



ENVIROMENTAL,
SOCIAL AND
GOVERNANCE
REPORT 2025

PHOENITRON HOLDINGS LIMITED

STOCK CODE : 8066.HK



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ABOUT THE GROUP

Phoenitron Holdings Limited (the “Company”) and its subsidiaries (together, the “Group” or “Phoenitron”) is a conglomerate, principally engaged in the manufacturing and sales of smart cards, provision of customized smart card application systems, provision of financial and management consultancy services, sales and trading of scrap metals and investment in the media and entertainment industry for the financial year ended 31 December 2025 (the “Reporting Period”). During the Reporting Period, the Group also launched the operation of private domain e-commerce platform and the provision of artificial intelligence (A.I.) speech technology data services..

ABOUT THE ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Group launched its tenth "Environmental, Social and Governance Report" (the “ESG Report”) with pleasure. The ESG Report is written in both Chinese and English, focusing on the Group’s policies, measures and performance in the environment, social and governance aspects. For a more in-depth understanding of the Group, please refer to the Group’s annual report for the financial year ended 31 December 2025 (“2025 Annual Report”). The 2025 Annual Report and the ESG Report have been posted on the website of the Group at (www.phoenitron.com) and The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) at (www.hkexnews.hk).

Scope of Report

The ESG Report mainly reports on the sustainability performance of the Group during the Reporting Period. The Group’s core production and business operations are derived from the smart card business segment, which accounts for over 38% of the Group’s total revenue and constitutes the Group’s most significant core operating entity. Based on the materiality principle, the scope of disclosure in this report remains consistent with previous years and covers the production factory in Shenzhen operated under the name of Top Wise Technology (Shenzhen) Limited (hereinafter referred to as the “Shenzhen Factory” or “Shenzhen Topwise”). The Group will regularly review and update the scope of disclosure in this report, guided by the materiality principle, to ensure that comprehensive, accurate, and comparable sustainability information is provided to investors and other stakeholders.

Report Standards

The ESG Report is prepared in accordance with the "Environmental, Social and Governance Reporting Code " (the "ESG Code") in Appendix C2 to the "Rules Governing the Listing of Securities on GEM" of the Stock Exchange, and is based on four reporting principles set out therein, including Materiality, Quantitative, Balance and Consistency. A complete index that references the ESG Code is inserted at the end of the ESG Report for readers' easy reference.

Reporting Principle	Definition	Application of the Reporting Principle
Materiality	Focusing on environmental, social and governance issues that have a significant impact on the Group and its stakeholders.	The Group identified environmental, social and governance issues that have a significant impact on the Group's business through board and management questionnaires and made a disclosure on their key points.
Quantitative	Key performance indicators should be measurable and comparable where appropriate.	The Group has set the mid-term and short-term environmental goals. The Group records and estimates the quantitative data and compares it with past performance where feasible.
Balance	The ESG Report should present the Group's environmental, social and governance performance of the Reporting Period in an unbiased manner, selective or omissive reporting should be avoided.	The ESG Report presented the Group's environmental, social and governance performance in an objective manner during the Reporting Period and also described the facing challenges and solutions.
Consistency	The ESG Report should be disclosed in a consistent manner, so that indicators can be compared meaningfully and corporate performance can be understood.	Wherever feasible, the Group uses consistent statistical methods. In the event of any changes that may affect comparisons with previous reports, the Group will make an explanation accordingly.

Confirmation and Approval

The information cited by the Group comes from official internal documents and statistical reports of the Group. The Group has internal control and formal review procedures to ensure that the information presented in the ESG Report is accurate and reliable. The ESG Report was confirmed and approved by the Company's board of directors (the "Board") on 31 March 2026.

Feedback

The Group values stakeholders' views and concerns. Should you have any comments or suggestions regarding the ESG Report and the sustainability performance of the Group, please contact us:

HONG KONG HEADQUARTER

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Telephone: (852) 2377 1888

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Email: info@phoenitron.com

MESSAGE FROM THE BOARD

The Board is honored to issue the tenth “Environmental, Social and Governance Report” of the Group. This ESG report is not only a phased review of Phoenitron’s past journey in fulfilling sustainable development, but also a solemn reaffirmation of our unwavering commitment to fulfilling responsibilities in the future. In this fast-changing global landscape, we firmly believe that deeply integrating environmental responsibility and social accountability into every aspect of business decision-making is the key cornerstone for building Phoenitron’s core competitiveness.

A report is both a reflection and a declaration of the way forward.

Phoenitron’s sustainable development vision is to safeguard the sustainable development values upon which humanity depends, and to leave a vibrant and healthy planet for the next generation. This vision serves as a lighthouse guiding every decision of the Group, driving Phoenitron to uphold responsibilities and act prudently in all aspects of daily operations. The Board carries the supreme supervisory responsibility to ensure the Group’s environmental, social and governance policies take root and deliver meaningful results. We not only lead the formulation of policies, but also continuously and dynamically assess their implementation outcomes, precisely identify latent risks and opportunities, and build robust safeguards for the effective operation of the ESG risk management and internal control systems.

With vision as the guideline, the Board safeguards sustainable development.

Phoenitron’s mission is to minimise the environmental and social impacts of our operations and create long-term and stable sustainable value for all stakeholders, while striving to manufacture and supply high-quality products. To fulfil this mission, we appoint dedicated personnel to lead the establishment of the Sustainability Working Group (the “Working Group”) and receive regular progress updates from them. Through systematic data collection and in-depth analysis, as well as maintain regular exchanges and discussions with industry experts, we continuously identify, assess and monitor environmental, social and governance various issues to ensure Phoenitron’s sustainable development goals advance steadily and are achieved as planned.

With mission as the torch, the Working Group empowers the realisation of sustainable value.

During the reporting period, Phoenitron completed the revision of the Group Environmental and Social Policy. This revision is not only a consolidation and reflection on our past practical experience, but will also serve as the action framework and core guidance for the Group’s sustainable development initiatives over the coming period. Aligning with the established direction, we conducted a comprehensive review of the progress of each environmental target, and successfully achieved the interim target of reducing the emission intensity of the Shenzhen Plant by 5% in 2025 compared to 2020. We firmly believe that these down-to-earth efforts will become solid footprints, bearing witness to Phoenitron’s unwavering commitment to sustainable development.

Policy renewal, progressing steadily towards emission reduction targets.

Looking ahead, Phoenitron will further refine its management strategies and implementation measures for sustainable operations, with particular focus on the disclosure of climate-related risks and the accurate reporting of greenhouse gas emissions data. We will be fully prepared to communicate openly with all stakeholders, in a highly transparent manner, every step of the Group’s progress and challenges on the path of sustainable development. We remain steadfast in our pursuit of sustainable corporate development, and hope that through the synergistic effect of various initiatives, we can foster a resonance between environmental, social and economic benefits, creating a virtuous cycle and harmonious ecosystem in which the three dimensions thrive together.

Phoenitron's vision of sustainable development

Vision

Phoenitron's sustainable development vision is to steadfastly safeguard the sustainable development values upon which humanity depends, and to create a vibrant and healthy planet for the next generation.

Mission

Phoenitron remains committed to its core sustainable development mission: while striving for excellence in manufacturing and supplying quality products, it is dedicated to reducing the environmental and social impacts of its operations and creating long-term, stable sustainable value for all stakeholders.

Strategy

Phoenitron is committed to fulfilling its corporate social responsibility, persistently at the business decision-making stage incorporating environmental and social impacts into the core scope of consideration. At the same time, it proactively listens to valuable stakeholder feedback to reduce the negative environmental and social impacts across the Group's entire operational process, ultimately practising the sustainable development core value of synergising business, environmental and social interests.

Opportunity

In order to fulfil the Group's vision and mission of sustainable development, Phoenitron has formulated and implemented sustainable development strategy that takes into account the environmental and social impacts throughout the entire business decision-making process, and is gradually shaping a more flexible, low-carbon production and operation model. This model can reduce resource wastage, save operating costs, lower the risk of accidents, ensure business stability, and avoid potential compensation liabilities and legal risks, thereby opening up broader development space for the Group.

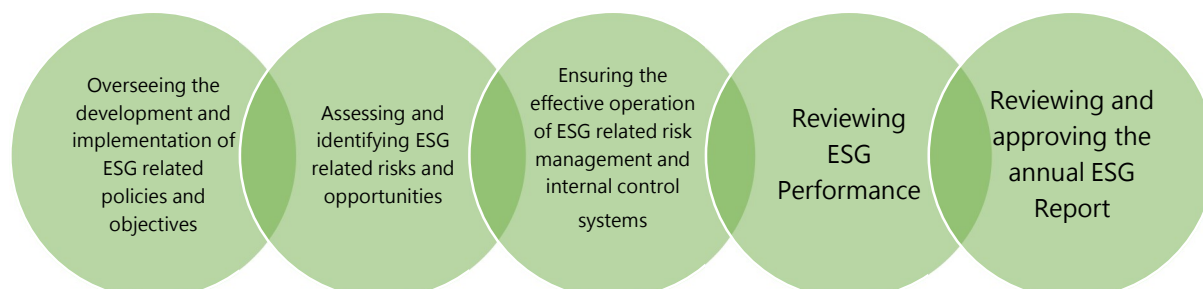
Introduction to the corporate culture of Shenzhen Topwise - Integrity as the Foundation, Professional and Focused , Win-win Cooperation and Innovative Development

Corporate Culture	Dedicated, Focused, Professional
Corporate Mission	To provide customers with high quality, high efficiency and high coordination of products and services
Corporate Vision	To become the world's leading smart card manufacturer
Core values	Integrity, Professional, Cooperation, Innovation

GOVERNANCE-BASED AND COMMITMENT-DRIVEN SUSTAINABILITY GOVERNANCE

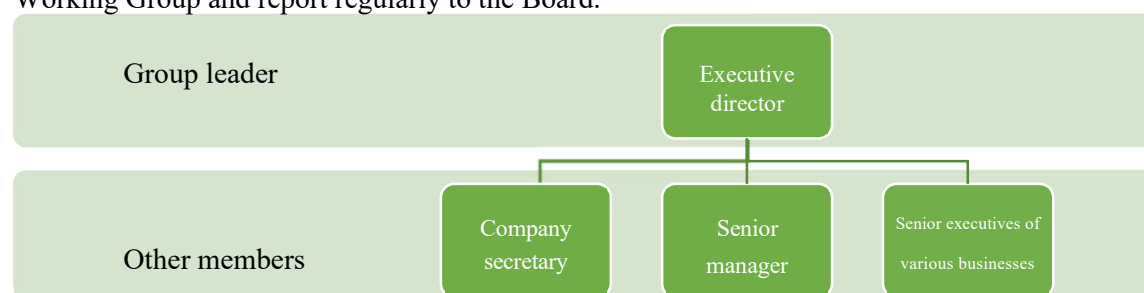
The Group upholds the philosophy that sound corporate governance is the cornerstone of sustainable development, and through a standardised and scientific governance system, creates long-term stable sustainable value for shareholders, further enhancing investor confidence. The Board has a deep understanding of the importance of sustainable development strategy and commits to integrating environmental and social factors into the core considerations across all stages of the business decision-making processes, fully listening to and referencing the views and demands of both internal and external stakeholders, so as to practise the corporate value of pursuing business growth, environmental protection and social responsibility in a coordinated manner.

The Board is responsible for overseeing the management of the Group's business and financial position and has the highest supervisory responsibility for the Group's sustainability matters and is responsible for overseeing the Group's sustainability policies, initiatives and performance, including:



Structure of the Sustainability Working Group

The Board also authorizes the Working Group to take charge of the carrying out of sustainable development works, which include regularly collecting and analyzing data as well as identifying, assessing and managing significant environmental, social and governance related issues. The Working Group also regularly reviews the progress in relevant objectives. The head of the Working Group shall be a member of the Board and authorized by the Board to lead all relevant matters relating to the Working Group and report regularly to the Board.



