



Xin Point Holdings Limited 信邦控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code : 1571

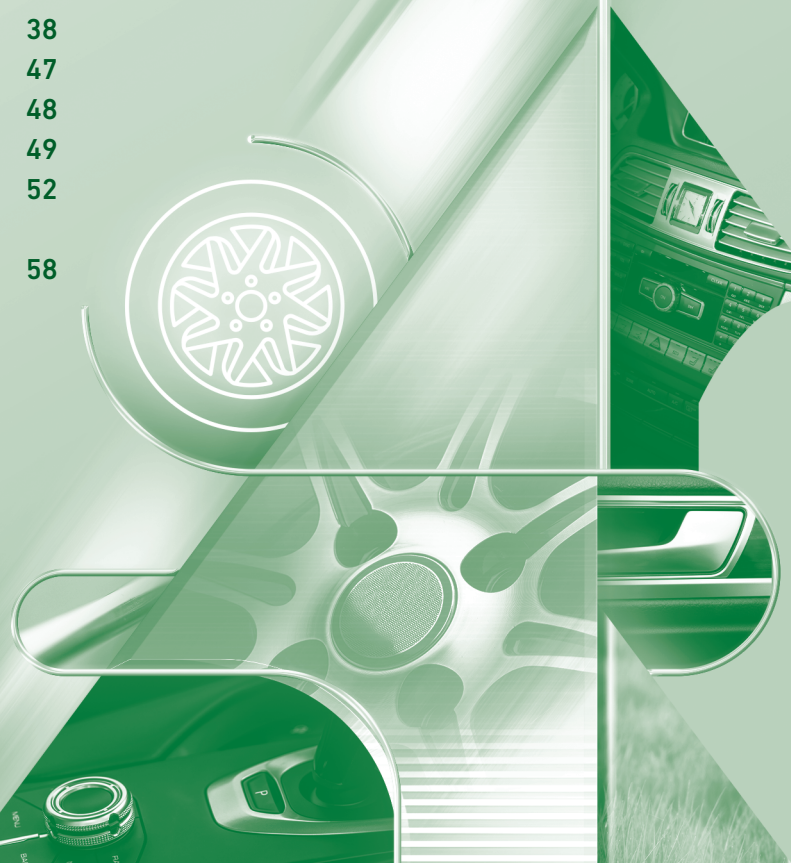
ENVIRONMENTAL, SOCIAL
AND GOVERNANCE REPORT

2024



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Section I – About This Report

1.1 Brief Introduction of the Group

Established in 2002, the Group is a leading automotive plastic electroplated components supplier in China. The Group mainly sold and manufactured electronic and chemical products at its early business stage. Subsequently, the Group transformed its business, expanded its business scope to plastic products, moulding production and electro-plating, and established production bases in Wuxi City and Tianjin City in China.

In 2006, the Group successfully expanded its international business, began selling our products to customers in North America and became the second largest automotive plastic electroplated component supplier in China in terms of sales revenue in that year. We then extended our presence to European markets, such as Germany, in 2008. In line with our business expansion over the years, we have established production bases in Mainland China and around the world to expand the Group's production capacity. During the Reporting Period, the Group's plants in Lagos de Moreno, Mexico and Changzhou, China have commenced mass production.

We aim to establish a leading technology enterprise in the automotive interior and exterior industry. We adhere to the principle of "People-oriented, Prevention-focused", implement the commitment of "Safety first, Recycling preferred, Quality-centered", focus on teamwork and data management, pursue zero defects and strive for continuous improvement so as to satisfy the requirements of applicable laws and regulations, customers' needs and other relevant requirements through continuously providing competitive products and services.

1.2 Introduction of the Report

Xin Point Holdings Limited (the "**Company**" or "**Xin Point**") is pleased to announce the eighth Environmental, Social and Governance ("**ESG**") Report (this "**Report**") prepared by the Company and its subsidiaries (together as the "**Group**" or "**we**") on our initiatives, plans and performance, and to demonstrate our commitment to sustainable development. The Group adheres to sustainable development in accordance with the ESG Management Principles to enable the Company to continuously create value for our stakeholders and to effectively and responsibly address the Group's ESG issues as a core part of our business strategy as we believe this is the key to our continued success in the future.

Reporting Period

The ESG Report details the activities, challenges and measures taken by the Group in respect of environmental, social and governance for the year ended 31 December 2024 (the "**Reporting Period**").

Section I – About This Report

Reporting Scope

The scope of this Report is determined by the management of the Group. Taking the Group's operating income as the benchmark, it includes the businesses with a relatively large financial proportion and significant ESG impacts. Based on these principles, this Report covers our major production business of automotive plastic electroplated components in Mainland China and Mexico. The scope of this Report is consistent with the reporting scope of the Group's annual report, including the headquarter of the Group and the following plants:

- Huizhou production base: Huizhou Xin Point Precision Components Co., Ltd. (惠州信邦精密部件有限公司), Huizhou Keen Point Precision Plastic Co., Ltd. (惠州建邦精密塑膠有限公司), Huizhou Xin Point Surface Decoration Co., Ltd. (惠州信邦表面處理有限公司), Huizhou Keen Point Surface Decoration Co., Ltd. (惠州建邦表面處理有限公司) and Huizhou Xinsheng Technology Co., Ltd. (惠州信升科技有限公司)
- Wuxi production base: Wuxi Keen Point Automobile Precision Molding Co., Ltd (無錫建邦汽車精密模具有限公司)
- Tianjin production base: Tianjin Jinxin Precision Plastic Components Co., Ltd. (天津金信精密塑膠部件有限公司)
- Changzhou production base: Changzhou Xinsheng Automobile Components Co., Ltd. (常州信升汽車部件有限公司)
- Mexico production base: Xin Point Mexico Co., Ltd. (信邦墨西哥有限公司)

Reporting Framework And Principles

This Report is prepared in accordance with the "Environmental, Social and Governance Reporting Guide" (the "**ESG Reporting Guide**") set out in Appendix C2 to the Listing Rules of The Stock Exchange of Hong Kong Limited ("**HKEX**"). If required, the data sheets are accompanied by explanations of the measurement techniques and methods of calculation. Where relevant, we provide justification for previously published data or any restatement of data.

In preparing this ESG Report, the Group has applied the reporting principles set out in the ESG Reporting Guide as set out below:

Materiality During the Reporting Period, the Group has engaged an independent consultant to conduct stakeholder engagement and materiality assessment, so as to understand the material environmental and social issues of our operations and adopt these issues as the focus for the preparation of this Report. The priorities of different material issues have been reviewed and confirmed by the board of directors (the "Board") and senior management of the Company. For further details, please refer to the sections on "Stakeholder Engagement" and "Materiality Assessment".

Quantitative This Report discloses quantitative environmental and social performance data and, where appropriate, provides comparable data. Where appropriate, the Group sets out, in explanatory notes, the standards, methodologies, assumptions and sources of key conversion factors used in the calculation of relevant data.

Section I – About This Report

Consistency The preparation approach of this Report is substantially consistent with that of the previous reporting year. If there is any change in the scope of this Report or the calculation methods that affects the actual comparison effect, it will be specially noted in this Report to provide meaningful comparisons. In the long run, we hope to continuously improve the performance of enterprises in sustainable development through reporting and disclosure, and enhance the transparency of relevant information disclosure.

Balance This Report discloses the ESG performance of the Group during the Reporting Period, and also mentions relevant areas of improvement to present an impartial performance profile.

Forward-looking statement Statements

This ESG Report contains forward-looking statements that are based on the Group's current expectations, estimates, projections, beliefs and assumptions about its business and the markets in which it operates. These forward-looking statements are not guarantees of future performance and are subject to market risks, uncertainties and factors beyond the Group's control. Accordingly, actual results may differ from the assumptions made and statements contained in this ESG Report.

Contact Us

We welcome your feedback on our sustainable development performance and the content of this Report. We believe that your feedback is the driving force for our continuous progress. Should you have any feedback on our sustainable development performance or the content of this Report, you are welcome to contact us through the following ways:

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Company website: www.xinpoint.com

This Report is published in both Chinese and English. The electronic version of this Report is available on the Group's website (www.xinpoint.com). In case of any discrepancy between the Chinese version and the English version, the Chinese version shall prevail.

Board Approval

This Report was approved by the Board on March 27, 2025.

Section II -Sustainable Development Approach


2.1 The Group's Strategies

The Group's sustainable development strategy is based on creating value for our stakeholders. As a well-established enterprise, we deeply understand the relevance of climate, economic, social and supply chain issues to our people's lives and can contribute our efforts to cope with the challenges of sustainable development. The Group's corporate vision is to become a leading technology company in the plastic surface treatment industry. To this end, we adhere to our corporate principle of "People-oriented, Prevention-focused" and implement our commitment to "Safety first, Recycling preferred, Quality-centered" in our operation process. In addition to complying with the laws and regulations of the places where we operate, we also strive to improve the quality of our products and services to satisfy the requirements of customers and other stakeholders. The following are the sustainable development-related management certifications obtained by the Group:


Name of subsidiaries	Certificates obtained
Huizhou Xin Point Surface Decoration Co., Ltd.	ISO14001 Certificate, IATF16949 Certificate
Huizhou Keen Point Precision Plastic Co., Ltd.	ISO14001 Certificate, ISO27001 Certificate, ISO 45001 Certificate, IATF16949 Certificate
Huizhou Keen Point Surface Decoration Co., Ltd.	ISO14001 Certificate, IATF16949 Certificate
Huizhou Xin Point Precision Components Co., Ltd.	IATF16949 Certificate
Wuxi Keen Point Automobile Precision Molding Co., Ltd.	ISO9001 Certificate, IATF16949 Certificate
Changzhou Xinsheng Automobile Components Co., Ltd.	ISO14001 Certificate, ISO9001 Certificate, IATF16949 Certificate
Xin Point Mexico Co., Ltd.	ISO14001 Certificate

Section II -Sustainable Development Approach


Some of the Group's Achievements and Highlights




Awarded Green Supply Chain Partner in China by an international-renowned automobile group



Received the 2023 China Supplier Quality Excellence Award from a reputable international tier-1 supplier



Awarded the Outstanding Supplier from a famous international tier-1 supplier



Awarded the Outstanding Supplier of Automotive Safety System by a well-known tier-1 supplier in China

Section II -Sustainable Development Approach

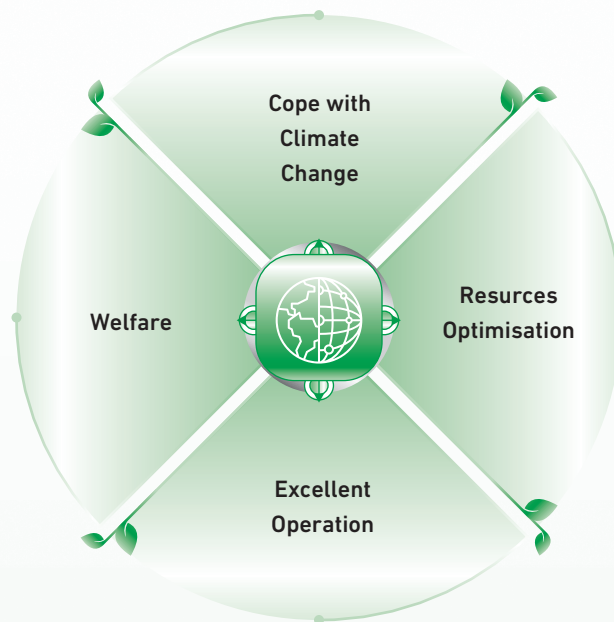
The Group believes that through a good sustainable development governance structure, target setting and implementation of relevant measures, the Group will continue to raise the ESG awareness of its employees, promote behavioural change and gradually integrate the concept of sustainable development into the Group's business development. The Group's approach to sustainable development can be summarised in the following four points:

Cope with Climate Change: adapting to climate change and reducing carbon emissions from operations

Resources Optimisation: optimizing the use and management of natural resources

Excellent Operation: promote best practice in all types of business transactions

Welfare: maintaining a healthy, inclusive and safe environment and a harmonious society



