renewable energy, potentially open up new market opportunities.

To have better management of the identified and potential climate-related risks, the Group primarily applies to the risk mitigation approach. This involves proactively developing and implementing measures to minimise the impacts of climate-related risks. The Group has formulated the above responses against identified physical and transition risks with a preliminary resource allocation plan and priority. In addition, the following strategic plans has been established to address the potential impacts from identified climate-related risks:

- Maintain alignment with the latest developments in science-based climate risk assessment standards and disclosure frameworks, including the International Financial Reporting Standards (IFRS) S2 Climate-related Disclosures;

- Increase employee understanding of climate science through structured training sessions and workshops; and

- Benchmark and adjust business strategies and operating measures against global best practices to improve the energy efficiency of equipment used in daily operations.

At the initial stage of reviewing its climate-related strategy, the Group has assessed potential impacts caused by the identified climate-related opportunity. However, a more detailed analysis is required to fully understand the implications. Meanwhile, the Group has not set up any formal climate-related transition plan, but the Group is committed to fostering low-carbon operations by regulating its GHG emissions and mitigating its identified climate-related risks, as well as revealing the potential benefits brought by its identified climate-related opportunity.

Financial Implications

At the current phase, the Group has not yet quantitatively evaluated any current nor anticipated financial effects caused by identified material climate-related risks and opportunities. However, with a preliminary qualitative analysis, the Group has assessed the extent of the identified risks in affecting its financial position, financial performance, and cash flow. Based on the initial assessment, the identified risks are anticipated to have negative impacts on its future financial position, financial performance, and cash flow. To mitigate its financial impacts, the Group has considered the funding required for its committed action plans and arranged appropriate sources of funding to execute its strategy for addressing significant climate-related risks.

While the identified climate-related risks may not cause material adjustment to the Group's assets and liabilities, its revenue is likely to decline in the short-term as a result of the conservative strategy currently adopted towards climate-related risks and opportunities. However, the Group's revenue is expected to recover and grow over the medium- and long-term, driven by the implementation of adaptive solutions and the Group's determination to strengthen its climate-related strategy.

In the future, the Group plans to conduct a more detailed financial impact assessment to increase its resilience against climate change across its operations. This will help evaluate potential impacts caused by climate-related risks and opportunities under a range of uncertain conditions along its value chain, as well as assess the effectiveness of the planned financial adaptive solutions. The Group can subsequently formulate more robust and comprehensive climate-related strategies.

Scenario Analysis

To gain a deeper understanding on the impacts of identified climate-related risks, the Group conducted a qualitative climate-related scenario analysis during the year under review. Two standardised climate-related scenarios have been applied, comprising Representative Concentration Pathway (RCP) 8.5 and RCP 2.6.

RCP 8.5: Introduced by the Intergovernmental Panel on Climate Change ("IPCC") Fifth Assessment Report (AR5), this scenario focuses on the physical risk. The scenario is used to identify climate-related risks in medium-term for assessing the Group's resilience to physical impacts caused by climate change and uncertainties. The scenario assumes a "worst-case" scenario, projecting a temperature increase of 3.0ºC to 5.1ºC by 2100 compared to pre-industrial levels. This allows the Group to prepare for the worst with plans and resources against identified risks. The analysis mainly covers the Group's operational facilities and supply chain in its operating regions of Mainland China. Under the scenario, it is assumed that no new or tightened climate-related policies and regulations have been launched, and no mitigation measures have been implemented, as well as under the condition of increased global GHG emissions.

RCP 2.6: Introduced by the IPCC Fifth Assessment Report (AR5), this scenario focuses on transition risks and aligns with the targets set by the Paris Agreement. The scenario is used to identify climate-related risks and opportunities in medium-term and medium- to long-term, assessing the Group's resilience to the transition towards a green economy. The scenario provides an "ideal-case" scenario, aiming to limit global warming to well below 2ºC and potentially even 1.5ºC. This allows the Group to understand potential impacts of aggressive global emission reduction efforts and hence seizing climate-related opportunities. The analysis primarily covers the Group's legislative obligations and the market trend in its operating regions of Hong Kong and Mainland China. Under the scenario, it is assumed that there are tightened climate-related policies and regulations such as carbon pricing, and proactive and effective mitigation measures have been implemented, as well as under the condition of lowered global GHG emissions.