- The company secretary of the Group acts as the deputy team leader of the Working Group and is responsible for the coordinated management of relevant issues, ensuring the Group's operations strictly comply with applicable laws, regulations and regulatory requirements; and, where necessary, seeking out professional institutions or relevant experts to provide technical support to further strengthen the Group's professional capability to address relevant matters.
- A senior manager of the Group is appointed to act as the coordinator of the Working Group, with core responsibilities to coordinate the communication and liaison among the internal members of the Working Group, and to coordinate the work interface and task arrangement between external experts and the Group's internal teams, to ensure the efficient advancement of all work.

- Members of the Working Group also encompass various senior executives of the relevant business units. With deep knowledge of and rich experience in their respective business units, they can effectively build a good communication bridge between the Working Group and the business units, ensuring coordinated cooperation between both parties.
- The Working Group is directly led by a member of the Board, and its scope of authority and functional positioning are reviewed and confirmed by the Board, and its resources required for carrying out various work are fully supported by the Board.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE RISK MANAGEMENT

Effective risk management is a core component of the corporate governance strategy and is vital to the long-term development of the Group. Under the supervision and guidance of the Board and the Working Group, each of the Group's operational locations will identify the sustainability risks and relevant major issues in its operations through data analysis, regular on-site visits and other diversified means; upholding the principle of transparency and accountability, categorize and address them by risk priority level, while tracking and evaluating the effectiveness of the relevant responses and reporting in a timely manner. The major environmental, social and governance risks identified by the Group are set out below:

Risk Category and Description	Measures
<p>Waste gas and greenhouse gas emissions The Group generates waste gas and greenhouse gas emissions (e.g., carbon dioxide) during the manufacturing and transportation process, and with the increasing tightening of national and regional environmental protection policies, the Group's operations will be subject to more stringent regulation. If the Group does not have effective emission reduction measures in place, it will increase the risk of non-compliance and result in higher operating costs for the Group.</p>	<ul style="list-style-type: none"> • Establish "Environmental System Operation Control Procedures" and set up environmental targets. We have also formulated a number of resource management measures, covering production process, material procurement and administrative management, so as to save resources; • Regularly review the effectiveness of the set goals, review the areas that do not meet the standards, and continuously improve to facilitate sustainable development; • Integrating transportation arrangements and selecting more environment-friendly transportation service providers to minimize emissions; and • Encourage employees to use electronic communication technology for meetings and reduce unnecessary business trips.
<p>Hazardous wastes The Group generates different types of hazardous wastes during the manufacturing process. These hazardous wastes need to be handled in accordance with safe storage standards and a recycling process that meets local environmental requirements, otherwise they may cause pollution to the surrounding environment and increase the risk of non-compliance. In addition, in the event of hazardous substance leakage, the Group may be required to bear additional financial expenses for aftercare work.</p>	<ul style="list-style-type: none"> • For hazardous waste management, the Group has different firefighting equipment at hazardous waste storage sites; • Provide regular training to all employees on hazardous waste sorting and storage; • Develop environmental management objectives, targets and management plans for hazardous waste emissions; and • Requiring that all hazardous wastes should be sorted as solid or liquid wastes and transferred to a professional recycling company for unified disposal after recycling at the industrial park where the Shenzhen Plant is located.
<p>Impact on the surrounding environment The Group's daily operations may have different degrees of impact on the neighboring communities, including impact on air quality, waste leakage, soil and water pollution and noise pollution. If the Group fails to identify and effectively control the relevant environmental factors, there will be an increased risk of non-compliance, including litigation, fines and orders to cease project operations, which could further affect the Group's reputation.</p>	<ul style="list-style-type: none"> • Closely monitor the impact of business and operation on surrounding environment, identify and manage significant environmental risks in a timely manner; • Establish the "Emergency Response Plan Management Procedures" to mitigate the pollution of the atmosphere and adjacent water and soil caused by the accident; • Strictly enforce noise control, the acoustic ceilings have been installed in the entire workshop of the New Factory. At the same time, a layer of sound-absorbing foam has been affixed to the equipment that generates large amounts of noise, and the noise-cancelling and shock-absorbing floor mats have been replaced to greatly reduce the impact on the surrounding environment during production; and • A monitoring company was engaged to conduct noise inspections to ensure that noise emissions comply with operational standards and local laws and regulations.
<p>Climate change Climate change has led to an increase in the frequency of extreme weather events such as typhoons, rainstorms, flooding and earthquakes.</p>	<ul style="list-style-type: none"> • The inclusion of climate change issues into environmental and social policies, assessing relevant risks in a timely manner, and formulating effective risk mitigation measures to reduce the impact of operation on climate change and that of climate change on operation;

<p>These extreme weather events will cause temporary suspension of the operation of the production facilities and the safety of the staff, respectively, resulting in reduced productivity or additional expenses to the Group as a result of litigation and compensation. Meanwhile, the rising temperature causes the indoor temperature to rise and requires constant air conditioning to ensure the machines operating stably and provide a comfortable working environment for employees. As a result, electricity consumption continues to increase, increasing the operating costs. At the same time, rising temperatures provide more energy for typhoons. Inclement weather caused by typhoons may result in work stoppages, affecting production progress, even resulting in loss of life and property, and increasing costs. If not handled properly, the Group would face greater losses.</p>	<ul style="list-style-type: none"> • Strictly follow the guidelines on public preparedness for typhoons and rainstorms, take precautionary measures as soon as possible, assess the ability of the Group's assets to withstand severe weather and review the insurance coverage of liabilities and properties from time to time to minimize potential losses. The Group attaches great importance to the safety of employees and makes arrangements for work stoppages in due course, evacuates employees in an orderly manner and/or provides safe shelters for employees to ensure their personal safety; • Regularly inspect the use of electricity-using equipment and replace equipment with high power consumption but low efficiency. In the New Factory, the central air-conditioning, which consumes much electricity and is difficult to manage by section, was replaced by the new split-type inverter air conditioner which is more cost-effective and managed by section, thus significantly reducing energy consumption; and • Educate employees on energy conservation.
<p>Health and safety</p> <p>There are a number of safety risks inherent in the manufacturing industry. If employees are not sufficiently aware of safety or do not follow the operating procedures, it may lead to a major safety incident resulting in serious injury or death of employees. This would expose the Group to legal risks, including litigation, fines and compensation, and affect the reputation of the Group.</p>	<ul style="list-style-type: none"> • Each of the business units has also formulated occupational safety management system and set up a task responsible department to conduct occupational hygiene works; • Shenzhen Plant has formulated the “Occupational Health Management System” and the “Social Accountability Management Handbook” to work out management measures in respect of all safety issues to safeguard the health and safety of employees; • We provide employees with protective equipment and establish operating rules for production equipment to ensure operational safety, provide them with regular occupational hygiene and physical examination, and regularly review chemical use procedures and protective measures to ensure compliance with operational and local legal requirements while minimizing the impact of safety risks on operations and employees; and • We provided occupational hygiene training for employees, formulated contingency plans for emergencies and conducted regular drills to enhance employees' responsiveness to emergencies, and strengthened inspection and maintenance of relevant equipment, and conducted timely review and adjustment when there are any deviations in the relevant processes.
<p>Product quality</p> <p>With the increasing technology crime, hacking attacks and information theft are becoming more and more common. If the products do not have adequate data security measures, the chance of data leakage will increase and customers will suffer losses. The Group is also exposed to legal risks of litigation and compensation, which may damage the relationship between the Group and its customers.</p>	<ul style="list-style-type: none"> • Formulated a security protection mechanism in accordance with the “Confidentiality Management System of Customers’ Information” and reviewed it from time to time to plug loopholes to ensure comprehensive protection of customer data; • Adopted measures to protect intellectual property rights in accordance with the “Management Manual” to reduce the risk of data leakage during operations; and • The Group has established a quality management system that meets ISO 9001:2015 certification. The Group monitors and analyses the entire production process to control product quality. Meanwhile, the Group regularly conducts training on product quality for employees to ensure a smooth production process and improve product quality. In order to enhance the assurance of product quality and protection of customer assets, the Shenzhen Plant started the preparation for the GSMA SAS-UP, a security certification of Global System for Mobile Communications in early 2024, with a brand-new security protection system and software and hardware to handle data confidentiality come into service. The relevant certification has been approved in December 2024 and proceeded smoothly.
<p>Business ethics</p> <p>Corruption such as bribery, corruption, conspiracy to defraud, facilitation payments and misappropriation of public funds are not only detrimental to the Group's own interests, but are also serious commercial offences that pose significant legal risks to the Group's operations, including litigation, fines or imprisonment of relevant persons. In addition, if the Group is suspected of violating the relevant laws, it will seriously damage the reputation of the Group.</p>	<ul style="list-style-type: none"> • Formulated a series of anti-corruption policies and codes, such as the “Anti-corruption and Anti-bribery Control Procedure” and “Gift and Gifting Procedure” of the Shenzhen Plant, to safeguard the Group's zero-tolerance attitude towards any form of corruption and bribery; • Required suppliers to sign the “Letter of Undertaking of Anti-bribery/Anti-corruption for Suppliers” to ensure they are aware of the Group's requirements and expectations for maintaining business ethics; • Regularly reviews the anti-corruption mechanism through the internal audit system to ensure the effective operation of relevant mechanisms; and • Provided employees with anti-corruption trainings to enhance their awareness of corruption prevention.

COMPLIANCE PERFORMANCE

Level	Laws and Regulations that have Significant Impacts on the Group	Significant Impacts on the Group	Ways to Ensure the Compliance with these Laws and Regulations
Emissions	"The Environmental Protection Law of the People's Republic of China"	The Group has established and effectively operates the ISO 14001:2015 environmental management system, and all hazardous wastes generated during the production and operational processes are uniformly collected by the industrial park to which the Shenzhen Plant belongs and then transported to qualified professional waste treatment agencies for compliant disposal; the annual related disposal cost is approximately RMB30,000.	The Group conducts daily operations in strict compliance with relevant national and local environmental protection laws and regulations, and regularly engages qualified third-party organizations to conduct external audits of the ISO 14001:2015 system to ensure the Group's environmental management system operates continuously and effectively, with all operational activities complying with the system standards and regulatory requirements.
Employment	"The Labor Law of the People's Republic of China"	The relevant restrictions imposed by national labor regulations on employees' overtime hours have a certain impact on the Group's staffing strategy. To meet operational needs, the Group has moderately expanded its staffing levels, resulting in an approximate year-on-year increase of 5%-10% in overall human resource costs.	The Group will continue to strictly adhere to all relevant national labour laws and regulations, conclude legally valid labour contracts with all employees, thereby effectively safeguarding the various legitimate rights and interests of employees.
Health and safety	"The Production Safety Law of the People's Republic of China" "The Law of the People's Republic of China on the Prevention and Treatment of Occupational Diseases" "The Fire Control Law of the People's Republic of China"	Production safety is a core prerequisite for production and operation, and the foundation for ensuring the stable operation of the Shenzhen Plant. Employees are the Group's most valuable core assets, and their physical and mental well-being is a key focus area for the Group. Fire safety is the fundamental baseline requirement for the operation of the Shenzhen Plant. Any lapse in any aspect of the above three areas may lead to the suspension of plant operations.	The Group has established and implemented a comprehensive occupational safety management system, and regularly organizes employees to participate in specialized training on production safety, fire safety and occupational health, thereby effectively enhancing all employees' safety awareness and emergency response capabilities.
Labor standards	"The Law of the People's Republic of China on the Protection of Minors"	The Group strictly prohibits the employment of child labour and the use of any form of forced labour. The Group fully adheres to all relevant national labour laws and regulations and effectively safeguards the legitimate rights and interests of minors. The Group is fully aware that breaching the relevant laws and regulations will result in penalties imposed by regulatory authorities. Accordingly, the Group consistently places compliance with its Labour Code at an important position in its operational management.	During the personnel recruitment stage, the Group strictly reviews the identification documents of job seekers to ensure that all recruited personnel meet the statutory working age requirements, thereby eliminating the risk of child labour recruitment from the source.
Product responsibility	"The Product Quality Law of the People's Republic of China"	Quality is the foundation of an enterprise. The Group attaches importance to product quality and regards high-level product quality as its operation goal. Any problem with product quality will jeopardize the lifeblood of an enterprise.	The Group has established and effectively operates a quality management system that complies with the ISO 9001:2015 standard. The Group implements strict monitoring and data-driven analysis of the entire production process to ensure stable and controllable product quality. Meanwhile, the Group

			<p>regularly organizes employees to participate in specialized training on product quality, thereby strengthening all employees' quality control awareness, ensuring standardized and efficient production processes, and continuously raising the level of product quality. To further strengthen the assurance of product quality for customers and the safeguarding of their assets, the Shenzhen Plant commenced preparations for the GSMA SAS-UP security certification, a security certification of Global System for Mobile Communications in early 2024, deploying a brand-new security protection system and data confidentiality-related software and hardware facilities accordingly. This certification was successfully obtained in December 2024, and the relevant systems have officially entered into operation.</p>
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During the Reporting Period, the Group did not violate the above relevant laws and regulations that had a significant impact on the Group. Meanwhile, for the anti-corruption aspect, no legal case on corruption has been filed against the Group or its employees.