Section II -Sustainable Development Approach

2.2 The Group's Goals

During the Reporting Period, the Group has basically achieved the goals set in 2023, reducing the indicators of water consumption, electricity consumption, waste emissions and greenhouse gas emissions to the set ranges. In order to continue to implement the pace of the green and low-carbon economic transformation into the Company's daily operations and management policies, and at the same time make efforts in the global response to climate change, firmly achieve the goals of "**reaching carbon peak before 2030 and carbon neutrality before 2060**", and promote the evaluation of the effectiveness of the Group's strategies and measures to mitigate the impacts of climate change, the Group has set environmental goals at all levels, as set out below:

Cope with climate change

Reduce the carbon footprint to achieve the global net-zero goal



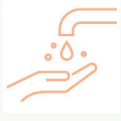
Indicator Reduce total GHG emissions intensity by 1% by 2025 as compared with 2024

Resources optimisation

Accelerate the transition to a circular economy by minimizing resources consumption and maximising recycling



Indicator Reduce electricity intensity by 1% by 2025, using 2024 as the base year



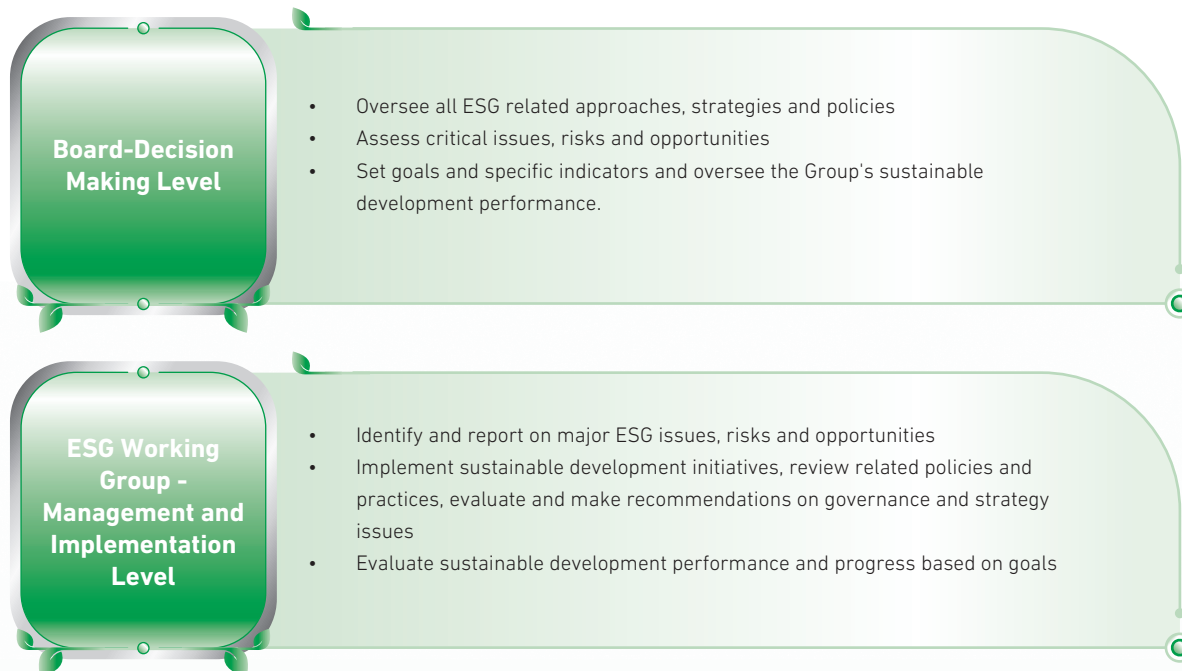
Indicator Reduce water intensity by 1% by 2025, using 2024 as the base year



Indicator Reduce hazardous waste by 2% by 2025, using 2024 as the base year

Section II -Sustainable Development Approach

2.3 Board and Governance Structure



The Board has overall responsibility and reviews the Group's progress towards its sustainable development goals, and also assesses key themes such as climate risks and opportunities, customer experience and employee sentiment. The Board is regularly updated with specific information on ESG matters, including energy policy, stakeholder rights and employee well-being. Board members receive ESG-related training as part of their induction and ongoing development and seek further opportunities to build their skills and experience in this area.

Deeply convinced that effective management of ESG issues is critical to long-term success, the Group will continue to improve the efficient allocation of resources, reduce and recycle all types of waste through a comprehensive understanding of ESG risks and opportunities, and work with regulatory authorities to ensure that waste is disposed of to the highest standards. As part of the business decision-making process, the Group encourages all relevant stakeholders to participate in ESG management to achieve long-term success and ensure the sustainable development of the Group.

Section II -Sustainable Development Approach

ESG Working Group

During the Reporting Period, the Group further improved its sustainable development governance structure by establishing an ESG Working Group (the “Working Group”) under the Board, chaired by the Group’s chief financial officer, with the heads of the Group’s ESG departments as key members, with a view to better integrating sustainable development considerations into the Company’s decision-making process. Within the governance structure, the Board collectively assumes full responsibility for ESG matters of the Group and is required to discuss ESG-related matters collectively at least once a year, provide direction to the Group’s sustainable development strategy, ensure the effectiveness of risk management and internal control systems, approve ESG reports, and monitor the progress of sustainable development efforts. Members of the Board have the appropriate skills, experience, knowledge and perspectives required to oversee ESG matters for the Group. In daily operations, the Working Group assists the Board in ESG matters and is responsible for making decisions and overseeing the corporate sustainable development management model, while each department is responsible for planning and implementing the relevant measures. The Working Group reports to the Board at least once a year and makes recommendations as necessary. The Board will discuss important ESG issues as well as the Group’s management strategy and approach with a view to continuously improving the Group’s sustainable development performance.

Section II -Sustainable Development Approach

2.4 Stakeholder Engagement

The Group consider that relationships with stakeholders enable us to continue to drive sustainable development, in this regard, the Group has established internal and external communication mechanisms within the Group, the Communications Management Process, which seeks to understand and take into account the interests and priorities of key stakeholders, in particular in relation to the major decisions taken by the Board during the year. During Board meetings, the Directors are conscious of the responsibility to support the community and help customers, while continuing to balance discussions on performance, potential risks and responsibilities to shareholders. The stakeholders of the Group include staff members, shareholders and investors, customers, partners (contractors and suppliers), governmental and regulatory institutions, industry associations, media and members of the community. The main channels of communication between the Group and stakeholders are as follows:

Shareholders/investors	<ul style="list-style-type: none">• Annual general meetings and other general meetings• Annual and interim reports• Circular, announcement and press release• The Group's "Investor Relations" webpage
Employees	<ul style="list-style-type: none">• Internal network• Employee training• Employee interview• Employee satisfaction survey• Social media
Suppliers	<ul style="list-style-type: none">• Qualification review• On-site inspection• Interview
Customers	<ul style="list-style-type: none">• Telephone communication• Customer service hotline• Product tracking system
Governmental institutions	<ul style="list-style-type: none">• Interview• Email and circular• Payment of tax in full on time
Media and public	<ul style="list-style-type: none">• Press release• Press conference• The Group's "News Centre" sub-page
Communities	<ul style="list-style-type: none">• The Group's website• Media interview• Social media platform• Community benefit project

Section II -Sustainable Development Approach

2.5 MATERIALITY ASSESSMENT



Cope with Climate Change

- 3. Water and sewage discharge management
- 1. Waste disposal
- 2. Greenhouse gas emissions management
- 5. Risks of climate change

Resources Optimisation

- 4. Management of the usage of energy

Excellent Operation

- 12. Product and service quality
- 11. Product R&D and design innovation
- 13. Protection of intellectual properties
- 14. Information security and privacy protection
- 10. Sustainable supply chain
- 15. Anti-corruption

Welfare

- 7. Employee rights and benefits
- 9. Prohibition of child and forced labour
- 8. Employee training and development
- 6. Employment measures
- 16. Social welfare and charity

Section III – Cope With Climate Change

The major business of the Group is the manufacturing of automotive electroplated components. Inevitably, wastewater and exhaust gas would be emitted and solid wastes would be produced in the process of production. In order to strengthen environmental protection, we strictly abide by the laws and regulations of the places where we operate, including but not limited to the “Environmental Protection Law of the People’s Republic of China”, the “Measures for the Disclosure of Environmental Information of Enterprises and Public Institutions of the People’s Republic of China”, the “Environmental Impact Assessment Law of the People’s Republic of China”, the “Mexican Environmental Standards for Air Pollution (NMX-AA-023-1986)” and the “Hong Kong Air Pollution Control Ordinance”, to ensure that the environmental performance in the process of plant establishment and production meets the local standards. During this Reporting Period, the Group was not aware of any material non-compliance with environmental-related laws and regulations in relation to air and greenhouse gas (“GHG”) emissions, discharges into water and land discharges, and the generation of hazardous and non-hazardous waste that would have a significant impact on the Group.

3.1 GREENHOUSE GAS EMISSIONS

Greenhouse gas emissions are widely recognised as an important source of contribution to climate change and global warming, and it is a major strategic decision for China to achieve carbon peaking by 2030 and carbon neutrality by 2060. In response to the national call, the Group is committed to lowering its emissions and exploring cleaner energy options, and to developing environmentally friendly processes for hexavalent chromium-free plating, in order to progressively realise the Company’s vision of transforming into a low-carbon business model. The Group rigorously tests the relevant greenhouse gas emissions across the entire assessment scope. Our major greenhouse gas emissions originate from direct greenhouse gas emissions from the Company’s combustion of petrol, diesel, liquefied petroleum gas and natural gas, indirect greenhouse gas emissions from purchased electricity and steam as well as other indirect greenhouse gas emissions from purchased goods and services, upstream and downstream transportation and distribution during operations, employee commuting, and business travel. In order to standardise the management of our greenhouse gas emissions and clarify the responsibilities of each department so as to achieve the Company’s zero carbon goal and reduce greenhouse gas emissions, we have formulated the “Greenhouse Gas Management Procedures” and plan to introduce the ISO 50001 energy management system certification, which is expected to be awarded by a third-party certificate in early 2025. The Group also participates in the Carbon Disclosure Project (CDP) questionnaire for the “Climate Change Project”, develops a greenhouse gas inventory based on the GHG Protocol standard accounting criteria, updates the greenhouse gas inventory annually, establishes a management team specializing in the reduction of greenhouse gas emissions, sets an emissions intensity reduction goal, and reduces the absolute emission data for Scope 1, 2 and 3 emissions.

Section III – Cope With Climate Change

During the Reporting Period, the Group's greenhouse gas emissions performance was set out below:

Greenhouse Gas Emissions Category ¹	Unit	2024
Direct Greenhouse Gas Emissions (Scope 1)	Tonnes of CO ₂ equivalent	3,211
1.1 Stationary Combustion	Tonnes of CO ₂ equivalent	832
1.2 Mobile Combustion	Tonnes of CO ₂ equivalent	442
1.3 Fugitive Emissions	Tonnes of CO ₂ equivalent	19
1.4 Process Emissions	Tonnes of CO ₂ equivalent	1,918
Indirect Greenhouse Gas Emissions (Scope 2)	Tonnes of CO ₂ equivalent	76,741
2.1 Purchased Electricity	Tonnes of CO ₂ equivalent	75,122
2.2 Purchased Steam	Tonnes of CO ₂ equivalent	1,618
Other Indirect Greenhouse Gas Emissions (Scope 3)	Tonnes of CO ₂ equivalent	98,764
3.1 Purchased Goods and Services	Tonnes of CO ₂ equivalent	83,213
3.4 Upstream Transportation and Distribution	Tonnes of CO ₂ equivalent	1,110
3.5 Waste Generated in Operations	Tonnes of CO ₂ equivalent	910
3.6 Business Travel	Tonnes of CO ₂ equivalent	635
3.7 Employee Commuting	Tonnes of CO ₂ equivalent	762
3.9 Downstream Transportation and Distribution	Tonnes of CO ₂ equivalent	12,135
Total Greenhouse Gas Emissions (Scope 1 & 2 & 3)	Tonnes of CO ₂ equivalent	178,715
Greenhouse Gas Emissions Intensity	Tonnes of CO ₂ equivalent/ revenue (RMB'million) ²	55.72

Note: The year 2024 is designated as the "baseline year" for the organisation's carbon emissions accounting, and a science-based carbon reduction target will be established.