With the outcomes of the climate-related scenario analysis, it is estimated that the Group's facilities, business activities, and obligations at risks are covered by its strategies, current and planned mitigation actions and/or investments to a small extent. Therefore, the Group considers allocating more resources and budgets on addressing identified climate-related risks. Meanwhile, policy change and future climate patterns are regarded as significant areas of uncertainty during the climate resilience analysis. To adjust and adapt its business model in the future, the Group will explore green financing opportunities and modify budget allocation in terms of human and financial resources respectively.

Risk Management

Through its integrated risk management model, which is conducted and reviewed by the Board and its committee annually during ESG reporting, the Group has identified four material climate-related risks and one climate-related opportunity. To understand the Group's circumstances under climate change and to develop corresponding actions and responses, qualitative assessment has been adopted via a comprehensive risk management and climate-related scenario analysis.

To ensure its risk mitigation approach remains effective in addressing climate change, the identified physical and transition risks are integrated into material risk categories of Operational and Strategic Risks under the Group's risk management framework.

Evaluating the nature, likelihood, and magnitude of climate-related risks qualitatively, the Group identifies and prioritises climate-related risks relative to other types of risks when the risk exceeds its risks appetite in consideration of the evaluation criteria. The identified and prioritised risks will then be reported to the Board and its committee during annual meetings for continuous monitoring.

For climate-related opportunities, the Group adopts the same processes to identify, assess, prioritise and monitor such opportunities. In the future, the Group will continuously carry out in-depth analysis on the potential impacts brought by its climate-related risks, particularly the financial impacts.

Metrics and Targets

Climate-related Metrics

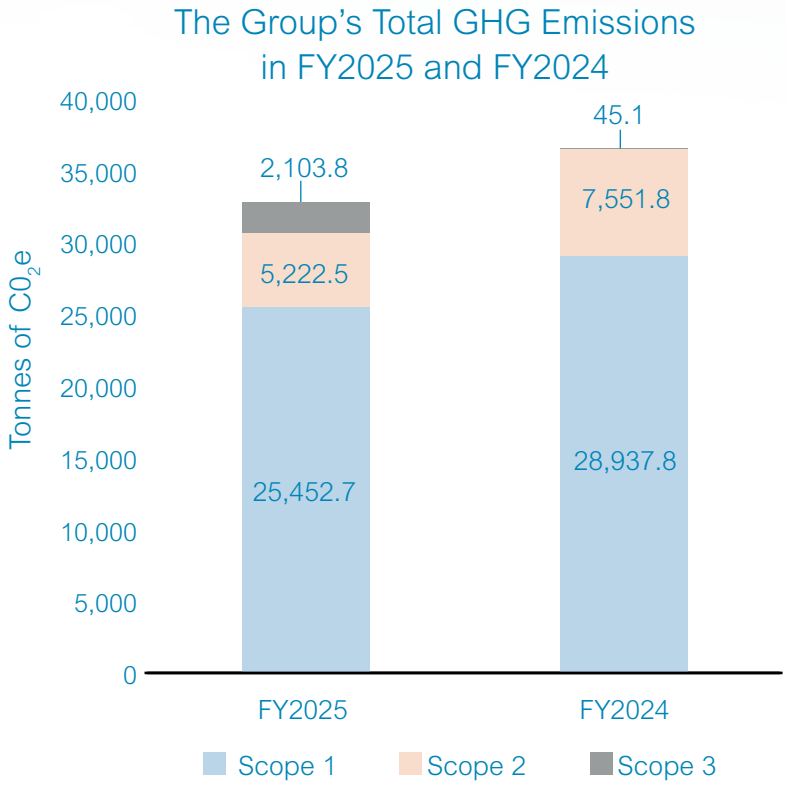
GHG emissions, which includes Scope 1 (Direct Emissions), Scope 2 (Energy Indirect Emissions), and Scope 3 (Other Indirect Emissions), are the Group's primary metrics for continuous tracking and monitoring. In FY2025, the Group's Scope 1 GHG emissions was mainly due to the consumption of gasoline, diesel, natural gas, and biomass, while Scope 2 GHG emissions arose from purchased electricity consumption. To enhance its climate-related disclosure, the Group accounted its Scope 3 GHG emissions based on three main categories, including Category 3: Fuel- and energy-related activities, Category 5: Waste generated in operations, and Category 6: Business travel, for the first time during the year under review.