Quality Certification

ISO14001:2015



ISO9001:2015



GSMA SAS-UP, Security Certification of Global System for Mobile Communications

Integrated Circuit Card Registration Certificate

GSMA
Security Accreditation Scheme (SAS)
UICC Production (UP)

Company Name: TOP WISE TECHNOLOGY (SHENZHEN) COMPANY LIMITED
Site Address: B16 10 Building 1, Shen Nanshan 1st, Nanshan Community, Cuiyong Street, Shenzhen, Guangdong, 518071, China
Certificate Number: TW-SAS-UP-0226 Valid To: December 2026

Scope of Certification
SAS-UP Standard version: 9.5 Requirements (PS-IB) version: 11.1
Generation of data for personalisation: UICC
Personalisation: Card Embedded
Management of PIN certificates: Not carried out at this site
Post-personalisation packaging: Card

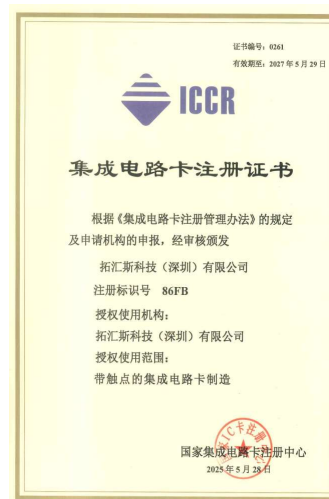
Notes & Exclusions: Topwise Shenzhen personalises card and embedded form-factor UICCs on an OEM basis using data generated at Topwise's premises. Only its customers' Generation of UICC production data takes place under the control of Topwise using a platform developed, configured and managed by its OEM customers. Topwise Shenzhen has not demonstrated an ability to operate any other data generation mechanism compliant with the requirements of SAS-UP.

Supporting Sites

Site name(s) and address(es)	Function	Valid to:

For and on behalf of GSMA:

 Alex Sincibr Chief Technology Officer	 James Meeham Lead Auditor	 Vernon Quinn Lead Auditor
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COMMUNICATION WITH STAKEHOLDERS

Fully understanding the needs and concerns of all stakeholders provides an important basis for the Group to establish sustainable development strategies and long-term business guidelines. In the formulation of various policies and management measures, the Group fully incorporates the opinions and demands of stakeholders to ensure that the Group's operational practices highly align with stakeholders' expectations and requirements. To systematically collect feedback from all parties, the Group has established a multi-dimensional, all-encompassing communication mechanism for internal and external stakeholders, actively listens to and consolidates views from all parties through diversified channels, as detailed below:

The board of directors, the management and the staff

- Meetings of the Board, internal communication, company activities and company meetings

Shareholders and investors

- Annual general meetings, company website, annual reports, meeting, seminars and letters

Customers

- Meetings with customers, emails and phone calls

Government and regulatory authorities

- Meetings, letters, phone calls, site visits and seminars

Suppliers and contractors

- Suppliers evaluation and meetings, emails and phone calls

Banks

- Meetings, emails and phone calls

Community group

- Community investment plans, donations, volunteers and philanthropy activities

SIGNIFICANT SUSTAINABLE DEVELOPMENT ISSUES

During the Reporting Period, the Group delegated an independent sustainable development consultant to conduct the board and management questionnaires that aimed to collect the opinions of the Board and management on each environmental, social and governance issue in business operations. Based on the findings, the Group identified a number of significant sustainable development issues as its future sustainability direction and focused on them in the ESG Report.



Significant Sustainable Development Issues (By Significance)

No	Significant Sustainable Development Issues	Measures Implemented By The Group
1	Anti-corruption Prevention of bribery, extortion, fraud and money laundering	An anti-corruption mechanism is in place for employees to report any corruption cases. Meanwhile, the Group provides anti-corruption training to its employees to enhance their awareness of anti-corruption.
11	Product Responsibility Managing health and safety, advertising, labelling and privacy issues in relation to products and services provided and remedies	Perform full inspection and analysis of the production process in accordance with "Management Handbook" and established ISO 9001:2015 quality management system to control the quality of each product. In order to enhance the assurance of product quality and protection of customers' assets, the Shenzhen Plant started the preparation for the GSMA SAS-UP, a security certification of Global System for Mobile Communications in early 2024, with a brand-new security protection system and software and hardware for data confidentiality come into service. The relevant certification has been approved in December 2024 and proceeded smoothly.
7	Health and Safety Provide a safe working environment and protect employees from occupational hazards	Formulated the "Occupational Health Management System" to provide employees with protective equipment, occupational physical examination and occupational hygiene training.

2	Emissions Management Actively take measures to cope with the increasing tightening of national and regional environmental protection policies, and manage the emission of exhaust gas, greenhouse gas, wastewater, hazardous and non-hazardous wastes	Scrapped lamps, oily waste rags, pen refills, ink cartridges and printing-ink bottles, as well as all types of identified hazardous wastes are stored at designated points and recorded accordingly. All hazardous wastes are transferred to a professional recycling company for unified disposal after recycling at the industrial park where the Shenzhen Plant is located. At the same time, the Shenzhen Plant provides training on the sorting and storage of hazardous waste for all employees and enhances their knowledge of disposing of hazardous wastes.
6	Employment System Establish a complete employment management system	Offers the staff a diversified and inclusive working environment by virtue of the employment system and the "Diversification and Inclusiveness Policy", both of them are formulated in accordance with the SA8000 "Standards on Social Accountability Management System".
4	Environment and Natural Resources Minimize significant impacts on environment and natural resources	During plant construction or any project expansion, the Group conducted environmental assessment to evaluate the potential impact on the surrounding environment. The Group has established the "Emergency Response Plan Management Procedures" to mitigate the pollution of the atmosphere and adjacent water and soil caused by the accident. In addition, the Group has also formulated the "Environmental System Operation Control Procedures" to implement noise control.
9	Labor Standards Prevention of child labor and forced labor	During the recruitment process, the Group's personnel and administration departments will strictly verify the identity documents of job applicants to ensure compliance with the minimum working age requirements of local laws and regulations. In accordance with the "Social Accountability Management Handbook", no deposit may be collected from employees or no employee identification documents may be kept, and all employees are required to work on a voluntary basis.
3	Resource Conservation Formulate measures for efficient use of resources such as energy, water and other raw materials	For the use of resources such as electricity, water, paper and other raw materials, the Group has established clear management measures in different areas, covering the production process, material procurement and administration, with a view to achieving resource conservation goals through multi-pronged measures.
8	Development and Training Enhance employees' knowledge and skills to perform their job duties	Established a comprehensive management system for the induction training of new employees and on-the-job training of all employees.
10	Environmental and Social Risk Management of Supply Chain Managing the environmental and social risk management of supply chain	Starting from the procurement aspect, the Group's purchasing decisions are actively taking into account the environmental and social impacts of the products, requiring suppliers to comply with international principles on human rights, environmental protection, labor safety, forced labor and child labor.
5	Climate Change Developing countermeasures against climate change	According to weather forecast, activate contingency plans in advance for extreme weather such as typhoons, including reinforcing high-risk facilities, closing doors and windows, arranging dedicated personnel to conduct patrols, and implementing protective measures for key equipment and areas. Timely issue warnings to employees to remind them of travel safety, and arrange company vehicles for transportation when necessary to ensure the safety of personnel.
12	Community Engagement Understanding the needs of the communities in which we operate and ensuring that our business activities take into account the interests of the communities through community engagement.	The Group has formulated the "Group Environmental and Social Policies" and the "Giving Back to the Society and Social Investment Management System" to implement the Group's direction of community investment. The Group encourages employees to actively participate in the public welfare undertakings, and promotes positive development of the society.

Going forward, the Group will continue to deepen communication and engagement with all internal and external stakeholders, leveraging diversified communication channels including stakeholder forums and focus group interviews, extensively gather stakeholders' opinions and demands regarding the Group's operational management, further refine the Group's sustainability-related policies and implementation measures, and promote the implementation and deepening of the sustainability strategy.

Low-carbon Development, Ecological Stewardship

As a responsible corporate citizen, the Group deeply understands the importance of environmental protection and places fulfilling the mission of sustainable development at its core. We are committed to deeply integrating the concepts of environmental protection and sustainable development into its operational objectives and decision-making processes. To this end, the Group has formulated the “Group Environmental and Social Policies”, set clear medium-term environmental targets, and systematically implemented various measures covering emissions management, resource use, environmental and natural resources protection, and climate response.

At the execution level, the Shenzhen Plant, based on the “Environmental System Operation Control Procedure”, has set short-term environmental targets and implemented multiple management plans and measures covering production processes, material procurement, and administrative management to effectively promote resource conservation. The Plant reviews the implementation effectiveness of its annual environmental objectives, indicators, and management plans each year, conducts in-depth analysis and improvement of non-compliant items, thereby ensuring the continuous improvement of the environmental management system and supporting the Group’s sustainable development.

Medium-term Environmental Objectives

Reduce Emissions Intensity by 5% in 2025 (2020 as the benchmark)	2025 Objectives	2025	2024	2023	2022	2021	2020
Greenhouse gas intensity (per unit of output value)	19.48	14.55	15.27	18.88	26.34	22.35	20.50
Energy intensity (including gasoline and electricity) (per unit of output value)	28.3	25.66	27.84	29.37	37.70	29.48	28.91
Non-hazardous waste density (per square meter of area)	5.24	4.08	5.56	4.38	4.82	5.17	5.52
Intensity of water consumption (by number of employees)	25.01	42.49	43.73	22.06	21.16	23.49	26.33

The Shenzhen Company relocated to a new industrial park in 2024, embarking on a new journey of sustainable development. Looking back over the past five years, while the Company was growing steadily, it also faced external challenges such as the pandemic, consistently adhering to sustainable development as its core orientation, strictly in line with the Group’s established environmental targets, and implementing various energy-saving and carbon-reduction action plans year by year. It successfully achieved the medium-term environmental target of reducing emission intensity by 5% within five years, using 2020 as the baseline, laying a solid foundation for subsequent green transformation. Looking ahead, the Group is full of confidence, having formulated a new round of five-year energy-saving and carbon-reduction targets, committing to further reduce emission intensity by 5% by 2030 compared to 2025, and continuously promoting the efficient use of resources and low-carbon transition across the entire operational process.