Notes:

- Greenhouse gas emissions data are presented on a carbon dioxide equivalent basis with reference to, but not limited to, the "Greenhouse Gas Inventory Protocol: A Corporate Accounting and Reporting Standard" issued by the World Resources Institute and the World Business Council for Sustainable Development, "Appendix 2: Reporting Guide on Environmental Key Performance Indicators of How to Prepare an ESG Report" issued by HKEX, "Announcement on the 2022 Electricity Carbon Dioxide Emission Factors" issued by the Ministry of Ecology and Environment of the People's Republic of China in December 2024, and "Sustainable Report 2023" of HK Electric Investments.
- As of FY2024, the revenue within the scope of the Report was RMB3,207.65 million (FY2023: RMB3,102.92 million). This data is also used to calculate other density data.

We place a high priority on energy efficiency and reduction of fuel consumption in order to reduce greenhouse gas (GHG) emissions. In order to manage GHG emissions, we have adopted different measures for the efficient use of energy, and in order to achieve these goals, each subsidiary has formulated measures according to its own circumstances, including but not limited to:

- Shutting down the production line with aging or outdated spray painting;

Section III – Cope With Climate Change

- Strengthening the maintenance and upkeep of electrical equipment, carry out energy-saving renovations on equipment that consumes a lot of electricity, shutting down and eliminate age-old high-energy-consuming facilities, and quote more environmentally friendly and energy-saving equipment to reduce power losses;
- Where feasible, centralised production, centralised shutdowns, shutting down unused equipment after shutdown, eliminating equipment idling and saving electricity;
- Strengthening the publicity of slogans on saving electricity and raising the awareness of employees regarding electricity saving;
- Strictly controlling the use of air conditioners and forming a systematic policy. When the ambient temperature is appropriate, turn off the air conditioners or adjust the set temperature in some areas to reduce the energy consumption of air conditioners;
- Doing a good job of statistical analysis of energy consumption, analyzing and reporting any abnormalities in energy consumption in a timely manner; and
- Requiring production lines to turn on the production equipment and set the equipment parameters (such as fan speed, temperature and humidity parameters) according to production needs. The equipment can be used flexibly when the production requirements of products are met. For example, the constant temperature and humidity equipment can be turned off to save energy when the temperature and humidity requirements of some products are not strict and the ambient temperature is appropriate.

Renewable energy use - Distributed Photovoltaic Power Generation Projects

In addition, the Group actively adopts renewable energy and has launched 500 kilowatt-peak (kWp) and 491.59 kWp distributed photovoltaic power generation projects in FY2020 and FY2021 respectively. A user-side grid-connected power generation system was built at the top of two buildings within Huizhou Keen Point Precision Plastic Co., Ltd in Xikeng Market, Huihuan Town, Huicheng District, Huizhou City, Guangdong Province, to directly convert solar energy into electricity. These two projects annually reduce approximately 21.53 tonnes of carbon dioxide emissions and 545.19 tonnes of carbon dioxide emissions, respectively, and gradually realizing the vision of low-carbon development, contributing to the Group's transition to a low carbon economy.



Section III – Cope With Climate Change

3.2 EXHAUST GAS EMISSIONS

Our exhaust gas emissions come mainly from the plating process, and the surface treatment process of parts is the main cause of exhaust gas emissions from the plant. To mitigate air pollution, we strictly comply with the requirements of the “Law of the People’s Republic of China on Prevention and Control of Atmosphere Pollution” by installing air purifiers and circulation facilities to collect air pollutants from the production workshops and improve the quality of gases emitted.

The Group has strictly complied with and has not violated the exhaust gas emission laws and standards of the places where it operates, including the China’s “Law of the People’s Republic of China on Prevention and Control of Atmospheric Pollution”, the national standard “Emission Standard of Pollutants for Electroplating”, the local provincial standard “Air Pollutant Emission Limit”, as well as the Mexican government’s “Standards for Control of Emissions for Air Pollution - Flue Gas Desulfurization and Acid Condensation Plants - Sulfur Compounds (NOM-137-SEMARNAT-2003)”, “Emission Measurement Standards for Particulate Matters from Solid Wastes (NMX-AA-010-SCFI-2001)” and “Environmental Protection Standards for Air Pollution (NMX-AA-023-1986)”. During the Reporting Period, we have not been prosecuted or penalised for violating the relevant laws and regulations relating to exhaust gas emissions. To ensure compliant emissions, we invited an independent third-party testing company to test the concentration of exhaust gas emissions at each plant exhaust gas outlet during the Reporting Period.

During the Reporting Period, details of the exhaust gas emissions are set out in the table below:

Types of air pollutants	Unit	2024	2023
Nitrogen oxides (NOx)	kilograms	71.89	61.11
Sulphur oxides (SOx)	kilograms	1.93	1.48
Particulate matters (PM)	kilograms	5.29	4.50
VOCs	Tonnes	18.79	4.24
Benzene	Tonnes	0.42	0.00
Methylbenzene	Tonnes	2.91	0.18
Dimethylbenzene	Tonnes	0.09	0.32
Non-Methane	Tonnes	1.81	1.34

In order to continuously advance the goals set by the Group, we have introduced a series of measures to reduce emissions of nitrogen oxides (NOx), sulfur oxides (SOx) and particulate matter (PM):

- Encouraging carpooling and requiring employees to travel to and from the warehouse by hitching a ride in the Company’s trucks or public transportation;
- Using of electric vehicles as shuttles to and from work for employees;
- The exhaust gas treatment facilities in Building A and Building D of the injection molding section have been changed from UV photolysis to activated carbon adsorption, which improves the exhaust gas treatment efficiency;



Section III – Cope With Climate Change

- Maintaining exhaust gas treatment facilities in strict accordance with regulations; and
- Reducing the number of trips and controlling the mileage of vehicles by trying to arrange trips in the same direction at the same time to reduce the mileage.

3.3 MANAGEMENT OF WASTES

We aim to minimise our impact on the environment and have established internal waste management guides to ensure that all waste is properly collected and disposed of by licensed contractors and in accordance with local laws and regulations. We ensure that the processes of all waste generated, temporarily stored and finally disposed of are in compliance with the “Law of the People’s Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste” and other local regulatory requirements, including the “Unified Classification, Labelling and Connectivity System of Hazardous Chemicals (NMX-AA-047-1977)” of the Mexican government.

Our “Waste Management and Control Procedures” specifies detailed data on responsible persons and their responsibilities, and clearly sets out the responsibilities of the relevant departments, such as the administrative department, warehouse management department and production department. Cross-border transfer of hazardous waste is strictly limited. Each department is required to classify wastes into three categories, namely recyclable, unrecyclable and hazardous wastes, and sets out the corresponding treatment procedures according to the types of wastes, including classified collection and temporary storage, temporary storage area management, transfer of hazardous wastes, etc., to avoid contamination of wastes. The procedures require waste processors to obtain the recognition of environmental protection authorities and sign waste disposal contracts before being included in the “List of Waste Disposal Processors” to ensure that hazardous wastes are not handled by non-licensed processors. To further reduce the burden on the environment and landfills, the procedures also require the CEO office’s IT team to collect valuable waste such as electronic waste and end-of-life products and transfer it to a processor that can reuse the item. In addition, we are committed to reusing, recycling or repurposing materials to reduce internal waste emissions, as well as carrying out actions or trainings to raise staff awareness of waste reduction and classification.

Section III – Cope With Climate Change

Non-Hazardous Waste

Our non-hazardous waste includes mainly plastics (sprues), cleaning fabrics, household waste, and general industrial waste. Most of the waste is temporarily stored at designated locations and then recycled by licensed contractors. We are committed to reducing waste generated from our operations through the following waste minimization measures:

- Reasonably promoting paperless offices and using electronic filing to convey information as far as possible;
- Registration for the use of new paper; Use second-hand paper for internal informal documents;
- Implement online office work and gradually achieve paperless operation;
- Reusing single-sided paper that has exceeded its shelf life, printing documents on both sides and using recycled paper reasonably; and
- Reasonable recycling of waste sprues.

During the Reporting Period, the situation of non-hazardous wastes generated by the Group by type is set out below:

Types of wastes	Unit	2024	2023
Plastic	tonnes	2,567.25	1702.63
Cleaning cloths	tonnes	5.10	6.00
Domestic wastes	tonnes	303.70	249.06
Paper	tonnes	15.31	21.06
General industrial wastes	tonnes	381.41	434.60
Total non-hazardous wastes	tonnes	3,272.77	2,413.34
Intensity of non-hazardous wastes	kilograms/revenue (RMB'million) ²	1.02	0.78

Hazardous Waste

Based on the nature of the Group's business, the hazardous waste generated by the Group is mainly electroplating sludge - i.e. hazardous waste containing heavy metals generated after the technical treatment of electroplating wastewater. In view of the hazardous nature of hazardous solid waste, special containers are set up for storage and then recycled by licensed contractors. The external treatment companies engaged by the Group have the relevant permits and operating licences granted by the government.

Section III – Cope With Climate Change

During the Reporting Period, the Group did not receive any non-compliance cases in relation to the laws and regulations on waste management. During the Reporting Period, the situation of hazardous wastes generated by the Group by type is set out below:

Types of wastes	Unit	2024	2023
Electroplating sludge	tonnes	771.11	1,026.79
Electroplating liquid filter	tonnes	34.50	39.28
Paint residue and paint cans	tonnes	479.22	601.34
Total hazardous wastes	tonnes	1,284.83	1,667.41
Intensity of hazardous wastes	kilograms/revenue (RMB'million) ²	0.40	0.54

In order to continuously recommend the established goals, the Group has established measures to reduce the amount of hazardous waste disposed of:

- Shutting down and obsoleting aging and inefficient treatment facilities;
- Shutting down the production line with aging or outdated spray painting;
- Increasing metal recycling rate and reducing pollutant emissions;
- Reducing oil penetration in moulds, equipment, etc. and reducing use of gloves and rags;
- Upgrading and introducing solid waste dehydration and flattening emission reduction processes;
- Labeling each filter bucket to show the time when the paint residue is put into the bucket to reduce the weight of outsourced paint residue disposal with two days of water filtration before it can be stored in the warehouse;
- Contacting the manufacturer of residue treatment equipment to customise suitable filter press equipment to fully filter the water in the paint residue, thereby reducing the weight of outsourced paint residue disposal;
- Implementing strict maintenance of the exhaust gas treatment system to reduce the number of times of replacing the paint-resistant cotton;
- Purchasing activated carbon with high iodine value and evaluating the frequency of activated carbon replacement based on operating conditions to reduce the number of times of replacing the activated carbon; and
- Regulating the operation procedures of tank cleaning in the production workshop to avoid waste generation and effectively reduce the generation of sludge.

Section IV - Resources Optimisation

4.1 Biodiversity and Environmental Protection

In addition to our ambition to achieve net-zero carbon emissions, we have also set ourselves the goal of being a responsible user of natural resources. We ensure that our operations do not adversely affect the environment or natural resources by adopting good operating standards. A CSR Policy has been established within the Group, identifying specific areas of focus, and a Biodiversity Sensitive Areas Statement has been issued, stating that the Company has no sites/businesses adjacent to or located in Biodiversity Sensitive Areas and that we will reduce our wider environmental impact over the next ten years.