Table 9 The Group's GHG Emissions in FY2025 and FY2024

Emission Category	Key Performance Indicator (KPI)	Unit	Amount in FY2025	Intensity (Unit/ employee) in FY2025 [1]	Amount in FY2024 [2]	Intensity (Unit/ employee) in FY2024 [2]
GHG Emissions	Scope 1 (Direct Emissions) [4]	tonnes of CO_2e	25,452.7	158.1	28,937.8 [3]	179.7 [3]
	Scope 2 (Energy Indirect Emissions) [5]	tonnes of CO_2e	5,222.5	32.4	7,551.8	46.9
	Scope 3 (Other Indirect Emissions) [6]	tonnes of CO_2e	2,103.8	13.1	45.1 [3]	0.3
	Total (Scope 1 & 2 & 3)	**tonnes of CO_2e**	**32,779.0**	**203.6**	**36,534.7 [3]**	**226.9 [3]**

1. Intensity was calculated by dividing the amount of GHG emissions by the number of employees of the Group in FY2025, which was 161;
2. The amount and/or intensity for FY2024 were extracted from the Group's FY2024 ESG Report, unless otherwise specified;
3. The amount and/or intensity for FY2024 were restated in alignment with the consolidation method for consistency;
4. The Group's Scope 1 (Direct Emissions) included only emissions arose from the consumption of gasoline, diesel, natural gas, and biomass for the operations of motor vehicles and other business operations, with GHG removal by a total of 330 trees planted by the Group in FY2025;
5. The Group's Scope 2 (Energy Indirect Emissions) included only the emissions arose from the purchased electricity consumption; and
6. The Group's Scope 3 (Other Indirect Emissions) in FY2025 included only the emissions arose from Category 3: Fuel- and energy-related activities (2,060.6 tonnes of CO_2e), Category 5: Waste generated in operations (42.7 tonnes of CO_2e), and Category 6: Business travel (0.4 tonnes of CO_2e), while that in FY2024 included only the emissions arose from Category 5 and Category 6.

During the year under review, the Group had a GHG emissions profile with Scope 1 (Direct Emissions) dominated the Group's total GHG emissions (77.6%).



When compared with FY2024, the absolute amount of the Group's total GHG emissions decreased by 10.3%, with that of Scope 1 and 2 GHG emissions dropped by 12.0% and 30.8% respectively. The amount of Scope 3 GHG emissions increased as the scope for accounting expanded during the year under review. To reduce its GHG emissions, the Group proactively optimises the electricity and water consumption efficiency of its products, particularly within its business segment on the sales of heat and biomass gasification-related products. For details of the Group's measurement approach adopted and measures on conserving electricity and water, please refer to the sections **A.1. Emissions** and **A.2. Use of Resources**.

In addition to "How to Prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs" issued by the HKEX, the Group has also accounted and disclosed its Scope 1 and Scope 2 GHG emissions with reference to the "GHG Protocol: A Corporate Accounting and Reporting Standard (2004)" and the "2006 IPCC Guidelines for National Greenhouse Gas Inventories" across years. These internationally recognised standards allow the Group to maintain the quality of its GHG emissions disclosure. Meanwhile, the Group accounted its Scope 3 GHG emissions according to the "GHG Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011)" during the year under review. In the future, the Group will consider further expanding its accounting of Scope 3 GHG emissions to other categories when considerable resources and ability are available.

Currently, neither internal carbon prices nor climate consideration in remuneration policy have been part of the Group's management approach in addressing climate-related issues. However, the Group will conduct a more in-depth analysis on climate-related issues with cross-industry metrics in the coming years, including the amount and percentage of assets or business activities vulnerable to climate-related risks and the capital deployment for climate-related opportunities.

Climate-related Targets

Concerning climate-related targets, the Group has set a series of targets on its emissions and resource consumption outlined in the Targets and Actions in the section **A.3. The Environment and Natural Resources**. At the current phase, the Group has not set any plan on using carbon credits to offset its emissions, but has developed and implemented conservation measures and action plans to achieve the targets.