“2025 Annual Environmental Objectives, Indicators and Management Plan”

Environmental Category	Environmental Management Indicators	Progress to Objectives during the Reporting Period
Noise emission	The noise emission of the Shenzhen Plant must comply with the national standard GB12348-2008, maintaining not more than 60 decibels during the daytime and not more than 50 decibels at night time.	Up to standard
Accidental fires	The number of fire alarms is 0 (long-term)	Up to standard
Hazardous waste emissions	All types of identified solid and liquid hazardous waste shall be stored at designated points, and then transferred to a professional recycling company for unified disposal after recycling at the industrial park where the Shenzhen Plant is located.	Up to standard

Climate Change

Climate change is a major challenge facing the world, and the Group fully recognises the potential risks and impacts that climate change poses to daily operations. Accordingly, we have formulated specific policies and strategies in the “Group Environmental and Social Policies” and have taken the following measures to enhance operational resilience and alleviate the associated risks:

Full-Field Energy Conservation and Carbon Reduction	Implement comprehensive energy-saving and consumption-reduction measures across all operational facilities under the Group, aiming to reduce the carbon emission intensity throughout the entire production and operation process.
Climate Risk Assessment and Management	Establish a dynamic assessment mechanism for climate change risks, promptly identify potential impacts, and implement targeted risk mitigation measures.
Low-Carbon Transportation Optimization in Supply Chain	Optimize the transportation modes for raw material procurement and finished product delivery, promoting resource-efficient supply chain logistics solutions.
Innovative Product Packaging to Reduce Consumption	Drive innovation in product and packaging technologies to enhance product use efficiency and reduce energy consumption across the entire lifecycle.
Guiding Diverse Stakeholders in Carbon Reduction	Lead ecological partners including employees, suppliers, and customers to adopt low-carbon operational models in their daily business activities.

Meanwhile, in the pursuit to deal with climate change, we will timely assess the risks of climate change and implement measures to mitigate these risks, and integrate climate change risks into the risk management process of the Group.

Resource Conservation

To ensure adherence to its environmental policy and deeply integrate sustainable development concepts into daily operations, Phoenitron is committed to continuously optimizing environmental management behaviors. The Group comprehensively incorporates environmental considerations into its strategic decision-making, business management, and corporate culture development systems, while deepening the environmental awareness and participation of all stakeholders.

To achieve these objectives, the Group has established a systematic resource conservation management system covering core areas such as energy, water resources, production raw materials, and waste management. Through measures such as formulating clear management plans, conducting company-wide environmental training, implementing regular equipment inspection and upgrades, and continuously optimizing production processes and packaging design, we aim to reduce resource consumption at the source, improve resource utilization efficiency, promote resource recycling, and ultimately achieve continuous improvement in resource management effectiveness and overall environmental performance.

In practice, the Group implements multi-pronged management measures for resources such as electricity, water, paper, and raw materials, covering various stages including production operations, material procurement, and administrative management. We actively promote conservation education to enhance employee awareness. We have also established clear action plans, including transitioning to energy-efficient equipment, ensuring equipment maintenance, implementing sub-divisional lighting and water resource improvement plans, and encouraging electronic communication and double-sided printing to reduce various resource wastes. Concurrently, by introducing international certification standards to standardize production processes and optimize operations, we further reduce raw material consumption, embedding our commitment to resource conservation into daily operations.

Energy

Environmental Category - Energy Saving Measures

Company-wide Energy Conservation Awareness Campaign	<ul style="list-style-type: none"> • Conduct company-wide education on resource and energy conservation, post energy-saving signs and other materials to enhance employees' awareness of energy conservation.
Regular Inspection of Electrical Equipment	<ul style="list-style-type: none"> • Establish a routine inspection mechanism for electrical equipment, assign dedicated personnel to conduct checks, ensuring timely identification and handling of operational abnormalities.
Equipment Maintenance and Energy-saving Retrofitting	<ul style="list-style-type: none"> • Implement regular maintenance and servicing of electrical equipment in use, prioritizing energy-saving upgrades for equipment with high energy consumption.
Improvement of High Energy-consumption Equipment	<ul style="list-style-type: none"> • Promote equipment energy efficiency improvement programs, prioritize high energy-consumption electrical equipment identified during inspections for repair or energy-saving retrofitting.
Fine-tuned Management of Sub-divisional Lighting	<ul style="list-style-type: none"> • Implement optimization plans for sub-divisional lighting, remove excess lighting fixtures, eliminate excessive lighting, and reduce unnecessary energy consumption.
Energy Efficiency Upgrade of Air Conditioning Systems	<ul style="list-style-type: none"> • In the New Factory, phase out the central air conditioning system which had high power consumption and was difficult to manage by sections, replacing it with high-efficiency split-type inverter air conditioners. Implement section-based and segmented management to significantly reduce energy consumption.

Energy	2025	2024	2023	2022	2021
Gasoline (MWh)	44.8	61.3	49.1	61.0	61.0
Electricity (MWh)	1,241.2	1,566.7	2,176.4	2,195.8	2,096.3
Total energy consumption (MWh)	1,285.9	1,628.0	2,225.5	2,256.8	2,157.3
Energy intensity (MWh/HK\$ million (by output value))	25.7	27.8	29.4	37.7	29.5

During the Reporting Period, the Group consumed a total of 1,285.9 MWh of energy, of which 1,241.2 MWh was electricity consumption, accounting for 96% of the total consumption. The total energy consumption in 2025 decreased by 21.0% compared to 2024, mainly attributable to energy usage optimization in the new industrial park and energy-saving measures such as equipment upgrades, leading to further improvements in overall energy efficiency.

Water Consumption

Environmental Category - Comprehensive Water Conservation Optimization Measures

Water Consumption Data Monitoring and Response

- Conduct monthly water consumption statistics and data analysis, and implement targeted water-saving measures dynamically based on the analysis findings.

Inspection, Maintenance and Retrofitting of Water Facilities

- Regularly inspect and maintain water facilities, prioritize technical retrofitting for high water-consumption equipment, and strengthen subsequent maintenance.

Employee Awareness Campaign on Water Conservation

- Post water-saving reminder signs, carry out company-wide water conservation awareness campaigns, and continuously enhance employees' awareness of water conservation.

Water Consumption	2025	2024	2023	2022	2021
Total water consumption (m³)	4,461.0	5,029.0	2,383.0	2,539.5	2,819.1
Intensity of water consumption (m³/employee (by number of employees))	42.5	43.7	22.1	21.2	23.5

During the Reporting Period, the total water consumption of the Group was 4,461.0 m³ and the intensity of water consumption was 42.5 m³ per employee, representing a decrease of 11.3% and 2.7% respectively compared to 2024, indicating continued improvement in overall water efficiency. The Group sources water from municipal supply and faced no issue in sourcing water fit for purpose.

Raw Materials

Environmental Category - Resource Conservation and Circular Utilization Measures



Packaging Materials	2025	2024	2023	2022	2021
Total usage (tonnes)	59.5	87.1	119.0	120.4	132.1
Usage density (tonnes/HK\$ million (by output value))	1.2	1.5	1.6	2.0	1.8

The Group uses packaging materials (including carton boxes, plastic and wood) during its production process. During the Reporting Period, the Group consumed a total of 59.5 tonnes of packaging materials, with a usage density of 1.2 tonnes per HK\$ million of output value. Compared to 2024, the total usage of packaging materials decreased by 31.7%, a reduction significantly exceeding the change in output value over the same period, reflecting the Group's continued efforts and progress in packaging reduction and resource conservation.

The Environment and Natural Resources

The Group understands that its business operations have potential impacts on the surrounding environment and natural resources. Therefore, it has established a regular environmental impact monitoring mechanism to systematically identify and manage significant environmental risks. For sudden environmental accidents such as chemical spills and fires, the Group has formulated the "Management Procedures for Emergency Response Plans" to effectively mitigate pollution damage to the surrounding ecology, including the atmosphere, water, and soil. Additionally, during the preliminary stages of plant construction or project expansion, rigorous environmental impact assessments are conducted to comprehensively identify potential environmental impacts, ensuring that the environmental impact during the construction phase is minimized.

Noise generated during the operation of production equipment at the Shenzhen Plant has been incorporated into the Group's standardized management system. The Group has formulated the "Environmental System Operation Control Procedures" to manage noise, including reasonably planning equipment operation hours and strengthening routine inspection and maintenance, to ensure noise emissions comply with national standards. Furthermore, the Group regularly commissions third-party testing agencies to conduct noise monitoring in accordance with the "National Standard GB12348-2008 of the People's Republic of China", and dynamically implements noise reduction improvement measures based on the results. The Shenzhen Plant has installed acoustic ceilings throughout the entire workshop of the New Factory, affixed sound-absorbing foam to high-noise equipment, and replaced noise-dampening and shock-absorbing pads, significantly reducing the impact of production noise on the surrounding environment.

The Group strictly complies with all relevant environmental laws and regulations in its daily operations, closely monitors and evaluates the environmental impact of its business activities, and ensures that significant environmental issues are identified, monitored, and properly managed in a timely manner. The effectiveness of environmental protection measures depends on the support and participation of all stakeholders. To this end, the Group is committed to communicating its environmental policy to all employees, guiding suppliers to adopt sustainable operational models, and proactively disclosing information on environmental performance, promoting ecological synergy.

Emission Management

Phoenitron is committed to reducing emissions of air pollutants, greenhouse gases, sewage, and waste generated throughout its business operations. The Group clearly recognizes that various emissions primarily originate from three key areas: energy consumption, transportation arrangements, and business travel. In response, we actively introduce internationally recognized certification standards, continuously optimize production processes and scheduling management, and reduce total energy consumption at the source, effectively lowering emission intensity.

To further reduce emissions during operations, the Group optimizes and integrates transportation schedules and incorporates environmental criteria into the selection and evaluation of transportation service providers. In business travel management, we streamline itineraries, reduce non-essential travel, and prioritize the use of electronic communication technologies for remote meetings, minimizing business travel needs and achieving emission reduction goals. In waste management, we strictly implement a classified control mechanism for hazardous and non-hazardous waste: hazardous waste is stored in designated areas with clear labeling and entrusted to qualified professional institutions for proper disposal; for general waste, measures such as paper conservation campaigns, electronic office practices, and regular equipment inspections are implemented to reduce resource consumption and promote recycling.

Emissions generated from the Group's daily business operations include greenhouse gases, air pollutants, hazardous and non-hazardous waste, and sewage. To effectively mitigate the impact of these various emissions on the surrounding environment, we have formulated and promulgated two core policies: the "Group Environmental and Social Policies" and the "Environmental System Operation Control Procedure". These clearly define the overall principles, implementation standards, and specific measures for emission management, providing a solid institutional framework for the control of emissions throughout the entire chain.

AIR AND GREENHOUSE GAS EMISSIONS

Environmental Category - Air and Greenhouse Gas Emission Management Measures

Target

- Reduce greenhouse gas and waste emissions to achieve the Group's emission reduction targets.

Measures

Integration and Optimization of Logistics and Transportation	Integrate and optimize logistics transportation routes and scheduling to reduce overall energy consumption in the transportation segment, achieving low-carbon operations along the transport chain.
Environmentally Oriented Supplier Selection	Incorporate environmental performance evaluation indicators into the selection criteria system for transportation service providers, prioritizing partners with low-carbon transport capabilities.
Low-Carbon Management of Business Processes	Advocate the use of electronic communication technology to shorten travel distances, reduce the number of non-essential business trips, and lower the carbon emission intensity of business activities.

The Group's main air emissions come from combustion of energy used by vehicles, mainly including nitrogen oxides, sulphur oxides and respirable suspended particulates. During the Reporting Period, the emissions of nitrogen oxides, sulphur oxides and respirable suspended particulates were 2.6, 0.1 and 0.2 kg respectively.

Air Emissions ¹ (kg) ²	2025	2024	2023	2022	2021
Nitrogen oxides	2.6	1.5	1.2	1.7	2.0
Sulphur oxides	0.1	0.5	0.4	0.5	0.5
Respirable suspended particulates	0.2	0.1	0.1	0.2	0.2

In order to calculate the greenhouse gas emissions generated by its operations, the Group continued to commission an independent consulting firm to conduct a carbon assessment based on local codes and international standards. During the Reporting Period, the Group's total greenhouse gas emissions amounted to 729.3 tonnes carbon dioxide equivalent, among them, greenhouse gas emissions mainly come from the use of purchased electricity of Scope 2, totaling 717.0 tonnes carbon dioxide equivalent, accounting for 98.3% of the total emissions; Scope 1 direct greenhouse gas emissions were 12.3 tonnes carbon dioxide equivalent. In order to further formulate emission reduction objectives, the Group will continue to assess and record annual air pollutants and greenhouse gas emissions data, formulate directions and specific measures for emission reduction, and disclose the Group's performance during the year to stakeholders.