4.2 Identify Climate Risks

Physical risks

Types of risks	Hazard	Element	Mitigation measures
Acute/chronic	Coastal flood	Seawater flooding triggered by high tides and waves can damage coastal land, infrastructure and buildings.	Explore business interruption insurance to cover potential losses Develop the "Emergency Response Plan for Environmental Emergencies", set up an emergency command team and define its responsibilities
Acute	Floods, heavy rains	River flooding can damage low-lying buildings or infrastructure. Changes in the volume of water in a catchment area can also cause a river to exceed its capacity and inundate neighbouring areas.	Arrange emergency drills and training Arrange home-based work when necessary Explore and research resilience measures Improve crisis management and transition plan Evaluate emergency response management procedure
Chronic	Extreme wind speed	Extreme wind speed and typhoon may affect buildings and infrastructure.	Develop a strong supply chain to ensure timely delivery of products Carry out regular inspections and maintenance of plant structures
Acute	Mountain forest fire	Mountain fire can spread through trees and forests, damaging buildings and infrastructure.	Implement electricity saving measures
Acute/chronic	Extremely high temperatures	Electronic and mechanical components may fail at extremely high temperatures.	Modify employees' work schedule Install cooling facilities at operating sites

Section IV - Resources Optimisation

Transition risks

Types of risks	Overview	Element	Mitigation measures
Market/technology risk	Change in demand	Changes in societal attitudes, economic activity and government policies drive changes in demand, reducing demand for our products due to our inefficient use of energy or greenhouse gas emissions.	Establish carbon emission goals and reduction plans Implement an energy management system Investigate the potential for installing renewable energy facilities
Market risk	Increase in operating expenses	Operating expenses, such as fossil fuel and labour costs, may change as a result of resource scarcity, changes in market demand, carbon price impacts and technological innovation.	Explore low-cost alternatives to green production Explore low-cost alternatives to green production
Market risk	Increase in raw material prices	Supply-side disruptions could significantly impact raw material costs, which in turn could drive up supply chain costs and affect our procurement activity.	Build strong supplier relationships with suppliers
Market/technology opportunity	Increase in demand for zero-carbon energy	Increase in demand for green energy will lead to new business opportunities.	Senior management closely monitor market trends and government policy direction

In response to stakeholders' concerns about climate-related risks and opportunities and calls for greater transparency, we fully disclose the climate-related risks and opportunities affecting our business performance, as well as our climate-related performance, so that stakeholders are fully aware of our strategic decisions and actions to cope with climate change.

We cordially invite professionals in the fields of risk management and sustainable development to participate in a conference to discuss the importance of identifying and evaluating risks and opportunities. We follow a balanced approach, considering both positive and negative impacts, to maximise positive effects and minimise adverse effects on our business. Climate-related impacts are classified into physical risks, which refer to the tangible harm climate change poses to businesses and/or value chains, and transition risks, which involve various situations companies face when transitioning to a low-carbon economy in response to regulatory agencies and markets.

Section IV - Resources Optimisation

When formulating our business strategies and goals through policies, procedures, products, and services, we take into full consideration the risks and opportunities identified. The group conducts identification and assessment of climate-related risks at various business levels and analyzes and describes them based on the potential impact and likelihood of occurrence. Once risks are identified, relevant departments will assess and implement mitigation control measures and regularly review control mechanisms to ensure effectiveness.

4.3 Energy Management

In 2024, the Group continued to implement effective energy management, aiming to reduce the environmental impact and improve energy utilisation efficiency. We took a series of measures to optimise energy consumption and reduce greenhouse gas emissions. These measures include replacing traditional lighting with energy-saving lighting and carrying out energy-saving frequency conversion renovations on energy-consuming equipment, which can automatically adjust the frequency according to demand, thus reducing power consumption losses. We also implemented centralised production and centralized shutdowns, turning off unused equipment after shutdowns to save electricity. In addition, we reduced the increase and loss of heat by using sunshades, coverings and thermal insulation materials, and optimised the compressed air equipment to reduce the operating load of the equipment. The Group also phased out outdated injection molding equipment and purchased advanced injection molding machines to reduce resource consumption. Ultimately, we raised the goal index for the output rate and optimised production efficiency to further reduce resource consumption.

The Group actively promotes the use of renewable energy and has considered and implemented solar renewable energy solutions to reduce dependence on traditional energy sources and lower carbon emissions. We focus on monitoring and analysing energy data. We have established a real-time energy monitoring system to track and analyse energy consumption and to identify and solve the problem of potential energy wastage in a timely manner. Through this data-driven approach, we are able to develop more accurate and effective energy management strategies.

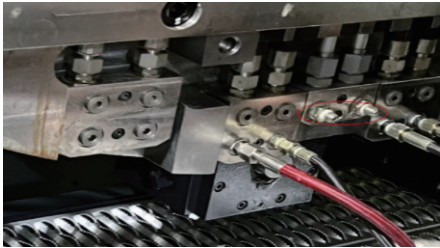
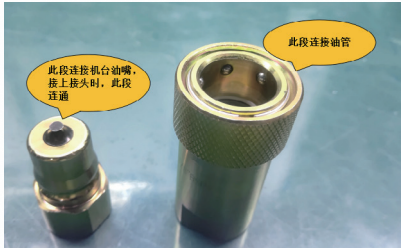
During the Reporting Period, the Group's various energy uses are set out below:

Types of energy	Unit	2024	2023
Total direct energy consumption	MWh	3,795.80	4,275.62
Petroleum	MWh	646.74	607.72
Diesel	MWh	1,004.03	1,443.65
Liquefied petroleum gas	MWh	111.14	431.88
Natural gas	MWh	2,033.89	1,792.37
Total indirect energy consumption	MWh	148,963.04	140,447.94
Purchased electricity	MWh	140,014.50	131,311.33
Purchased steam	MWh	8,948.54	9,136.62
Total energy consumption	MWh	152,758.84	144,723.56
Energy consumption density	MWh/revenue (RMB'million) ²	47.62	46.64*


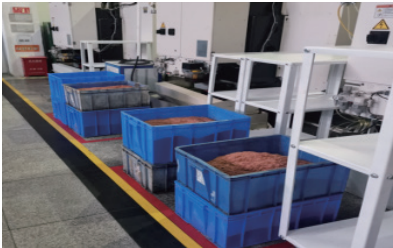
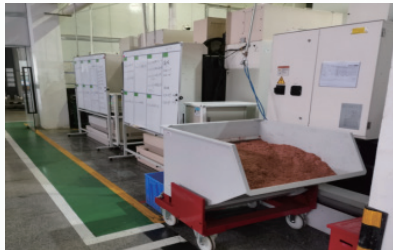
* Such data has been re-adjusted due to updated calculation model

Section IV - Resources Optimisation

The Group carried out a comprehensive energy review to identify areas of potential energy wastage and inefficiency. Based on the results of the review, an energy management plan was formulated with the aim of improving energy usage and reducing energy costs. The plan includes the adoption of advanced energy-saving equipment and technologies, optimisation of production processes, enhancement of equipment efficiency and promotion of employee participation in energy-saving actions. The following are examples of the Group's outstanding energy management:

Project		
Improvement Proposal	Before Improvement	After Improvement
Improvement of Oil Leakage Reduction in Machine Oil Pipe Connector		
	Problem: Oil leaks easily when the oil pipe connector is inserted or removed from the machine, resulting in waste. The oil on the ground is easy to cause slipping and falling safety hazard. It takes time and effort to clean up the oil leakage, which affects the efficiency of loading and unloading the mould.	Improvement method: Replace the oil pipe connector with a quick connector.
	Improvement effect: <ol style="list-style-type: none">After the improvement, an average of 0.923L of leakage oil can be saved per mould change (RMB20.6/L), and each machine can save RMB19 per mould change;Save the time of loading and unloading the mould: 4-5 hours for loading the mould and 3-4 hours for unloading the mould before improvement; 3-4 hours for loading the mould and 2-3 hours for unloading the mould after improvement;No more connector oil leakage problems on site, effectively eliminating the waste of time and safety hazards of cleaning.	

Section IV - Resources Optimisation

Project	Improvement Proposal	Before Improvement	After Improvement
Improvement of Oil Leakage Reduction in Machine Oil Pipe Connector	Problem: Copper slag and iron slag are mixed, and the box is easily crushed. There is no filtration of waste oil in the slag.		
	First improvement: Place copper and iron slag in separate areas, and draw a line to locate the rubber box. Set up oil drain holes at the bottom of the box to filter waste oil to the waste oil tank.		Second improvement: Increase pedestrian access of the safe production on the ground, create a trolley with double layer of waste slag drainage oil activity, with waste oil filtered directly to the bottom.
Improvement effect:		<ol style="list-style-type: none"> 1. Iron slag/copper slag frame needs 2~3 people to lift, which is a waste of time and unsafe, the oil filtering porter can filter oil and load/unload automatically, which reduces the labour intensity. 2. Before improvement, 2 times a month to clear the slag, it takes people for 1 hour to complete. After the semi-automation of the trolley, each time the slag clearing is reduced to 1 person for 30 minutes. Monthly savings of RMB400, equivalent to annual savings of RMB4,800. 	

Section IV - Resources Optimisation

Project

Improvement Proposal

Before Improvement

After Improvement

Improvement on the Optimisation of the Replacement of Dust Vent



Problem:

The dust suction pipe of the grinding machine is connected to all the pipes and is in the open state, and the equipment is also pumping dust when it is not open, leading to the waste of suction power and the increase of energy consumption cost.

Improvement effect:

Maximise the use of dust suction machine and save electricity.

Improvement method:

Each grinding machine increases the dust suction pipe throttle valve, open when the equipment is in use, switch off when not in use, so as not to waste the "suction power".

During the Reporting Period, the Group also issued the "Compilation of Cost Reduction and Efficiency Improvement", which mainly includes 11 cases of cost reduction and efficiency improvement that generated economic benefits in 2023. We distributed this book to various departments to facilitate employees of all departments to refer to and learn from it to encourage all employees to actively submit improvement proposals and offer suggestions and strategies for cost reduction and efficiency improvement.



4.4 MANAGEMENT OF WATER RESOURCE

Drought threatens the livelihoods of people across the globe. By 2050, drought could affect a large proportion of the world's population. Water is essential to human survival. In the face of such challenges, we actively seek pragmatic solutions and protect water resources. We also regularly review our exposure to water scarcity risks and monitor them.

The Group has strictly complied with and has not violated the laws and regulations of the regions where it operates, including the "Water Law of the People's Republic of China", the "Law of the People's Republic of China on the Prevention and Control of Water Pollution" and the "Law of the People's Republic of China on Prevention and Control of Radioactive Pollution". At the same time, we have established internal "Wastewater Treatment Control Procedures" to strictly handle wastewater discharges and ensure that the discharged water quality meets the relevant standards set by Chinese and the Mexican governments, such as the "Maximum Permitted Limits of Pollutants in National Water Discharge Wastewater (NOM-001-SEMARNAT-1996)" in Mexico.

During the Reporting Period, the Group was not aware of any non-compliance cases in relation to laws and regulations related to water consumption, and did not encounter any issue in sourcing water that was fit for purpose due to its geographic location that its operation located.

Section IV - Resources Optimisation

The Group seeks pragmatic solutions to improve water efficiency, reduce waste at the source and promote recycling. As the plating process for automotive plastics requires a large amount of water, the Group prioritises the reduction of water consumption and wastewater discharge in the production process. As the recycling process of precious metal generates electroplating wastewater, we recycle such water and reuse it in different production steps. This helps us make full use of water resources. In addition, we have established a "Water and Electricity Management System", which sets out a series of water saving measures.

Shutting down the production line with aging or outdated spray painting;

Educating and informing staff, strengthening their operational training and increasing awareness of water conservation so that it becomes a conscious act for everyone;

Refined management and maintenance, optimisation and repair of water-using equipment to prevent leaks;

Controlling and regulating the water level of each water tank to prevent the water from being wasted when the water level is too high and parts of the water on the water surface being drawn into the air duct by the wind;

Carry out daily inspections according to the trench inspection schedule to reduce leakage such as dripping, seeping, and running;

Recycled water is used in the toilets;

Turning on the humidifier for production according to production needs, which shall be turned off when the ambient humidity is suitable and the product does not have strict requirements on humidity so as to reduce unnecessary waste; and

Repairing leaking cooling water pipes and reduction of water tower change and cleaning frequency to reduce water consumption.