VIII. REPORT DISCLOSURE INDEX

Statement of Use	China Primary Energy Holdings Limited has reported the information cited in this GRI content index for the period 1 January 2025 to 31 December 2025 with reference to the GRI Standards.
GRI 1 Used	GRI 1: Foundation 2021

Aspects	ESG Indicators	Description	GRI Standards Alignment*	Page
Part C: "Comply or explain" Provisions				
A. Environmental				
A1: Emissions	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. Note: Air emissions include NOx, SOx, and other pollutants regulated under national laws and regulations. Greenhouse gases include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride. Hazardous wastes are those defined by national regulations.	GRI 2-27, GRI 3-3 (c), GRI 305, GRI 306	12
	KPI A1.1	The types of emissions and respective emissions data.	GRI 305-1, 305-2, 305-3, 305-6, 305-7	13
	KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	GRI 306-3 (a)	12
	KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	GRI 306-3 (a)	13
	KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	GRI 3-3 (c, d), GRI 305-5	22
	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.	GRI 3-3 (c, d), GRI 306-4, 306-5	15

Aspects	ESG Indicators	Description	GRI Standards Alignment*	Page
A2: Use of Resources	General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials. Note: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.	GRI 3-3 (c)	15
	KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	GRI 302-1, 302-3	16
	KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	GRI 303-5	16
	KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	GRI 3-3 (c, d), GRI 302-4, 302-5	22
	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.	GRI 3-3 (c, d), GRI 303-1	19
	KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	GRI 301-1	15
A3: The Environment and Natural Resources	General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	GRI 3-3 (c)	21
	KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	GRI 3-3 (c, d), GRI 303-1, GRI 304-2, GRI 306-1, 306-2	21
B. Social				
Employment and Labour Practices				
B1: Employment	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	GRI 2-27, GRI 3-3 (c)	23
	KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	GRI 2-7 (a, c), GRI 405-1 (b)	23
	KPI B1.2	Employee turnover rate by gender, age group and geographical region.	GRI 401-1 (b)	26

Aspects	ESG Indicators	Description	GRI Standards Alignment*	Page
B2: Health and Safety	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	GRI 2-27, GRI 3-3 (c), GRI 403-1	28
	KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	GRI 403-9, 403-10	29
	KPI B2.2	Lost days due to work injury.	N/A	29
	KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	GRI 3-3 (c, d), GRI 403-1, 403-3, 403-5, 403-7	28
B3: Development and Training	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. Note: Training refers to vocational training. It may include internal and external courses paid by the employer.	GRI 3-3 (c), GRI 404-2 (a)	30
	KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	N/A	31
	KPI B3.2	The average training hours completed per employee by gender and employee category.	GRI 404-1	31
B4: Labour Standards	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	GRI 2-27, GRI 3-3 (c)	32
	KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	GRI 3-3 (c), GRI 408-1 (c), GRI 409-1 (b)	32
	KPI B4.2	Description of steps taken to eliminate such practices when discovered	GRI 3-3 (c, d), GRI 408-1 (c), GRI 409-1 (b)	32

Aspects	ESG Indicators	Description	GRI Standards Alignment*	Page
Operating Practices				
B5: Supply Chain Management	General Disclosure	Policies on managing environmental and social risks of the supply chain.	GRI 3-3 (c)	32
	KPI B5.1	Number of suppliers by geographical region.	GRI 2-6 (b-ii)	32
	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.	GRI 2-6 (b-ii), GRI 3-3 (c, d), GRI 303-1 (c), GRI 308-1, 308-2, GRI 414-1, 414-2	33
	KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	GRI 2-6 (b-ii), GRI 3-3 (c, d), GRI 303-1 (c), GRI 308-1, 308-2, GRI 414-1, 414-2	33
	KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	GRI 3-3 (c, d)	34
B6: Product Responsibility	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	GRI 2-27, GRI 3-3 (c), GRI 417-2, 417-3, GRI 418-1	35
	KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	N/A	35
	KPI B6.2	Number of products and service related complaints received and how they are dealt with.	GRI 2-29, GRI 3-3 (c, d), GRI 418-1	36
	KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	N/A	37
	KPI B6.4	Description of quality assurance process and recall procedures.	N/A	35
	KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	GRI 3-3 (c)	36