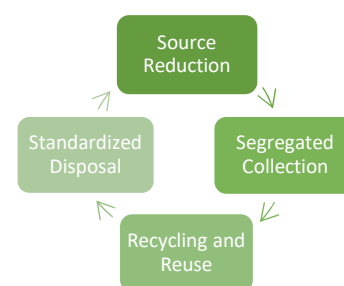
² Only air pollutant emissions related to fossil fuel combustion from mobile sources are included.

Greenhouse Gas Emissions (tonnes carbon dioxide equivalent)	2025	2024	2023	2022	2021
Scope 1 : Direct greenhouse gas emissions ³	12.3	95.6	323.5	324.7	410.9
Scope 2 : Energy indirect greenhouse gas emissions ⁴	717.0	797.2	1,107.5	1,252.3	1,224.2
Total greenhouse gas emissions	729.3	892.8	1,431.0	1,577.0	1,635.1
Intensity of greenhouse gas (tonnes carbon dioxide equivalent/HK\$ million (by output value))	14.6	15.3	18.9	26.3	22.3

Waste

The Group is committed to reducing the generation of hazardous and non-hazardous waste in its daily operations, establishing a full-chain management system covering source reduction, classification for recycling, and reuse. For hazardous waste control, the Group has equipped dedicated storage areas for hazardous waste with appropriate firefighting equipment and regularly organizes company-wide specialized training on the classification and storage of hazardous waste, enhancing employees' professional knowledge of proper waste handling.

The Group has established full-process standard operating procedures for various types of waste, covering "source reduction — collection by classification — recycling and reuse — standardized disposal." Concurrently, a detailed inventory of chemicals used by each business unit is compiled, and strict and standardized handling procedures are implemented for hazardous wastes such as air conditioning refrigerants containing Freon, air compressor oil, toner, and ink cartridges.



Based on the characteristics of hazardous waste, the Group has formulated operating guidelines covering all stages of transportation, storage, use, and disposal, and has established a robust monitoring and verification mechanism to ensure implementation. Simultaneously, the Group emphasizes the optimal allocation of resources throughout its business processes, continuously generating scientifically based improvement suggestions through systematic statistical analysis of resource consumption data.

³ Scope 1 includes the combustion of mobile source fossil fuel and fugitive emissions related to refrigerants. There were no stationary emission sources during the Reporting Period.

⁴ Scope 2 includes purchased electricity on the Group's premises.

Hazardous Waste

Target

- All types of hazardous wastes are disposed of in accordance with regulatory requirements to reduce the impact on the environment.

Measures

Designated Storage and Fire Protection for Hazardous Waste

- Store all identified types of hazardous waste at designated points, and equip the storage areas with complete fire protection facilities to ensure safety and control during the storage phase.

Classification, Storage and Labeling of Specific Low-value Hazardous Waste

- Store low-value hazardous wastes such as scrapped lamps and oily waste rags in designated areas, clearly label the recycling categories and details, ensuring standardized and traceable storage.

Recycling, Storage and Ledger Management of Office Hazardous Waste

- Hand over office hazardous wastes such as scrapped pen refills, ink cartridges, and printing oil bottles to the management department for recycling and designated storage. Simultaneously establish a detailed recycling ledger to achieve full-process traceability.

Standardized Transfer and Professional Disposal of Hazardous Waste

- All hazardous wastes are transferred to the industrial park to which the Shenzhen Plant belongs for centralized collection, and then transported to qualified professional waste treatment agencies for standardized disposal, ensuring the entire chain complies with environmental protection regulatory requirements.

Non-Hazardous Waste

Target

- Educate employees about conservation, actively encourage them to reduce waste, and promote the recycling of resources.

Fine-tuned Management of Office Paper Across the Entire Process

Advocate Electronic Communication and Promote Paperless Office

- The Group prioritizes advocating the use of electronic communication tools as the primary channel for daily work, actively promoting a paperless office model to reduce dependence on paper.

Promote Double-sided Printing and Eliminate Excessive Copying

- Encourage and guide employees to prioritize double-sided printing mode when printing, while clearly requiring the elimination of any form of excessive copying, thereby controlling paper consumption at the user end.

Regular Inspection and Maintenance of Paper-consuming Equipment

- Establish a regular inspection mechanism for paper-consuming equipment (such as printers and copiers) to ensure equipment operates in optimal condition, and to ensure prompt response and repair in the event of malfunctions, avoiding waste caused by equipment issues.

Strengthen Employee Awareness of Paper Conservation and Popularize Green Office Concepts

- Through internal advocacy and training, continuously communicate the importance of paper conservation to all employees, aiming to internalize the green office concept into employees' conscious actions, comprehensively enhancing the awareness of paper conservation.

Waste	2025	2024	2023	2022	2021
Total output of hazardous waste (tonnes)	0.3	0.3	0.7	0.4	0.5
Density (tonnes/thousand m²)	0.08	0.09	0.12	0.07	0.08
Total output of non-hazardous waste (tonnes)	13.7	18.6	26.3	28.9	31.0
Density (tonnes/thousand m²)	4.08	5.56	4.38	4.82	5.17

During the Reporting Period, the Group generated a total of 0.3 tonne of hazardous waste, mainly waste oil from the Shenzhen Plant. All hazardous wastes were transferred to a professional recycling company for unified disposal after recycling at the industrial park where the Shenzhen Plant is located, achieving standardized and harmless treatment. Meanwhile, the Group generated 13.7 tonnes of non-hazardous waste during the Reporting Period, including paper, plastic and other daily waste; paper and plastic were delivered to recyclers for recycling and reuse, while general daily waste was collected and properly disposed of, demonstrating continuous improvement in overall waste management efficiency.

Wastewater discharge

The wastewater generated by the Group's Shenzhen Plant mainly consists of domestic sewage. To ensure compliance with environmental standards, we have established a strict sewage treatment system, the design and operation of which follow the secondary standards of the "Guangdong Province Local Standard Water Pollutant Discharge Limits" (DB44/26-2001). All domestic sewage is conveyed via dedicated pipelines to septic tanks for pretreatment, and after testing to confirm compliance, it is discharged into the municipal sewage network.

Furthermore, the Group is committed to promoting and improving sewage discharge and treatment systems at all its operating locations. We ensure that wastewater at each facility is properly treated before discharge, controlling water pollutant emissions to rigorous standards, thereby minimizing the impact on the environment.

Empowering Employees, Strengthening the Enterprise, Operating with Integrity

The Group firmly believes that the dedicated efforts and outstanding contributions of its employees are the core drivers of its business development. To this end, we are committed to creating a positive, pleasant, and healthy work environment, empowering employees to work with peace of mind, realize their potential, and achieve mutual growth with the company. To fulfill this commitment, the Group has established a comprehensive set of human resources policies and management systems, including but not limited to the "Group Environmental and Social Policies", the "Human Resources Management Procedure", the "Occupational Health Management System" and the "Social Accountability Management Handbook". These documents collectively form the guiding framework for managing employee rights and standardizing work arrangements, ensuring that all practices are conducted in accordance with established guidelines.

Employment System

Employees are the most valuable core asset of Phoenitron and the cornerstone of the company's continuous growth. To attract and retain outstanding talent, the Group has established rigorous recruitment and selection processes and is committed to building an ideal work environment. This environment not only cares for the physical and mental health of employees but also actively promotes a balance between work and life, supporting the holistic development of our staff.

Phoenitron firmly adheres to the principle of being an equal opportunity employer, and all operations strictly comply with applicable labor and employment laws. In the recruitment process, all hiring decisions are based solely on the qualifications, skills, and experience required for the position. We are committed to ensuring that no applicant faces any form of unfair treatment based on factors such as age, gender, race, religion, marital status, sexual orientation, or disability.

We believe that a diverse team is a key driver of innovation and business growth. Therefore, the Group is dedicated to fostering a diverse and inclusive work culture, respecting and valuing the unique backgrounds and perspectives of every employee, and resolutely eliminating any form of discrimination or harassment, ensuring that all employees can thrive in a respectful and safe environment.

To translate these commitments into concrete management practices, the Group has established a clear employment management framework based on the SA8000 international standard for social accountability, supplemented by a series of internal policies covering promotion, rewards, appraisals, and codes of conduct. This system systematically addresses key areas such as compensation and benefits, working hours, health and safety, anti-discrimination, disciplinary measures, and freedom of association, ensuring that every employee clearly understands their rights and responsibilities.

Meanwhile, to ensure open and transparent communication channels, we have established the "Employee Complaint and Suggestion Management System", ensuring that all employee opinions and complaints are seriously investigated and properly addressed in a confidential and objective manner. This mechanism not only helps continuously improve our management practices but also effectively prevents the recurrence of similar issues.

In terms of employee care, Phoenitron actively promotes work-life balance by organizing various sports and recreational activities. Additionally, we provide a comprehensive and competitive benefits package, including but not limited to housing and communication allowances, work injury insurance, pension insurance, medical insurance, meal allowances, retirement plans, year-end bonuses, and ample paid leave, thereby substantially supporting the quality of life of our employees and their families. We also regularly recognize employees who make outstanding contributions, encouraging the entire team to strive for excellence.

Employment Responsibilities	Management Measures
Recruitment and dismissal	Adopting a strict recruitment and selection procedures and based on the principle of merit-based recruitment, the Group selects suitable candidates in a fair, open and just manner. The Group or employees may propose to terminate the labor contract as required, and complete the leave procedures in accordance with the requirements.
Compensation, benefits and promotion	The Group pays remuneration and benefits based on the functions of employees, which include housing and communication allowance, work injury insurance, pension insurance, medical insurance, meal allowance and social insurance, etc. According to the "Employee Promotion Policy", department heads regularly fill out lists of recommendations for employee promotion and the Group periodically makes necessary adjustments to job grades after taking into consideration the working experience, qualifications, work performance and behavior of the respective employees, as well as the skills required for higher job positions. The Group has formulated the "Appraisal and Selection System for Outstanding Employees" and the "Reward and Punishment System", outstanding employees will be granted year-end bonuses and win a promotion opportunity after evaluation by departments.
Working hours and rest periods	The Group arranges the reasonable working hours for employees in accordance with the "Attendance Management System", and also provides different paid-leaves for employees, including annual leave, marital leave and maternity leave, etc.
Talent diversification	In terms of employment matters such as recruitment and promotion, the Group has formulated the "Diversification and Inclusiveness Policy" and undertook that all employees and job applicants will be provided with equal opportunity. All recruitment and promotion will be considered on the basis of performance and ability.
Anti-discrimination	The Group prohibits any form of discrimination and sexual harassment behaviors. All decisions about recruitment and promotion are made based on job requirements, the Group will not subject employees and job applicants to unfair treatment because of age, gender, sexual orientation, marital or family status, disability, race, nationality, religion or political view.
Staff complaint and suggestion mechanism	The Group has developed an "Employee Complaint and Suggestion Management System" for the employees to file complaints and make suggestions for improvement to the management on the company's operation. All complaints and suggestions are seriously handled on an objective and confidential principle.

Employee Activity of Shenzhen Topwise - Climbing a Mountain for Blessing

The mountain climbing and blessing activity organized by Shenzhen Topwise is an annual employee care initiative aimed at enhancing team cohesion and caring for employees' physical and mental well-being. This activity not only provides employees with an opportunity to step out of the office into nature, allowing them to relax and exercise, but also fosters informal communication and emotional connections among colleagues, effectively strengthening team unity and collaboration. The "blessing" component also expresses the company's good wishes for employees' health, happiness, and career success in the new year, reflecting the company's humanistic care. This helps enhance employees' sense of belonging and well-being, thereby stimulating greater work enthusiasm and productivity.