Section IV - Resources Optimisation

During the Reporting Period, the Group's water consumption situation was set out below:

Indicator	Unit	2024	2023
Water consumption in production	Cubic meter	429,573.1	586,434.6
Domestic water consumption	Cubic meter	87,374.6	65,905.1
Total water consumption	Cubic meter	516,947.7	652,339.7
Water intensity	Cubic meter/revenue (RMB'million) ²	161.2	210.2*

* Such data has been re-adjusted due to updated calculation model

WASTEWATER TREATMENT

The Group strictly complies with and has not violated the wastewater treatment requirements set by the state, including the "Emission Standard of Pollutants for Electroplating (GB 21900-2008)" and other local government requirements for water pollutant emission control, such as the "Electroplating Water Pollutant Emission Standard DB 44/1597-2015" imposed by the Guangdong Provincial Government. In addition, our plants have referred to the national standard "Technical Specification for Electroplating Industry Wastewater Treatment (HJ2002-2010)" and adopted the wastewater treatment compliance projects and technical solutions to properly treat industrial wastewater containing heavy metals, acidic and alkaline wastewater discharged from the electroplating and painting processes. In the process of metal recycling and treatment, the rinse water used in the metal trench is collected by a combined process of microfiltration + ultrafiltration + membrane filtration, and then pressurised by a booster pump. After pressurisation and multi-layer filtration, the rinse water is turned into a transparent liquid, and then the separated recycled water is put back into the production line for reuse.

Furthermore, to strengthen internal management, the Group has formulated the "Wastewater Treatment Control Procedures", which clearly sets out the wastewater treatment processes and operations, water sampling requirements and discharge requirements, emergency response methods, reports and records, etc. The procedures also instruct all plants to install appropriate wastewater treatment facilities to ensure that wastewater is properly filtered and treated before it is discharged. We have installed surveillance cameras and wastewater recycling equipment in the industrial park to further monitor the wastewater treatment process to ensure that the level of pollutant discharge reaches the national emission standards. As technology advances, we will continue to explore design improvements, adopt advanced process technologies and equipment, use quality raw materials, and improve management to enhance our prevention and control efforts.

The Group's water usage is entirely provided by the municipal water company, and there are no issues in sourcing water from them. During the Reporting Period, our wastewater discharge met the requirements of the national and local governments, and there was no incident of non-compliance.

Section IV - Resources Optimisation

During the Reporting Period, the Group's wastewater discharge situation was set out below:

Wastewater quality index	Unit	2024	2023
Domestic wastewater	tonnes	98,033.68	70,524.08
Wastewater discharged in production	tonnes	411,955.38	524,908.61
Chemical oxygen demand (COD)	tonnes	103.65	47.08
Ammonia nitrogen	tonnes	14.88	11.30
Heavy metals	tonnes	1.38	1.03

4.5 PACKAGING MATERIAL USE

In order to recycle our packaging materials, the Group has set up the "Packaging Material Recycling Management Standards" to effectively reduce waste of resources, lower costs and increase the utilization rate of packaging materials. In 2024, the Group used 3,562.31 tonnes of cartons (2023: 3,933.77 tonnes). In order to improve our sustainable development practices and pledge to refrain from the excessive use of packaging materials, the production department must plan the use of packaging materials in a way that maximises economic and environmental benefits, and adopt simple and environmentally friendly packaging designs to effectively reduce production and packaging material costs, while complying with laws and regulations and without compromising product quality. Packaging materials used on a daily basis meet the requirements of the National Environmental Protection Authorities and are purchased centrally at regular intervals based on demand, minimising wastage. In the process of transportation, the Group also fully replaced the traditional cardboard boxes with new cardboard boxes in order to solve the problems of the traditional cardboard boxes in transportation, such as deformation due to moisture, compression and deformation caused by the storage of heavy items, rapid deterioration and consumption, low reuse frequency, etc. The new cardboard box can be used an average of 20 times, making it more durable than the old paper boxes, which could only be used about 6.95 times.

During the Reporting Period, the situation of the Group's packaging materials consumption was as follows:

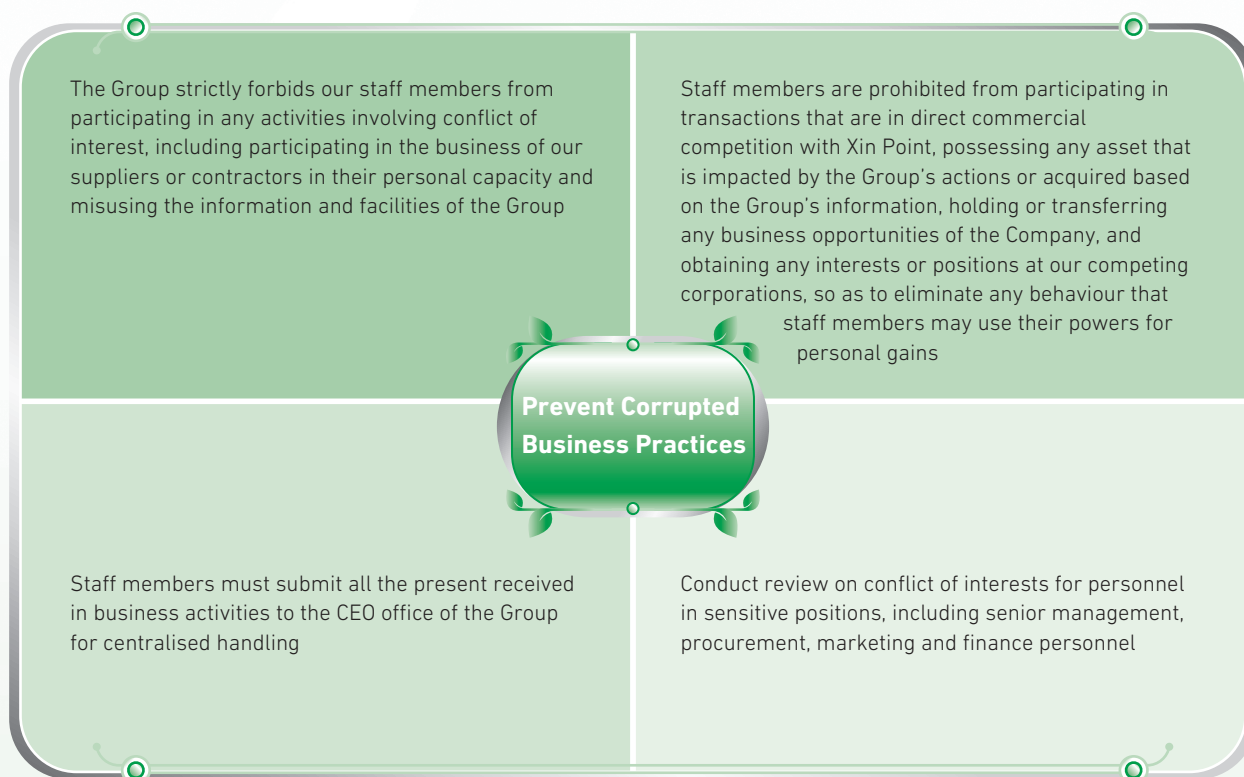
Resources consumption	Unit	2024	2023
Packaging boxes	Tonnes	3,562.31	3,933.77
Packaging materials intensity	Kilograms/revenue (RMB'million)	1.11	1.27

Section V - Excellent Operation

5.1 Anti-bribery and Anti-corruption

We operate with integrity and have established a risk management framework and policies to govern, monitor and report on illegal behaviour. Employees of Xin Point must maintain their good reputation for integrity and honesty, and this principle must not be sacrificed for the sake of achieving a goal under any circumstances, and all employees must not be biased, abuse their positions, or give or accept bribes or break the law. The Board of Directors has the responsibility to urge the management to establish a company-wide anti-fraud culture environment, to establish a sound internal control system including fraud prevention, to establish a good internal control mechanism, to set up a whistleblowing and complaint channel to prevent and detect fraud, to implement control measures to reduce the chances of fraud occurring and to take appropriate and effective remedial measures against fraud. Once a year, we organise a declaration of employee conflict of interest to the senior management of the Company and the key personnel in charge of sensitive positions such as procurement, marketing and finance.

In order to prevent corrupt business practices, the Group has implemented a series of measures in its operations:



Section V - Excellent Operation

Whistleblowing mechanism

The Group adheres to a “zero tolerance” stance on corruption issues, establishes channels for reporting and complaints, and encourages employees to report misconduct. In order to open up the channels for employees to voice their opinions, enable employees to express their true feelings, continuously pay attention to the demands of employees, and allow employees’ opinions or suggestions to be paid attention to, get feedback and implementation, the liaison organization will deal with them in a fair manner, and on the premise of complying with the professional ethics and the Company’s management system, and in an objective manner, ensuring employees’ requests are addressed. We have established the “Notice on Employee Requests or Help Channels J-HR-2023-161” and an “Anti-Fraud Whistleblowing System” and a sound internal control system to assist the Board in performing internal supervision over the management. According to the management structure of the “Anti-Fraud Whistleblowing System”, employees and external third parties can make named or anonymous reports via our whistleblowing hotline and email. Meanwhile, the system also states that the Group shall ensure the rights and interests of the investigating personnel and whistleblowers are protected, and discrimination, revenge and hostility against them are prohibited. In case of violation, the offenders will be punished or dismissed accordingly. Those who violate the criminal laws will be handed over to the judicial authorities for action in accordance with the legal requirements. At the same time, the Group will take remedial measures in a timely manner to assess and improve the internal controls of the affected business units. We regularly review the effectiveness of anti-corruption related policies and practices.

Whistleblowing channels allow colleagues and other stakeholders to voice concerns, all data is kept strictly confidential, and the option to do so anonymously is available in accordance with legal and regulatory requirements. We provide a number of ways to express their opinions, giving colleagues and stakeholders the confidence to report illegal or unethical behaviour if they become aware of it. Their concerns are expressed through the most effective channels. We always listen to the concerns of individual employees and do not tolerate any retaliation.

We will independently investigate whistleblowings made in a proportionate manner and take action where appropriate, including disciplinary action, dismissal, and adjustments to variable pay and performance ratings. We ensure that whistleblowers are protected from unfair dismissal, victimisation or unjustified disciplinary action. During the Reporting Period, the Group was not aware of any material non-compliance with related laws and regulations of bribery, extortion, fraud and money laundering that would have a significant impact on the Group. No concluded legal cases regarding corrupt practices have been brought against the Group or its employees during the Year.

We strive to act with courage and integrity, and learn from past events. We are not only responsible for our customers and society as a whole, but also for our colleagues, ensuring that they take pride in their work. We strive to make decisions based on doing the right thing for our customers and will never violate ethical standards or integrity.

5.2 SUPPLIER MANAGEMENT

We have a comprehensive supply chain management system. To ensure that suppliers meet our stringent requirements for compliance, integrity and sustainability, and to provide better guidance to suppliers, the Group has developed the “Supplier Code of Conduct” as well as the “Sustainable Procurement Control Procedure”. This policy outlines our suppliers’ management of environmental and social practices. All suppliers and business partners, including subcontractors, are expected to comply with relevant environmental and social laws and regulations and act in accordance with our environmental and social policies. Based on the standard requirements of human rights, labour, health and safety, environment, business ethics, and sustainable procurement, etc., we build a supply chain that complies with the relevant guidelines on Corporate Social Responsibility (CSR), assess the ability of all suppliers to implement CSR and encourage them to gradually improve their CSR capability, and carry out conflict minerals investigations on suppliers in accordance with the “Conflict Minerals Control Management Procedure”. The Company purchases legal, reliable and internationally price-competitive products and services from companies with a strong sense of social responsibility and awareness of quality and cost improvement, and meets the requirements of customers by manufacturing quality products and providing timely and quality services.