Aspects	ESG Indicators	Description	GRI Standards Alignment*	Page
B7: Anti-corruption	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	GRI 2-27, GRI 3-3 (c), GRI 205-3	38
	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.	GRI 205-3	39
	KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	GRI 2-26, GRI 3-3 (c), GRI 205	39
	KPI B7.3	Description of anti-corruption training provided to directors and staff.	GRI 205-2	39
Community				
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.	GRI 3-3 (c)	39
	KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	GRI 203-1 (a)	39
	KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	GRI 201-1(a-ii)	39

Paragraphs	Description	GRI Standards Alignment*	Page
Part D: Climate-related Disclosures			
I. Governance			
19.	a) Information about the governance body(s) or individual(s) responsible for oversight of climate-related risks and opportunities	N/A	40
	b) Information about the management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities	N/A	40
II. Strategy			
20.	Information about 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	N/A	41
21.	Information about the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain	N/A	41-42
22.	Information about the effects of climate-related risks and opportunities on its strategy and decision-making	N/A	41-42
23.	Information about the progress of plans disclosed in previous reporting periods	N/A	As the Group has not set up any formal climate-related transition plan, no relevant information is available for disclosure in this ESG Report.

Paragraphs	Description	GRI Standards Alignment*	Page
24.	a) Qualitative and quantitative information about how climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period	N/A	43
	b) Qualitative and quantitative information about the climate-related risks and opportunities identified in paragraph 24(a) for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements	N/A	44
25.	How the issuer expects its financial position, financial performance and cash flows to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities	N/A	43
26.	a) Information about the issuer's assessment of its climate resilience as at the reporting date, with the consideration of identified climate-related risks and opportunities	N/A	44-45
	b) Information about how and when the climate-related scenario analysis was carried out	N/A	44
III. Risk Management			
27.	a) The processes and related policies it uses to identify, assess, prioritise and monitor climate-related risks	N/A	45
	b) The processes the issuer uses to identify, assess, prioritise and monitor climate-related opportunities	N/A	45
	c) The extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the issuer's overall risk management process	N/A	45

Paragraphs	Description	GRI Standards Alignment*	Page
IV. Metrics and Targets			
28.	Absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tons of CO_2 equivalent	GRI 305-1, 305-2, 305-4	46
29.	Information about the methodology of accounting greenhouse gas emissions	N/A	47
30.	The amount and percentage of assets or business activities vulnerable to climate-related transition risks	N/A	48
31.	The amount and percentage of assets or business activities vulnerable to climate-related physical risks	N/A	48
32.	The amount and percentage of assets or business activities aligned with climate-related opportunities	N/A	48
33.	The amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities	N/A	48
34.	Information about whether and how the issuer is applying a carbon price in decision-making 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	N/A	48
35.	Information about whether and how climate-related considerations are factored into remuneration policy, or an appropriate negative statement	N/A	48
36.	Information about industry-based metrics that are associated with one or more particular business models, activities or other common features that characterise participation in an industry	N/A	48
37.	a) Qualitative and quantitative climate-related targets the issuer has set to monitor progress towards achieving its strategic goals	N/A	48
	b) Any targets the issuer is required to meet by law or regulation, including any greenhouse gas emissions targets	N/A	22

Paragraphs	Description	GRI Standards Alignment*	Page
38.	Information about its approach to setting and reviewing each target, and how it monitors progress against each target	N/A	40
39.	Information about its performance against each climate-related target and an analysis of trends or changes in the issuer's performance	N/A	As the Group reviewed and adjusted climate-related targets during the year under review, no trend analysis information is available for disclosure in this ESG Report.
40.	For each greenhouse gas emissions target disclosed in accordance with paragraphs 37 to 39, information about the scope, gross greenhouse gas emissions target or a net greenhouse gas emissions target, approach, and the planned use of carbon credits	N/A	22; 48
41.	Information about the applicability of cross-industry metrics and industry-based metrics in preparing disclosures	N/A	48

* The linkage between the GRI standards and disclosures that relate to each aspect in HKEX ESG Reporting Code refers to the summary table from the "Linking the GRI Standards and HKEX ESG Reporting Guide" (updated July 2020), with amendments from the GRI Universal Standards 2021.

*** The table is extracted from Appendix C2 of the ESG Code – Part D: Climate-related Disclosures for reference purpose only. For complete information, please refer to the original document issued by HKEX.