Human Resources Overview for the Reporting Period (Shenzhen Plant)

To illustrate the Company's workforce structure and mobility, the following is a summary of key data for the Shenzhen Plant during the Reporting Period:

Workforce Structure	Total Employees	105
	Gender Breakdown (Male/Female)	63.8%/36.2%
	Percentage of Primary Age Group (30–40 years old)	39.0%
Workforce Turnover	New Hire Rate	45.7%
	Employee Turnover Rate	55.2%

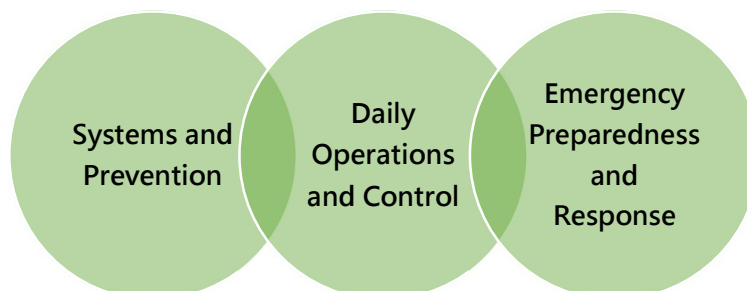
Health and Safety

The Group prioritizes the occupational health and safety of its employees as its primary responsibility, dedicated to creating a safe and healthy working environment to prevent workplace accidents and occupational diseases. We have explicitly articulated this commitment in the "Group Environmental and Social Policies", and each business unit has established dedicated occupational safety management systems and responsible departments to systematically implement related work. Specifically, the Shenzhen Plant has further developed the "Occupational Health Management System" and the "Social Accountability Management Handbook", detailing specific management measures for various safety issues.

Phoenitron believes that a healthy and safe working environment is closely related to the operational efficiency of an enterprise. The Group regards the health and safety of its employees as its top priority and endeavors to prevent work-related injuries and occupational diseases. To this end, we have established strict occupational safety management systems at each business unit to prevent, control and eliminate occupational disease hazards, protect the health and related rights of employees, and improve the working environment.

To achieve closed-loop management from policy to practice, we have adopted multi-faceted and in-depth specific actions:

- At the system and prevention level, we not only formulate strict management specifications for personal protective equipment and hazardous substances but also focus on enhancing the safety risk awareness and protection capabilities of all staff through continuous education and specialized training. Simultaneously, regular health monitoring is arranged for employees directly exposed to occupational disease hazards, and a comprehensive mechanism for work-related injury and accident reporting is established.
- At the daily operation and control level, we reduce potential safety hazards caused by human error by strengthening preventive maintenance of production equipment and formulating and implementing standardized operating procedures. For major risk sources such as chemicals, we implement strict life-cycle management from procurement, storage, usage, transportation, to disposal, ensuring compliance with operating specifications through regular audits.
- At the emergency preparedness and response level, the Group has established a robust emergency incident management system. We regularly organize fire drills and evacuation exercises targeting major risks such as fires, conduct extensive employee safety awareness campaigns, and ensure adequate and effective fire-fighting equipment and protective gear are available in the workplace, thereby comprehensively enhancing the company's emergency response capabilities and maximizing the protection of employee life, property, and operational stability.



Health and Safety Measures	
Employees, protection	<p>For the sake of employees' production safety:</p> <ul style="list-style-type: none"> • the Group has developed an operation code for production equipment to provide guidance on proper use equipment to employees. • the Shenzhen Plant has purchased accident insurance and provide protective equipment and pandemic prevention supplies for employees.
Guidelines for handling chemicals and hazardous materials	<p>To ensure compliance with the requirements of operation and local laws, as well as mitigating the safety risks and hidden dangers:</p> <ul style="list-style-type: none"> • the Group has formulated a set of established guidelines on the use and transportation, identification and storage, leakage and disposal, and regularly reviewed the relevant use procedures and its protective measures for chemicals and hazardous materials.
Inspection of equipment	<p>For potential risks of safety incidents and environmental disaster:</p> <ul style="list-style-type: none"> • the Group will regularly inspect and maintain emergency equipment to ensure that they are in good condition. • in case of safety incidents, the Group will conduct post-incident investigations to find out the causes, and corrective and preventive measures will be taken in a timely manner in the case of deficiencies or deviation from operational procedures.

Training and drills	<p>To enhance employees' awareness of occupational safety and emergency:</p> <ul style="list-style-type: none"> the Group provides occupational hygiene training to employees on a regular basis. the Group has developed emergency response management plans and measures, and conducted fire drills and emergency drills periodically.
Health of employees	<p>To protect the health of employees:</p> <ul style="list-style-type: none"> the Group provides regular occupational hygiene and health check-ups for its employees and regularly provides various sports and recreational activities for its employees.

Safety signs inside the factory of Shenzhen Topwise

The widespread placement of clear, standardized safety signs throughout the factory area by Shenzhen Topwise is a fundamental and crucial measure for implementing occupational health and safety management. These signs serve as constant reminders to employees of potential risks in key areas (such as hazardous material storage zones, fire escapes, and near machinery), providing clear operating instructions and emergency evacuation routes. Through this visual approach, it effectively enhances employees' safety awareness and vigilance, helping them standardize their operational behaviors, preventing safety incidents that could arise from improper operation or overlooking risks. It also ensures that safety management within the factory complies with national and local regulatory requirements, reflecting the company's commitment to employee safety and laying the foundation for building an intrinsically safe factory.



企业安全生产“一线三排”标识牌

“一线”：坚守发展决不能以牺牲人的生命为代价这条不可逾越的红线
“三排”：全面排查隐患、科学排序隐患、有效排除隐患

主要风险隐患	管控措施	责任人	整改时限
11月4日二楼车间灭火器失效	及时更换	徐建新	11月4日
11月4日一楼连运货物堆积	及时清理	高喜林	11月4日

企业名称：拓云科技(深圳)有限公司
企业主要负责人：彭宇伟

Labor Standards

Phoenitron is fully aware that both the employment of child labor and forced labor violate basic human rights and international labor conventions and pose threat to sustainable social and economic development. The Group strictly complies with all applicable laws and conventions, and a set of policies and enforcement measures have been established to address child labor and forced labor violate issues.

In the process of recruitment of new employees, the personnel and administration department of the Group will verify the identity documents of the job applicants to ensure that they meet the minimum working age requirements of local laws and regulations. We also monitor minor employees to ensure that their work, health, education and well-being are in compliance with all applicable laws and conventions. In addition, the Group ensures that all employees work voluntarily and that no form of forced labor is tolerated. We have formulated that no deposits shall be taken from new employees or existing employees or no employees' identity documents shall be withheld.

The Group clearly prohibits both the employment of child labor and any form of forced labor violate, and lists our commitments and measures on these issues in the “Social Accountability Management Handbook” and the “Human Resources Management Procedure”.

Measures to Avoid the Employment of Child Labor	
Age checking	In the process of recruitment, the personnel and administration department of the Group will strictly verify the identity documents of the job applicants to ensure that they meet the minimum working age requirements of local laws and regulations.
If it is found that a child labor is hired by mistake	The Group shall immediately cease their works. Besides, the Group shall take remedial actions and be responsible for all required expenses of the child labor under legal working age according to the “Child Labor Rescue Control Procedure”.
Avoiding Forced Labor Measures	
Requirement of “Social Accountability Management Handbook”	The Group has formulated the “Social Accountability Management Handbook”, which stipulates that no deposits shall be taken from employees or no employees' identity documents shall be withheld, and ensures that all employees work on a voluntary basis. The Group has formulated resignation procedures, pursuant to which, employees can apply for resignation as required and obtain wages to which they are entitled to leave freely.

There were no non-compliance incidents related to the illegal employment of child labor or forced labor during the Reporting Period.

Development and Training

Phoenitron is committed to creating a pleasant and healthy work environment and providing comprehensive support to its employees. We firmly believe that providing equal opportunities in all aspects such as compensation, benefits, recruitment, training, development, promotion, and transfer is the best way to achieve stable and developed human resources. The Group's mission is to hire people on their merits, assessing everyone based on their ability and performance, focusing on creating value and efficiency for both individuals and the Company. This includes encouraging employee training and learning, as well as safeguarding their health and safety.

To translate this philosophy into concrete action, we have established a systematic talent development mechanism. Firstly, for new hires, the Group implements a comprehensive orientation training management system, explaining job responsibilities in detail and providing technical training before they assume their roles. Employees must complete an internship after training and pass an assessment before officially starting work. If performance during the internship is below standard, additional training is provided to facilitate improvement. Secondly, to continuously enhance employees' competencies and skills, the Group has formulated a comprehensive training plan, using on-the-job training and other methods to strengthen employees' ability to meet specific business needs, encouraging them to broaden their skills and fostering long-term career development within the Group. Thirdly, to recognize and motivate employee contributions, Phoenitron has established a comprehensive internal promotion management system, where department heads regularly submit promotion recommendations and adjust job grades based on employees' work experience, qualifications, performance, and required skills.


In the face of a rapidly evolving technological landscape, Phoenitron continues to provide various training and development programs to help employees upgrade their knowledge and skills to meet ever-changing challenges and competition. We consistently prioritize employee career development, striving to provide appropriate development opportunities for employees at different positions and levels, thereby enhancing the Group's overall competitiveness.

The Group has formulated the “Group Environmental and Social Policies” to implement training and development policies. The Shenzhen Plant has also developed a series of employee training plans in accordance with the “Training Control Procedure” and the “Orientation Training Procedure for New Employees”. A training file is created for each employee to record the training content and performance of the employee.

The following are the training contents of the Shenzhen Plant during Reporting Period:

Orientation training	New hires are required to accept orientation training, which includes the study of corporate culture, teamwork and disciplines, product quality and safety awareness. They are required to have pre-job internship before officially taking the job to make sure that they are fit for the job requirements.
Technical training	According to the production process and employee position requirements, trainings of job professional knowledge, process flow, machine operation and new product will be provided to employees.
Vocational training	Job-related training, covering topics such as fire safety, emergency response, anticorruption, business ethics and green procurement, is provided to employees according to their job needs, thereby enhancing their professional knowledge and skills.

Percentage of Employee Accepting Training	Total Training Hours Received by Employees	Percentage of Employees Subject to Regular Appraisal
100%	840	100%

Training topics during the year	Brief description of training content
Safety System Training	Series of training covering product safety, information security management, and enhancing overall safety awareness for all employees.
Joint Fire Drill	Conducted jointly with the community fire brigade, covering fire emergency evacuation procedures and practical training on fire equipment operation.
New Employee Orientation	Training covering employee code of conduct, factory rules and regulations, professional ethics, and anti-corruption policies.
Job Skills Enhancement Training	Systematic training on professional knowledge and operational skills required for various positions.
Business Continuity Plan (BCP) Drill	Simulation of critical equipment failure (e.g., air compressor) scenarios to practice business interruption response and continuity of operations.
Training photos of Shenzhen Topwise	
	

OPERATION RESPONSIBILITY

The Group consistently upholds high standards of business ethics throughout its operations and is committed to continuously improving product and service quality to meet customer expectations. To fulfill these commitments, the Group has formulated the "Group Environmental and Social Policies" and introduced a series of specific policies and operating procedures covering areas such as product responsibility, anti-corruption, and supply chain management, ensuring that all operational activities adhere to the highest ethical and legal standards.

Product Responsibility

Phoenitron places product quality and customer rights at the core of its corporate responsibility. Through the establishment of systematic management systems and international certifications, it embeds product responsibility into every step, from production to after-sales service.

In terms of product quality assurance, the Group has established a quality management system that complies with ISO 9001:2015 standards, conducting full-process monitoring and analysis of production to ensure products meet customer requirements. We regularly review and optimize this system to continuously improve production processes. To further enhance product safety and customer trust, the Shenzhen Plant successfully obtained GSMA SAS-UP global mobile communications system security certification in 2024, introducing a new security protection system and data confidentiality solutions, significantly strengthening the protection of customer assets. No product recalls occurred during the Reporting Period, reflecting the effectiveness of our quality management.

In the area of customer privacy and data security, we adhere to strict confidentiality commitments. Based on the "Confidentiality Management System of Customers' Information", the Group has established a full life-cycle protection mechanism covering data receipt, storage, transmission, processing, delivery, and destruction. All customer data is classified and archived according to its level of confidentiality, with strict access controls and operation log records to ensure traceability. We commit to taking immediate remedial measures and proactively notifying customers to discuss solutions upon discovering any security vulnerabilities or potential risks.