The Group has set out the selection, evaluation and review of suppliers to standardise supplier management in the “Supply Chain Management Control Procedures. In order to ensure the quality of raw materials for our products, the procurement department of the Group has formulated the “Supplier Basic Information Survey Form” and “Supplier Social Responsibility Survey Form” to conduct background investigation on each potential manufacturer. Suppliers passing the above review will be included in our list of approved suppliers for selection by the procurement department. In the selection of suppliers, in addition to evaluating the product quality and prices of suppliers, we also require suppliers to at least obtain ISO9001:2000 certification and aim to meet the requirements of IATF16949:2016 automotive industry supplier quality system in the long run, so as to ensure that the products meet international standards.

Section V - Excellent Operation

Green Procurement

On the environmental front, we evaluate suppliers' environmental management system on how they ensure the effectiveness of their system on a continuing basis, whether they monitor the greenhouse gas emissions of their own and improve their energy consumption efficiency and whether they set sustainable development requirements for their suppliers and monitor the fulfillment of such requirements. Suppliers are required to confirm their compliance with laws related to environmental protection, provide relevant qualifications and certificates and analyse the hazardous substances used in the product ingredients. In addition, we request suppliers to sign the "Green Procurement Agreement" formulated by the Group, and suppliers must meet our environmental material management requirements before being included in the list of approved green suppliers. These requirements include the compliance of raw materials with national and local laws and regulations, active measures to deal with excessive pollutants emitted during the production process, and to ensure the materials purchased from third parties also comply with the stipulated requirements.

The procurement department distributes the "Environment Quality Questionnaire for Suppliers" to suppliers to fill it in, understands the environmental performance of the suppliers in respect of the implementation of ISO14001/GP Environmental Quality Management System, the use of hazardous substances, waste disposal and the environmental impacts of chemicals and records the relevant results in the "Supplier Semiannual/Annual Review Form". If suppliers fail to pass the audit requirements or there is any material quality, social or environmental incident, we will consider revoking their qualifications. At the same time, we conduct on-site audits at suppliers' plants from time to time and evaluate suppliers' performance according to the environmental requirements in the "Supplier Supervision List".

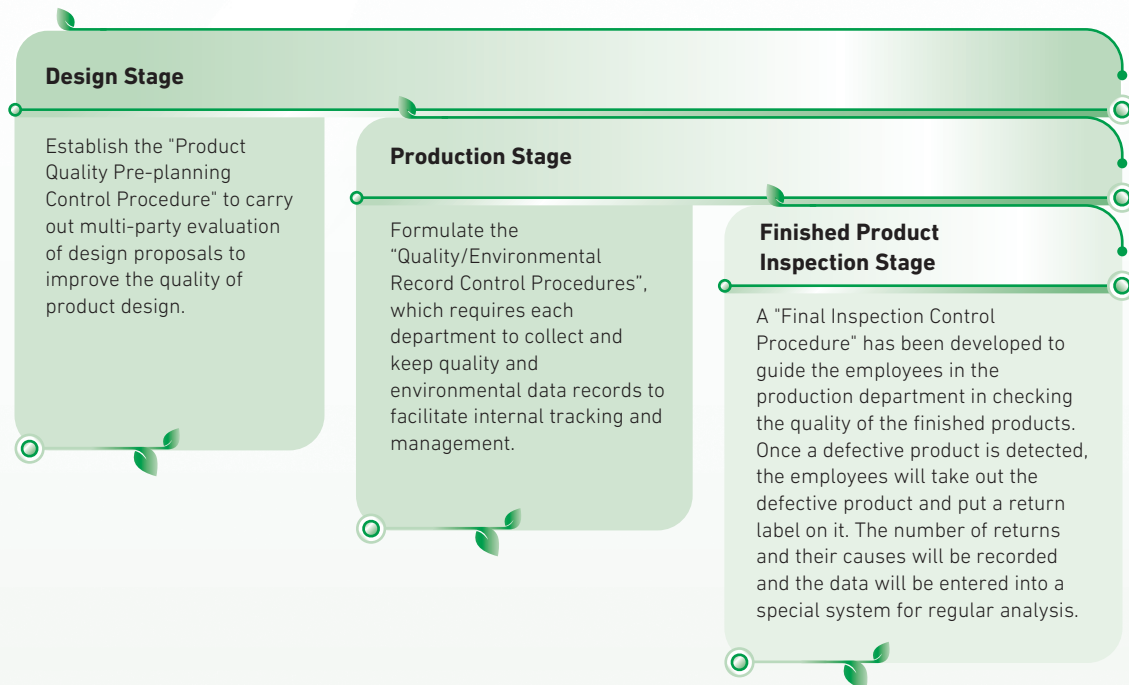
During the Reporting Period, the distribution of the Group's suppliers is set out below:

Supplier locations	2024	2023
Mainland China	1,098	992
Hong Kong and Macau	9	5
Others	160	194

5.3 PRODUCT RESPONSIBILITY

The Group deeply understands the importance of product quality to the reputation of a brand and therefore continuously strives to improve product quality and ensure customer satisfaction by establishing a sound quality assurance process and providing excellent after-sales services. To become a leading technology-based enterprise in the plastic surface decoration industry, the Group is committed to continuous improvement and management of our products and services with the goal of "zero defect". Two of our plants have been certified by the ISO9001:2015 Quality Management System Standard, and six of our plants have been certified by IATF16949-2016 Automotive Quality Management System Standard, meeting the industry's quality standards. In addition, we ensure that the Group's products strictly follow the product specifications of the sales regions and the relevant customers' requirements.

To safeguard the Group's product quality, we have formulated different internal management procedures to conduct quality inspection and improvement work at each step of product design and production to ensure that the Group's products meet the requirements in different aspects, such as quality and safety.



In addition, the Group also raises employees' requirements on product quality through various channels such as publicity and training. We also illustrate the quality requirements and the Group's management approach to employees through promotion channels such as display boards and billboards. During the Reporting Period, we have provided employees with various training on quality enhancement, covering quality awareness, control on unqualified products and software operation, etc. Upon completion of the training, instructors will assess the staff to ensure that they have firmly grasped the knowledge taught in the courses.

Section V - Excellent Operation

During the Reporting Period, no products produced and sold by the Group were recalled for safety and health reasons. At the same time, the Group was not aware of any incidents of non-compliance with related laws and regulations concerning health and safety, advertising, labelling, and privacy matters relating to products and services provided and methods of redress that would have a significant impact on the Group. The Group has strictly complied with and has not violated the laws and regulations of the regions where it operates, including but not limited to the "Certain Provisions on the Security Protection of Calculator Information Systems of the People's Republic of China", the "Regulations on Trade Secrets of the People's Republic of China", the "Advertising Law of the People's Republic of China", the "Law of the People's Republic of China on the Protection of Consumer Rights and Interests", the "Federal Law of Mexico on the Protection of Privately Held Personal Data", the "Trademark Law of Mexico" and the "Personal Data (Privacy) Ordinance of Hong Kong", which would have a material impact on the Group.

Customer Relationship Management

Customer experience is at the centre of our business approach. We continually interact with our customers to identify and understand their needs in order to improve the customer experience. We measure customer satisfaction by conducting surveys for each of our businesses. The marketing department distributes the "Customer Satisfaction Survey Form" to customers every half year to collect and analyse their satisfaction data. In the Survey Form, customers will rate us in six aspects, namely product quality, technical capability, price, delivery capability, service attitude and environmental protection capability.

In the FY2024 Customer Satisfaction Survey, our products scored an overall score of 98.2 (2023: 97.3), which represents an overall satisfaction rate of 100%, which shows that the quality of the Group's products and services are at an excellent level and are highly recognised by our customers.

Complaint Handling Procedure

In order to provide better service to our customers, we must listen carefully when things go wrong and respond quickly to support our customers to face new challenges and ways of working. The Group endeavours to follow up, record and manage complaints in an open and consistent manner. In order to gather and follow up on customer opinions more efficiently, the Group has formulated the "Customer Complaints and Goods Return Procedures", which sets out the responsibilities of each department in response to customer complaints and return requests. Since 2012, every plant under the Group has started to record each complaint case and its outcome. By analysing the causes of complaints, we have continued to improve the quality of the Group's services and products.

During the Reporting Period, the Group received a total of 155 complaints (2023: 294 complaints) related to products and services. All customer complaints were properly followed up or dealt with and no complaint incidents with significant impact on the Group have been identified.

Section V - Excellent Operation

Promotion and label

The Group is committed to providing transparent and accurate information to help customers make informed purchasing decisions. We strictly comply with all relevant regulations and industry guides. To promote responsible marketing practices, we have implemented a rigorous internal review system for promotional data and labels. The Group's products and services comply with the laws and regulations relating to advertising and labelling, such as the "Advertising Law of the People's Republic of China", the "Law of the People's Republic of China on Protection of Consumer Rights and Interests" and the "Trademark Law" of Mexico. External release of publicity materials and information about products and services is not allowed before being reviewed by designated personnel to ensure that the Group's customers are not misled.

During the Reporting Period, to the best knowledge of the Group, there were no violations of relevant laws and regulations concerning advertising and labelling of the Group's products and services that had a material impact on the Group.

Data Protection

The Group is committed to operating in accordance with relevant laws and regulations and to protecting and respecting the data we hold and process. The Group's guidance relies on having appropriate technology, systems, controls, policies and processes in place to ensure proper management of privacy risks, especially the data related to customers. The Group strictly abide by the relevant laws and regulations of the place where it operates, including but not limited to the "Regulations of the People's Republic of China for Safety Protection of Computer Information Systems", the "Regulations of the People's Republic of China for Protection of Commercial Secrets", the "Federal Law of Mexico on the Protection of Privately Held Personal Data" and the "Personal Data (Privacy) Ordinance of Hong Kong".

We have formulated the "Confidentiality System", which clearly defines business information and technical information, and specifies the confidentiality requirements for different information. All employees who have access to the Group's confidential information or items are not allowed to disseminate or disclose the relevant content. In the event of a leak of confidentiality that causes damages to the Group, the leakers will be fully liable and will be punished according to "Employee Handbook". All employees who have access to confidential documents, materials and other items are required to sign a confidentiality agreement.

In order to ensure the safe and stable operation of the Group's information system, the Group has also set up the information security management committee, which adopts appropriate strategies and security measures to coordinate the management and maintenance of information security while implementing the "Information Asset Management Procedures", the "Communications Security Management Procedures", the "Information Security Incident Management Procedures", the "Physical and Environmental Security Management Procedures", the "Information Security Management Procedures for Supplier Relationships" and other relevant policies. The information security management committee also maintains proper communication with relevant government departments, specific interest groups and other security forums and professional associations.

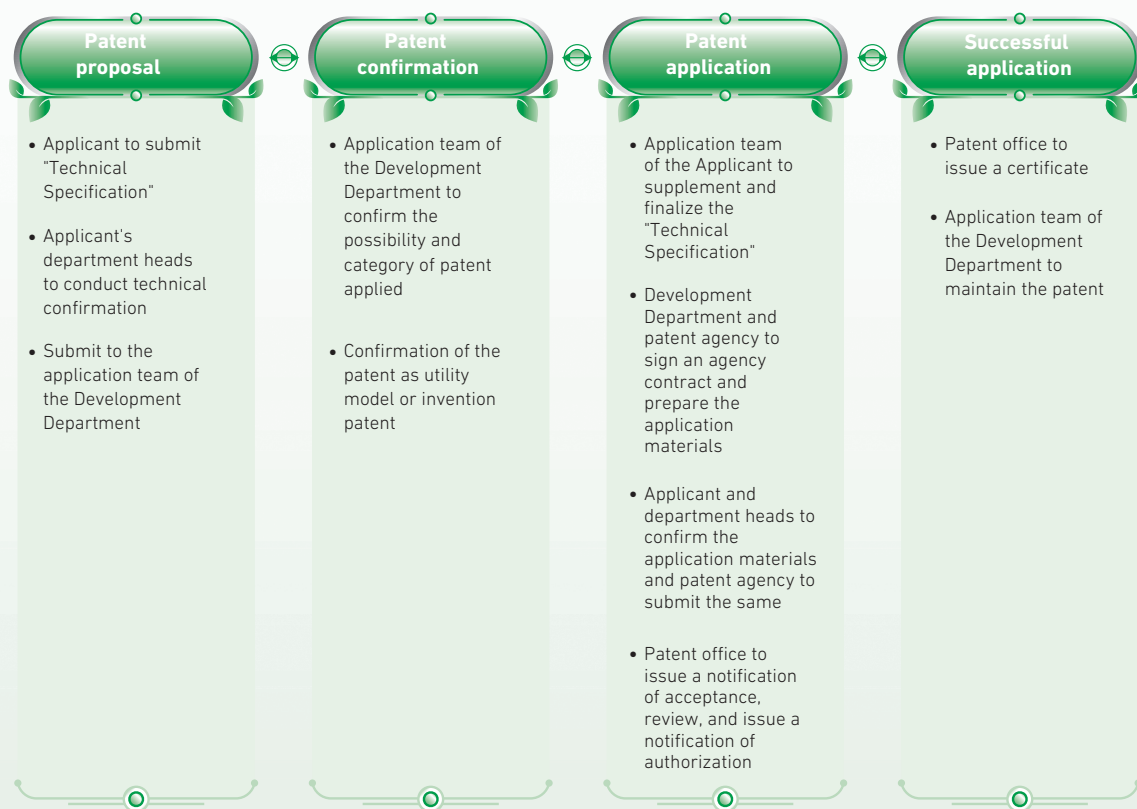
Section V - Excellent Operation

Intellectual Property Rights

We have policies, controls and guides in place to manage the risks associated with intellectual property rights, to help ensure that intellectual property rights are properly identified, maintained and safeguarded, and to help ensure that we do not infringe on the intellectual property rights of third parties in our daily business. These policies and controls assist us in managing intellectual property risks and, in terms of implementation, help to ensure that intellectual property risks are effectively and consistently kept within our tolerance level.

The Group has established the "Confidentiality System" that requires employees to observe and respect the Group's corporate intellectual property rights. We have also implemented a series of measures to protect intellectual property rights, including trademark registrations, patent applications, confidential technical solutions, etc., and appointed a dedicated personnel responsible for the management of intellectual property rights, listing details and establishing files. The Group endeavors to make comprehensive use of intellectual property rights to protect the interests of the Group, and apply for intellectual property rights that may have a significant impact on the Group as early as possible, so as to maximise the protection of the Group's interests. In the process of cooperating with other units or individuals, the ownership, scope of use, term, and distribution of subsequent research and development results of the intellectual property rights involved will be stipulated in detail, and relevant legal documents are signed. We have obtained 21 patents in China, the scope of which covers various aspects, including product design, production equipment standards and process technologies, etc.

The Group has established a set of procedures for applying for patents, and the specific procedures as set out below,



Section VI - Group Welfare

6.1 EMPLOYMENT ORDINANCE

The Group endeavours to support the welfare and development of our employees so that they can advance their knowledge and careers. The success of the Group, to a large extent, depends on creating an inclusive, healthy and stimulating workplace for our employees. We build resilience, diversity and inclusion for employees by supporting their growth and welfare, and ensure that they have the skills and knowledge they need for their future careers during a period of major economic transition.

During the Reporting Period, the Group was not aware of any material non-compliance with any relevant laws and regulations in relation to compensation and dismissal, recruitment, and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare, that would have a significant impact on the Group. The Group strictly abides by the relevant laws and regulations of the places where it operates, including but not limited to the "Labour Law of the People's Republic of China", the "Mexican Labour Law", the "Mexican Social Security Law (Ley Del Seguro Social)" and the "Hong Kong Employment Ordinance", to establish and maintain good labour relations, facilitating the attraction and retention of talents.

The Group adheres to the principles of openness, fairness and impartiality in the recruitment process to ensure that the candidates' treatments are not affected by factors such as gender, race, religious belief, age, disability status, sexual orientation, nationality, political views, social status, and clan background, etc. Job advertisements should be prepared in a rigorous manner, avoiding discriminatory content. Male and female employees enjoy equal employment rights. When hiring employees, except for types of work or positions that are not suitable for women as stipulated by the State, women should not be refused employment or have their employment standards raised on the basis of their gender, and should not be subjected to job discrimination during their physiological period. By valuing differences, we can utilise our colleagues' unique expertise, talents and perspectives for the benefit of our customers. By removing unnecessary barriers, we can attract and retain the best people, support more customers to achieve their ambitions, and contribute to the development of our community. The table below illustrates the diversity of our team:

Section VI - Group Welfare

As of 31 December 2024, the Group had a total of 5,212 employees (2023: 5,227) who are all full-time employees. They are mainly responsible for duties such as production, research and development, quality assurance, human resources, administration and finance, maintenance, logistics, procurement, marketing and management.

Category	2024	2023
Total number of employee	5,212	5,227
By gender		
Male	2,713	2,681
Female	2,499	2,546
By age		
30 and below	1,561	1,695
31-50	3,378	3,271
51 and above	273	261
By employee category		
Senior management	73	66
Middle management	449	355
General employee	4,690	4,806
By geographical region		
South China	3,814	3,713
East China	507	542
North China	62	69
Central China	—	—
Northwest China	—	—
Southwest China	—	—
Hong Kong and Macau, China	2	8
Overseas	827	895

Attract and retain talent

The Group attaches great importance to attracting and retaining talented people. We leverage a variety of recruitment channels to recruit the best talent with competitive remuneration and a number of benefits. We regularly review the performance and remuneration of our employees based on the overall contribution of the individual and market conditions to ensure that we are able to motivate our colleagues in a manner consistent with our culture and values. The Group aims to provide fair and favourable working conditions, including reasonable working hours, fair working conditions and remuneration.

Our “Employee Handbook” sets out the requirements for employees’ remuneration, welfare, attendance, leave and resignation to protect employees and enable their understanding of their rights and obligations. The Group provides competitive remuneration packages and benefits, with allowances, incentives and performance bonuses, as well as appropriate housing initiatives and family support plans (FFP) (e.g. parental leave, paternity leave or allowances, etc.) in addition to basic salaries. We have established the “Reward and Punishment System”, and set up monthly, quarterly and annual bonuses that are linked to the Company’s operating performance and departmental performance, to reward commendable employees with bonuses. The Group will also prioritise internal recruitment when there are job vacancies, so as to provide employees with good promotion opportunities and diversified development opportunities.

In addition to providing good working benefits, the Group also values the personal lives of employees. We hope to build up team spirit among employees through a series of activities and enrich their physical and mental health. During the Reporting Period, the Group’s human resources department provided cultural activities with the theme of “Reading Salon” to create a positive learning environment for employees to read, think and communicate. In addition, we also organised various movie watching and outing activities to help employees release their work pressures and enrich life after work, so as to improve their spiritual well-being and increase cohesiveness of the team. At the same time, the Group continues to organise orientation activities for fresh graduates who are about to work in order to deepen employees’ understanding of the Company and accelerate their adaptation to the new working environment through plant visits, induction training, tours and other activities. Set out below are the cultural activities organised by the Group for employees:

Section VI - Group Welfare

- **Employee activities for the “International Workers’ Day (May 1st)”**

With the arrival of the “International Workers’ Day (May 1st)”, in order to express our respect and gratitude for the employees’ hard work, the Company’s labour union has specially prepared gifts to convey care and appreciation to the employees. According to statistics, this welfare from the labour union has benefited all the on-the-job employees. The labour union has spent approximately RMB201,400 from its funds, enabling the employees to feel the warmth of the Company’s care.



- **“Ecological Summer Tour” activity**

In order to enrich employees’ amateur cultural life, get them closer to nature, and enhance communication among employees, the Company organised an “Ecological Summer Tour” activity on 29 June 2024. The destination of this activity was Guangdong Aerospace Agricultural Science and Technology Ecological Park in Boluo County, Huizhou City.

- **Celebrating activities during the Mid-Autumn Festival in 2024**

As the Mid-Autumn Festival is approaching, under the care of the Company’s management, the Company’s labour union has prepared festive gifts for all employees.

Section VI - Group Welfare

- **Select outstanding employees**

In order to stimulate employees' work enthusiasm, recognise those employees who have a strong sense of ideology, are serious and responsible in their work, excel in their job skills, and abide by rules and regulations, and set exemplary models for other employees to learn from, the Labour Union of Huizhou Xin Point Surface Decoration Co., Ltd. selects outstanding employees once a quarter as an encouragement.



Section VI - Group Welfare

- “Enjoyable Summer Tour” activity

In order to enrich employees’ amateur cultural life, bring them closer to nature and enhance communication among employees, the Company organised an “Enjoyable Summer Tour” activity on 14 September 2024. The activity was held at Guangdong Aerospace Agricultural Science and Technology Ecological Park in Boluo County, Huizhou City.



Section VI - Group Welfare

- **Hold Employee Birthday Party Activities**

To create a harmonious and warm working atmosphere, enhance employees' sense of belonging and happiness, and strengthen the relationship among colleagues, Huizhou Xin Point Precision Components Co., Ltd. and Huizhou Xin Point Surface Decoration Co., Ltd. respectively held employee birthday party activities, enabling employees to have an unforgettable birthday.



- **“Natural Walk around the Lake” Activity**

In order to enrich employees' amateur cultural life, get them closer to nature and enhance communication among employees, the Company organised a “Natural Walk around the Lake” activity on 23 November 2024. The activity was held in the Honghua Lake Scenic Area in Huizhou.

Section VI - Group Welfare

- **Activity of Writing Spring Festival Couplets and Sending Blessings**

On 15 January 2025, the Calligraphy Association of the General Trade Union of Zhongkai High-tech Zone came to the Company to carry out the activity of writing Spring Festival couplets and sending blessings.



- **The Spring Festival Visiting Activity in 2025**

As the Spring Festival is approaching, in order to promptly convey the sincere care of the Company's management and express gratitude for everyone's hard work over the past year, the Company's labour union carried out a visiting activity in the middle of January 2025 and presented Spring Festival gifts to all employees.



Section VI - Group Welfare

In addition, we encourage internal promotion to provide additional opportunities for our employees to realise their full potential. The Group's guides will help colleagues clarify their performance expectations, explore development opportunities and access the resources they need. Our employee turnover rate is 32.70% in 2024 (2023:37.69%).

Category	2024	2023
Total turnover rate³	32.70%	37.69%
By gender		
Male	34.07%	39.17%
Female	31.16%	36.08%
By age		
30 and below	32.33%	50.79%
31-50	73.71%	31.26%
51 and above	20.00%	7.98%
By geographical region		
South China	31.76%	29.82%
East China	33.20%	20.82%
North China	20.51%	17.57%
Central China	—	—
Northwest China	—	—
Southwest China	—	—
Hong Kong and Macau, China	—	—
Overseas	37.38%	82.87%

Note:

- The turnover rate of the Group is calculated by the following formula: (total number of employees of the category who left during the financial year)/(total number of employees of the category newly recruited during the financial year + total number of employees of the category as of the last day in the previous financial year) X 100%

Section VI - Group Welfare

6.2 Prevention of Child Labour and Forced Labour

The Group meets regulatory requirements and strictly prohibits all forms of forced labour and child labour. During the recruitment process, we have established the “Regulated Employment Management Procedure”, which strictly prohibits the employment of child labour (defined as any juvenile under the age of 16) or forced labour in any position. The Human Resources Department will verify the identification documents of the candidates and ensure that the minimum age for employment has been reached. The Company openly recruits legal employees from the society based on staffing needs, all candidates must provide the following valid documents to the Company’s recruiter for verification before coming to the Company, including and not limited to:

- Identity card;
- A crownless photo within the last three months;
- Other necessary documents (e.g., other necessary consents or certificates, etc.);
- For applicants who come to the Company, the recruiter will first check and verify the following major aspects;
- Applicants identity documents;
- Verify the authenticity of the ID: Carefully check the resident ID and compare the applicant’s appearance with the photo on the ID. Pay attention to whether their age looks significantly different from the age shown on the ID.