Furthermore, the Group highly values customer feedback as an opportunity for improvement. We have established an open customer complaint mechanism to ensure that any feedback regarding product quality is addressed promptly and seriously. For example, upon receiving one complaint during the Reporting Period concerning a product process detail, we promptly conducted an investigation and analysis, implemented effective corrective actions, and successfully resolved the issue. Through systematic labeling and traceability processes, as well as strict protection of customer intellectual property, we strive to fulfill our comprehensive responsibility to customers at every point of contact.

The Group adopts strict standards for the production process of its products. The Shenzhen Plant has formulated policies on product quality, complaint handling procedures and customers' privacy protection to ensure that product quality meets the requirements of customers and local policy.

Product Responsibility	Management Measures
Product quality	The Group has established a quality management system that complies with ISO 9001:2015 certification, and comprehensively monitors and analyses the production process in order to control the product quality effectively and ensure that the product quality can be complied with the customer requirements. The Group also regularly reviews the quality management system and adopts improvement measures to improve the production process and enhance product quality. There was no case of product recall during the Reporting Period.
Label management	The Group attaches different labels to raw materials, semi-finished products and finished products for classification management and traceability purposes. In accordance with "Control Procedures on Product Identification and Traceability", all labels set out information such as product name, product number, quantity and inspector's name for the convenience of future quality monitoring and management.
Customers' privacy	The Group has formulated a security protection mechanism in accordance with the "Confidentiality Management System of Customers' Information" to protect customer product data at different stages such as receipt, storage, internal transmission, processing, delivery and destruction. Customer data shall be classified and archived according to the degree of confidentiality, access rights and operation records are set to ensure the security of customer data. If any security breaches and data leakages are discovered, the Group will immediately take remedial measures, notify customers and discuss solutions with them.
Intellectual property	The Group adopts measures to protect intellectual property rights in accordance with the "Management Manual", and prohibits any employee from disclosing any customers' intellectual property rights and related information to third parties without the customers' approval, so as to reduce the risk of data leakage during its business operations.
Complaint handling	The Group has established a customer complaint mechanism for customers to make complaints about product quality issues. The Group will make an investigation upon receipt of relevant complaints, and formulate corrective measures to meet customer requirements. During the Reporting Period, the Group received only one customer complaint mainly about the position deviation of the Smart Card Milling Slot. As such, the Group had analyzed the reasons and took corrective measures. During the Reporting Period, this complaint has been properly resolved.

Supply Chain Management

Phoenitron fully recognizes that a sound supply chain and procurement management system is the foundation for achieving sustainable operations. While strictly complying with legal requirements, the Group's procurement decisions follow a comprehensive evaluation standard: in addition to price, quality, delivery capability, service quality, and commercial integrity, we consider suppliers' environmental and social performance as a critical factor. We explicitly require suppliers to respect human rights, implement environmental protection, ensure labor safety, and eliminate forced labor and child labor. Concurrently, we prioritize purchasing raw materials and services with lower environmental impact.

To systematically implement these principles, the Group actively introduces international certification standards and formulates clear supply chain management guidelines. We communicate our environmental and social responsibility policies to core suppliers and, through requirements such as signing an "Environmental Protection Undertaking", ensure their commitment to comply with relevant regulations, particularly concerning human rights protection, employee safety, and forced labor. The Group continuously monitors suppliers' practices through questionnaires, document reviews, and, when necessary, on-site audits, ensuring their products and processes meet internationally recognized ethical standards such as SA8000.

If a supplier is found to violate the Group's or a customer's social responsibility requirements, we immediately investigate, formulate corrective action plans, and track implementation effectiveness. Phoenitron values its partnership with suppliers and is committed to working together to enhance the environmental and social performance of the entire supply chain through active communication and capacity building, such as providing green procurement training for internal procurement staff, thereby ensuring excellent product quality and jointly promoting sustainable development.

The specific operations at the Shenzhen Plant strictly adhere to the "Social Accountability Management Handbook", "Purchasing Control Procedures", and SA8000 "Standards on Social Accountability Management System" to ensure the standardization and effectiveness of supplier selection and management processes.

Supplier selection

The Group requires suppliers to sign the "Environmental Protection Commitment Agreement" and undertake to comply with the requirements of the Group's SA8000 "Standards on Social Accountability Management System", so as to ensure that suppliers' supplies will be complied with the Group's requirements for environment, human rights, and employee safety and labor.

Supplier evaluation

The Group inspects the suppliers' supply performance through questionnaires. If the performance is found to be unsatisfactory, the Group will discuss with them and formulate solutions to ensure that the suppliers meet the supply requirements.

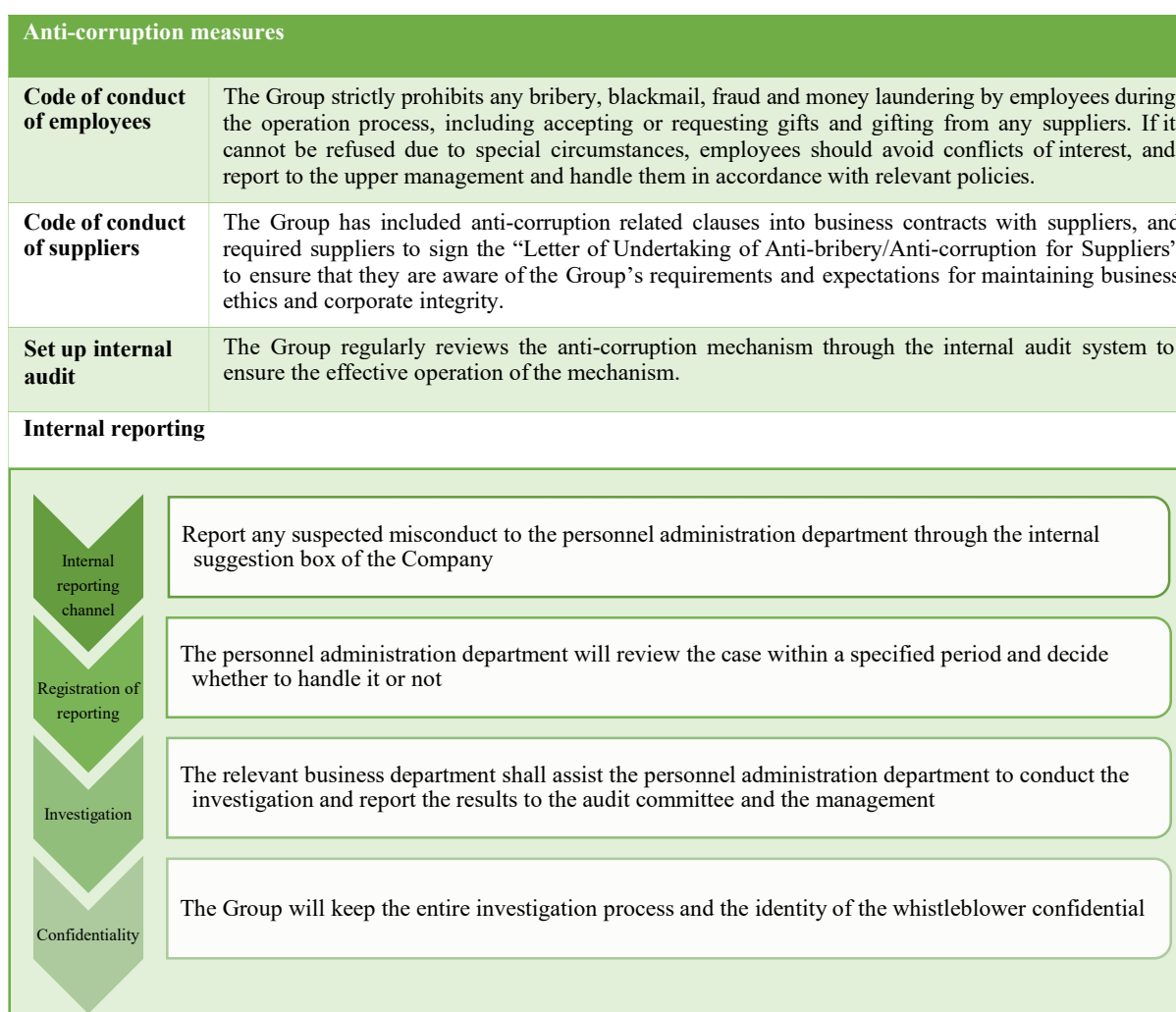
Employee training

The Group regularly arranges trainings for employees to understand the current development of green procurement in the industry and enhance employees' perception and awareness.

Anti-corruption

Adhering to the core values of honesty, fairness and transparency, the Group firmly believes that the strict implementation of anti-corruption policies is the cornerstone for winning long-term customer trust and fostering employee cohesion. To this end, we have formulated the "Group Environmental and Social Policies", and implemented a series of anti-corruption policies and codes of conduct at the Shenzhen Plant, such as the "Anti-corruption and Anti-bribery Control Procedure" and the "Gift and Gifting Procedure", to eliminate any form of corruption and bribery and to cultivate and maintain a culture of integrity within the organization.

In practice, the Group has established clear anti-corruption codes in each business unit to prevent corrupt practices. Any suspected corruption or fraudulent incident is immediately investigated by the relevant business department and reported to the audit committee and management; where necessary, we initiate an internal audit process for independent review. To ensure that value chain partners uphold the same standards, we have included anti-corruption clauses in supplier contracts, clearly communicating the Group's stance and requirements. Furthermore, we integrate these measures with our routine internal audit system, continuously reviewing and enhancing the overall anti-corruption mechanism through regular independent audits.



In order to strengthen employees' awareness of anti-corruption and corporate integrity culture, the Shenzhen Plant provided 48 employees with a total of 48 hours of anti-corruption trainings during the Reporting Period. During the Reporting Period, the Group did not receive any legal cases on corruption against the Group or its employees.

CARE FOR THE COMMUNITY

Adhering to the tenet of “from the community, for the community”, the Group is committed to performing corporate social responsibility to take care of the needs of different people in the communities. The Group has formulated the "Group Environmental and Social Policies" and the "Giving Back to the Society and Social Investment Management System" to implement the Group’s direction of community investment.

The Group encourages employees to actively participate in the public welfare undertakings, giving back to the local community through actions and promoting positive development of the society. The Shenzhen Plant allocated a total of RMB11,000 and 55 hours for different activities in the community during the Reporting Period. Looking ahead, the Group will continue to participate in all kinds of community projects and give back to the society.

Natural Environment

Tree-planting day

A total of 20 employees were sent out to participate in this event and RMB10,000 were invested

Labor Employment

Charity-based recruitment event

A total of 3 employees were sent out to participate in this event and RMB1,000 were invested

Tree-planting day photo of Shenzhen Topwise

The Tree-planting Day activity organized by Shenzhen Topwise not only serves as a concrete manifestation of the company's commitment to environmental protection but also provides employees with an opportunity for outdoor interaction and relaxation. In the process of planting trees together, employees not only exercise but also enhance communication and team cohesion. Such activities benefit employees' physical and mental well-being and strengthen their environmental awareness, enabling them to gain a deeper understanding and identification with the company's sustainable development philosophy, thereby enhancing their sense of belonging and corporate identity. This photo vividly captures the moment of employees enthusiastically participating and contributing to environmental protection, reflecting the company's focus on employee well-being and environmental responsibility.



OVERVIEW OF KEY PERFORMANCE INDICATORS

Environmental Performance

Environmental Key Performance Indicators		2025	2024	2023	2022	Unit
Atmospheric pollutants ⁵	Nitrogen oxides	2.58	1.51	1.19	1.72	kg
	Sulphur oxides	0.07	0.47	0.38	0.49	kg
	Respirable suspended particulates	0.19	0.14	0.11	0.16	kg
Greenhouse gas	Scope 1 ⁶	12.3	95.6	323.5	324.7	Tonnes carbon dioxide equivalent
	Scope 2 ⁷	717.0	797.2	1,107.5	1,252.3	Tonnes carbon dioxide equivalent
	Total greenhouse gas emissions	729.3	892.8	1,431.0	1,577.0	Tonnes carbon dioxide equivalent
	Intensity of greenhouse gas emissions (by output value)	14.6	15.3	18.9	26.3	Tonnes carbon dioxide equivalent/HK\$ million
Hazardous waste	Total hazardous waste	0.3	0.3	0.7	0.4	tonnes
	Intensity of hazardous waste (by per thousand square metre)	0.08	0.09	0.12	0.07	tonnes/ thousand m ²
Non-hazardous waste	Total non-hazardous waste	13.7	18.6	26.3	28.9	tonnes
	Intensity of non-hazardous waste (by per thousand square metre)	4.08	5.56	4.38	4.82	tonnes/ thousand m ²
Energy	Gasoline	44.8	61.3	49.1	61.0	MWh
	Electricity	1,241.2	1,566.7	2,176.4	2,195.8	MWh
	Total energy consumption	1,285.9	1,628.0	2,225.5	2,256.8	MWh
	Intensity of energy (by output value)	25.7	27.8	29.4	37.7	MWh/ HK\$ million
Water consumption	Total energy consumption	4,461.0	5,029.0	2,383.0	2,539.5	m ³
	Intensity of water consumption (by number of employees)	42.5	43.7	22.1	21.2	m ³ /employee
Packaging materials	Total packaging materials	59.5	87.1	119.0	120.4	tonnes
	Intensity of packaging materials (by output value)	1.19	1.49	1.57	2.01	tonnes/ HK\$ million

⁵ Including only atmospheric pollutant emissions related to the combustion of mobile source fossil fuels.

⁶ Scope 1 includes the combustion of mobile source fossil fuels and fugitive emissions related to refrigerants. There were no stationary emission sources during the Reporting Period.

⁷ Scope 2 includes purchased electricity on the Group's premises.

Social Performance

Employee Distribution			2025	2024	2023	2022
Number of employees	Gender	Male	67	74	70	85
		Female	38	41	38	35
	Age	Below 30	25	27	86	53
		30-40	40	47	10	48
		41-50	31	32	10	17
		Above 50	9	9	2	2
	Position	Main leaders	2	2	2	2
		Senior management	11	11	11	11
		Middle management	10	10	10	10
		Ordinary employees	82	92	85	97
Total number of employees		105	115	108	120	
Number and percentage of new hires	Gender	Male	32 (48%)	35 (47%)	35 (50%)	39 (46%)
		Female	16 (42%)	17 (41%)	8 (21%)	12 (34%)
	Age	Below 30	31 (124%)	33 (122%)	43 (50%)	30 (57%)
		30-40	10 (24%)	14 (30%)	0 (0%)	19 (40%)
		41-50	7 (23%)	4 (13%)	0 (0%)	2 (12%)
		Above 50	0 (0%)	1 (11%)	0 (0%)	0 (0%)
	Position	Main leaders	0 (0%)	0 (0%)	0 (0%)	0 (0%)
		Senior management	0 (0%)	0 (0%)	0 (0%)	0 (0%)
		Middle management	0 (0%)	0 (0%)	0 (0%)	0 (0%)
		Ordinary employees	48 (58.5%)	52 (57%)	43 (51%)	51 (53%)
Percentage of new hires		46%	45%	40%	43%	
Number and percentage of employee turnover	Gender	Male	39 (58%)	31 (42%)	50 (71%)	38 (45%)
		Female	19 (50%)	14 (34%)	5 (13%)	13 (37%)
	Age	Below 30	35 (140%)	45 (167%)	55 (64%)	29 (55%)
		30-40	16 (39%)	0 (0%)	0 (0%)	22 (46%)
		41-50	7 (23%)	0 (0%)	0 (0%)	0 (0%)
		Above 50	0 (0%)	0 (0%)	0 (0%)	0 (0%)
	Position	Main leaders	0 (0%)	0 (0%)	0 (0%)	0 (0%)
		Senior management	0 (0%)	0 (0%)	0 (0%)	0 (0%)
		Middle management	0 (0%)	0 (0%)	0 (0%)	0 (0%)
		Ordinary employees	58 (71%)	45 (49%)	55 (65%)	51 (53%)
Percentage of employee turnover		55%	39%	51%	43%	

Staff Training			2025	2024	2023	2022
Number and percentage of trained individuals	Gender	Male	67 (100%)	74 (100%)	70 (100%)	80 (94%)
		Female	38 (100%)	41 (100%)	38 (100%)	34 (97%)
	Position	Main leaders	2 (100%)	2 (100%)	2 (100%)	2 (100%)
		Senior management	8 (100%)	11 (100%)	11 (100%)	11 (100%)
		Middle management	10 (100%)	10 (100%)	10 (100%)	10 (100%)
Ordinary employees	85 (100%)	92 (100%)	85 (100%)	91 (94%)		
Average training time (hour)	Gender	Male	8.0	10.6	9.2	10.1
		Female	8.0	10.6	9.2	11.4
	Position	Main leaders	10.0	10	4.5	6.0
		Senior management	8.7	10	4.5	5.5
		Middle management	10.0	10	4.5	9.6
Ordinary employees	8.3	10.8	10.5	11.3		
Number of employees who receive a regular performance and career development review	Gender	Male	67	74	70	54
		Female	38	41	38	14
	Position	Main leaders	2	2	2	2
		Senior management	8	11	11	11
		Middle management	10	10	10	10
Ordinary employees	85	92	85	45		

Occupational Safety and Health Performance

Occupational Safety and Health Performance	2025	2024	2023	2022
Number and rate of work-related fatalities	0 (0%)	0 (0%)	0 (0%)	0 (0%)
Number of work injury	0	0	0	0
Lost days due to work injury	0	0	0	0

Supply Chain Management Performance

Location Of Suppliers	2025	Percentage of Suppliers Implementing Relevant Practices ⁸
Mainland China	6	100%

⁸ The Group selects suppliers in accordance with the "Social Accountability Management Handbook", the "Procurement Control Procedures" and the SA8000 "Standards on Social Accountability Management System".

"ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING CODE" CONTENT INDEX

Subject Areas	Contents	Section Reference
Mandatory Disclosure Requirements		
Governance structure	(i) Disclosure of the Board's supervision for environmental, social and governance matters.	Message from the Board/ Sustainability governance
	(ii) The Board's approach and strategy for environmental, social and governance management, including the process for assessing, prioritizing and managing significant environmental, social and governance related issues, including risks to the issuer's business.	Message from the Board/ Sustainability governance
	(iii) How the Board reviews progress against ESG-related objectives and explains how they relate to the issuer's business.	Message from the Board/ Sustainability governance
Reporting Principle	Materiality: The ESG report should disclose (i) the process for identifying material ESG factors and the criteria for their selection; and (ii) if the issuer has undertaken stakeholder engagement, a description of the material stakeholders identified and the process and results of the issuer's stakeholder engagement.	Report standards
	Quantitative: Information on the standards, methods, assumptions and/or calculation tools used to report emissions/energy consumption (where applicable) and the source of conversion factors used should be disclosed.	Report standards
	Consistency: Issuers should disclose changes in statistical methodology or key performance indicators (if any) or any other relevant factors affecting meaningful comparisons in ESG reports.	Report standards
Scope of report	Explain the scope of ESG reporting and describe the process of selecting which entities or businesses to include in the ESG report. If the scope of reporting changes, issuers should explain the differences and the reasons for the changes.	Scope of report
"Comply or explain" clause		
A. Environment		
Level 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.	Low-carbon Development, Ecological Stewardship/ Compliance Performance
A1.1	The types of emissions and respective emissions data.	Low-carbon Development, Ecological Stewardship/ Environmental Performance
A1.2⁹	Direct (Scope 1) and energy indirect (Scope 2) GHG emissions and density (if applicable).	Greenhouse gas emissions/ Environmental performance
A1.3	Total hazardous waste produced and intensity (if applicable).	Hazardous Waste/ Environmental performance
A1.4	Total non-hazardous waste produced and intensity (if applicable).	Non-hazardous Waste/ Environmental performance

⁹Phoenitron is listed on the GEM Board of The Stock Exchange of Hong Kong. Disclosure of climate-related information is voluntary. Therefore, this report retains the original index structure for ease of reading.

A1.5	Description of the emission targets and the steps taken to achieve these targets.	Low-carbon Development, Ecological Stewardship
A1.6	Description of the methods used to dispose hazardous and non-hazardous waste, and describe the waste reduction targets and the steps taken to achieve these targets.	Low-carbon Development, Ecological Stewardship
Level A2 : Use of resources		
General Disclosure	Policies on the efficient use of resources (including energy, water and other raw materials).	Resource conservation
A2.1	Direct and/or indirect energy consumption by type in total and intensity.	Energy/Environmental performance
A2.2	Water consumption in total and intensity.	Water consumption/Environmental performance
A2.3	Description of energy efficiency targets and the steps taken to achieve these targets.	Low-carbon Development, Ecological Stewardship
A2.4	Description of whether there is any issue in sourcing water and the water efficiency targets and the steps taken to achieve these targets.	Low-carbon Development, Ecological Stewardship
A2.5	Total packaging material used for finished products and with reference to per unit produced (if applicable).	Raw materials/Environmental performance
Level A3 : The Environment and Natural Resources		
General Disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources.	Low-carbon Development, Ecological Stewardship
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Low-carbon Development, Ecological Stewardship
Level A4 : Climate Change		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Climate change
A4.1 ¹⁰	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Empowering Employees, Strengthening the Enterprise, Operating with Integrity/ Climate change
B. Society		
Level 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, antidiscrimination, and other benefits and welfare.	People as the key, building a better future together /Compliance performance
B1.1	Total workforce by gender, employment type, age group and geographical region.	Social performance
B1.2	Employee turnover rate by gender, age group and geographical region.	Social performance

¹⁰ Phoenitron is listed on the GEM Board of The Stock Exchange of Hong Kong. Disclosure of climate-related information is voluntary. Therefore, this report retains the original index structure for ease of reading.

Level B2 : Health and Safety		
General Disclosure	Information on : (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Health and safety/Compliance performance
B2.1	The number and rate of work-related fatalities in each of the past three years (including the reporting year).	Occupational safety and health performance
B2.2	Lost days due to work injury.	Occupational safety and health performance
B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Health and safety
Level B3 : Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Development and training
B3.1	The percentage of employees trained by gender and employee category.	Social performance
B3.2	The average training hours completed per employee by gender and employee category.	Social performance
Level B4 : Labor 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 labor.	Labor standards/Compliance performance
B4.1	Description of measures to review employment practices to avoid child and forced labor.	Labor standards
B4.2	Description of steps taken to eliminate such practices when discovered.	Labor standards
Level B5 : Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Supply chain management
B5.1	Number of suppliers by geographical region.	Supply chain management/Supply chain management performance
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Supply chain management/Supply chain management performance
B5.3	Description of practices for identifying environmental and social risks in each segment of the supply chain, and related implementation and monitoring methods.	Supply chain management
B5.4	Description of practices to promote the use of environmentally friendly products and services in the selection of suppliers, and related implementation and monitoring methods.	Supply chain management

Level 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, labeling and privacy matters relating to products and services provided and methods of redress.	Product responsibility/ Compliance performance
B6.1	Percentage of the total number of products sold or shipped that have to be recalled for safety and health reasons.	Product responsibility
B6.2	Number of products and service-related complaints received and how they are dealt with.	Product responsibility
B6.3	Description of practices relating to observing and protecting intellectual property rights.	Product responsibility
B6.4	Description of quality assurance process and recall procedures.	Product responsibility
B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Product responsibility
Level B7 : Anti-corruption		
General Disclosure	Information on : (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Anti-corruption/ Compliance performance
B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Anti-corruption
B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Anti-corruption
B7.3	Description of the anti-corruption training provided to directors and employees.	Anti-corruption
Level 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.	Care for the community
B8.1	Focus areas of contribution.	Care for the community
B8.2	Resources contributed to the focus area.	Care for the community