The Group stipulates the working days and rest periods of its employees in the labour contracts, eliminates forced labour, including prison labour, indentured labour and debt labour, etc., and strictly monitors the working hours and work schedules of its employees to ensure that they work voluntarily and freely. Corporal punishment or any form of physical or mental harassment, abuse and torture is prohibited. When overtime work is required, employees will receive appropriate compensation in accordance with the law. If any child labour or forced labour is detected, the Group will immediately stop all work where child labour or forced labour has been identified and will identify the causes, revise employment management measures and rectify the loopholes. When employees are hired, relevant training should be provided to new employees. A suggestion box is also set up so that employees can put their complaints in writing and drop them into the suggestion box, and the relevant personnel of the Administration Department will investigate and handle the employee complaints and inform the employees of the results.

During the Reporting Period, we have strictly complied with and have not violated the relevant laws and regulations on the prevention of child labour and forced labour, including but not limited to the “Labour Contract Law of the People’s Republic of China”, the “Labour Law of the Federal Government of Mexico” and the “Hong Kong Employment Ordinance”. During the Reporting Period, the Group was not aware of any material non-compliance with child and forced labour-related laws and regulations, that would have a significant impact on the Group.

6.3 Nurturing Talent

The Group is committed to creating a powerful environment where people can develop their skills and learn from experiences that will help them make the most of what they have to offer. Our approach contributes to the Group's strategic priorities and supports the career goals of our employees by providing them with opportunities for continuing education and personal development. Newly recruited employees will be arranged to attend induction training, and the Group provides pre-employment and on-the-job training in accordance with its "Group Training Management System" and "Staff Training Management Procedures". The human resources department is responsible for arranging induction training courses, covering topics such as safety at production, the Group's policy, quality and environmental awareness, product quality risk, etc., to ensure that employees have adequate safety and environmental awareness and lay a solid foundation for work after posting. There will be assessments for induction training to ensure that employees are equipped with relevant knowledge and practical application.

At the beginning of every year, the Group grasps the training needs of each department by means of interview, questionnaire and direct feedback, etc., and takes into account a series of factors, including the Group's development plan, industry development needs, knowledge and skills that customers are concerned about and insufficient knowledge and skills that may bring higher operational risks, to prepare an appropriate annual training plan, including job (re)training courses, with the aim of continuously upgrading the skills of the jobs in order to meet customer requirements and to match the career development needs of employees. Employees in special positions are required to obtain internal qualification recognition, undergo competency assessment and then be issued with an induction certificate by the Quality Management Department.

There were 4,682 trained employees of the Group during the Reporting Period, with an average training time of 9.05 hours per employee. Details are set out below:

Category	2024		2023	
	Percentage of trained ⁴ employees (%)	Average training hour per employee (hours)	Percentage of trained ⁴ employees (%)	Average training hour per employee (hours)
By gender				
Male	90.82%	9.18	95.11%	9.59
Female	88.76%	8.93	95.37%	9.17
By employee category				
Senior management	26.03%	1.77	39.39%	7.65
Middle management	97.10%	6.24	80.85%	10.99
Junior employees	90.13%	9.43	97.07%	9.30

Note:

- Formula for calculation of percentage of trained employees: (Total number of training hours of employees in this category in the financial year)/(Total number of employees of the Group trained in the financial year)x100%

Section VI - Group Welfare

6.4 Safety Culture

The continued success of the Group depends on the welfare of our employees. The Group thoroughly adheres to the management approach of “Safety First, Prevention Foremost and Comprehensive Management”, and continuously strengthens the awareness of occupational health and safety and the capability of safety production of employees to reduce the chances of injuries and fatality. During the Reporting Period, the Group was not aware of any material non-compliance with health and safety-related laws and regulations, that would have a significant impact on the Group.

We comply with the relevant laws and regulations, and have formulated our internal “Regulations on the Management of Safe Production” in accordance with the “Law of the People’s Republic of China on the Prevention and Control of Occupational Diseases”, the “Regulations for Prevention of Dust Lung Disease of the People’s Republic of China”, the “Mexican Labour Law” and the “Hong Kong Occupational Safety and Health Ordinance” to regulate the Group’s safety training, regular arrangement of health checks for employees and safety management, and provide medical insurance to employees. Each of the Group’s subsidiaries has established a safety management committee, comprising management and employee representatives, to conduct regular safety inspections for production facilities and ensure employees’ compliance with safety measures and implementation of the relevant production procedures.

In response to various emergencies, the Group has formulated the “Medical First Aid Management System” to detail the emergency treatment measures for accidents such as chemical burns, fractures and poisoning. First aid medical boxes are set up in dormitories and workplaces, and designated personnel are responsible for purchasing and recording supplies to ensure that there are sufficient drugs in the medical boxes. According to the “Management Regulations on Outfits and Safety Protection”, the Group has formulated safety protection requirements for all kinds of personnel during operation based on potential safety threats in each position, to reduce the risk of injury and fatality of employees.

To enhance employees’ awareness of occupational safety, the Group provides various safety training. The human resources department provides safety training for new employees according to the annual training plan, covering basic safety knowledge, including hazardous chemicals, firefighting, use of electricity and mechanical operation. Each department also arranges suitable safety training according to the training plan. Newly recruited and internally transferred employees are required to attend specific safety training courses, receive training on operation of equipment and occupational safety tools, and pass the assessment to ensure that employees can meet the safety requirements at work. For special positions, the Group requires special operation employees to go through professional technical training and obtain operation certificates before taking up their posts.

The Group is aware of the connection between fire accidents and production, and has formulated internal management procedures and adopted strict measures to prevent the occurrence of such accidents. The “Fire Safety Management Procedures” regulates the management of firefighting equipment and rescues and stipulates that an annual drill plan shall be formulated annually to enhance employees’ fire safety awareness and maintain firefighting facilities on a regular basis. We also closely monitor the production areas with explosive and flammable items, install fire detection and alarm systems, and arrange safety personnel to conduct 24-hour patrol in the plants to ensure fire safety in the production areas.

Section VI - Group Welfare

In addition, in order to implement the core concept of “caring for employees” and ensure their physical health, the Administrative Department of the Group organised all employees in Keen Point Hi-tech Industrial Park to have health check-ups from 16th to 17th April 2024. This health check-up benefit covered approximately 873 on-the-job employees in Keen Point Hi-tech Industrial Park. After the health check-ups, the Group thoughtfully prepared nutritious breakfasts for everyone, enabling employees to feel the warmth of the Group’s care.

During the Reporting Period, the number of workdays lost due to workplace injuries has significantly decreased compared to the previous year. In the past three reporting periods, the Group has not recorded any work-related deaths, resulting in a workplace injury death rate of 0%. This is the result of our ongoing efforts to manage safety risks and improve our workplace health and safety management systems.

Health and Safety Indicator	Unit	2024	2023	2022
Work-related death	Number	—	—	—
Death rate	%	—	—	—
Work-related injury	Number	16	12	14
Number of workday loss due to work-related injuries	Day	373	515.5	157

Community Engagement

We are committed to supporting the communities in which the Group operates. Our aim is to provide people with the skills and knowledge they need for a sustainable future. In anticipation of the future shift towards a decarbonised global economy, we have launched plans to help people and communities develop the skills to meet the opportunities and challenges.

During the Reporting Period, the Group’s labour unions distributed benefits to all employees and their families on a number of occasions and organised a number of corporate events aimed at providing additional benefits and enhancing interaction between employees and their families. These benefits and activities included, but were not limited to, the following:

Section VI - Group Welfare

- **Volunteer Service Activity of “Children’s Paintings about Tax Time, Building Dreams and Moving Forward Together”**

Time: At the end of May 2024

Venue: Hongguang Primary School, Honggang Village, Tonghu Town

Organisers: Huizhou Zhongkai High-tech Industrial Development Zone Taxation Bureau of the State Taxation Administration and Huizhou Keen Point Precision Plastic Co.,Ltd.

Activity Content: Through activities (such as tax-themed fun garden tours, tax law popularization mini-classes, and flying hand-painted kites, further popularise knowledge about Party spirit enlightenment, tax laws, legal education, civilization creation, and anti-fraud common sense), we guide children to use rich colors to visualise their abstract understanding of taxation on kites, allowing the flower of tax enlightenment to bloom in the hearts of children.



- **Caring for Children and Letting Love Set Dreams Free**

Provided financial support of RMB50,000 for the Children’s Day activities of Longhua Town No. 2 Primary School.

Appendix I:

ESG Reporting Guide Content Index of Stock Exchange

ESG Reporting Guide Content Index of Stock Exchange of Hong Kong Limited

Mandatory disclosure requirements	Chapter/Statement
Governance structure	Board and Governance Structure
Reporting principles	Reporting Structure
Reporting scope	Reporting Scope

Subject areas, aspect, general disclosure and key performance indicator (KPI)	Description	Chapter/Statement
Aspect A1: Emission		
	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.	SECTION III – COPE WITH CLIMATE CHANGE
KPI A1.1	The types of emissions and respective emissions data.	3.1 Greenhouse Gas Emissions; 3.2 Exhaust Gas Emissions
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions in total (in tonnes) and intensity (if applicable).	3.1 Greenhouse Gas Emissions;
KPI A1.3	Total hazardous waste produced (in tonnes) and intensity.	3.2 Exhaust Gas Emissions
KPI A1.4	Total non-hazardous waste produced (in tonnes) and intensity.	3.3 Management of Wastes
KPI A1.5	Description of the emission targets set and the steps taken to achieve these targets.	3.2 Exhaust Gas Emissions 3.3 Management of Wastes 2.2 The Group's Goals
KPI A1.6	Description of the methods used to deal with hazardous and non-hazardous waste and description of the waste reduction targets set and the steps taken to achieve these targets.	3.3 Management of Wastes

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ESG Reporting Guide Content Index of Stock Exchange

Subject areas, aspect, general disclosure and key performance indicator (KPI)	Description	Chapter/Statement
Aspect A2: Use of resource		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	SECTION IV - RESOURCES OPTIMISATION
KPI A2.1	Direct and/or indirect energy consumption by type in total and intensity.	4.3 Energy Management
KPI A2.2	Water consumption in total and intensity.	4.4 Management of Water Resource
KPI A2.3	Description of the energy use efficiency targets set and the steps taken to achieve these targets.	4.3 Energy Management 2.2 The Group's Goals
KPI A2.4	Description of any problems in accessing suitable water sources and the water use efficiency targets set and the steps taken to achieve these targets.	4.4 Management of Water Resource
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	4.5 Packaging Material Usage
Aspect A3: Environmental and natural resources		
General Disclosure	Policies to reduce the significant impact of issuers on the environment and natural resources.	4.1 Biodiversity and Environmental Protection
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	4.2 Identify Climate Risks
Aspect A4: Climate change		
General Disclosure	Policies for identifying and responding to material climate-related issues that have and may have an impact on the issuer.	4.2 Identify Climate Risks
KPI A4.1	Description of material climate-related issues that have and may have an impact on the issuer and the actions taken to address them.	4.2 Identify Climate Risks

Appendix I: ESG Reporting Guide Content Index of Stock Exchange

Subject areas, aspect, general disclosure and key performance indicator (KPI)	Description	Chapter/Statement
Aspect B1: Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	SECTION VI - GROUP WELFARE
KPI B1.1	Total number of employees by gender, type of employment (e.g. full time or part time), age group and geographical region.	6.1 Employment Ordinance
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	6.1 Employment Ordinance
Aspect B2: Health and safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	SECTION VI - GROUP WELFARE
KPI B2.1	Number and rate of work-related fatalities each year in the past three years (including the reporting year).	6.4 Safety Culture
KPI B2.2	Number of working days lost due to work injury.	6.4 Safety Culture
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	6.4 Safety Culture

Appendix I:

ESG Reporting Guide Content Index of Stock Exchange

Subject areas, aspect, general disclosure and key performance indicator (KPI)	Description	Chapter/Statement
Aspect B3: Development and training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	SECTION VI - GROUP WELFARE
KPI B3.1	Percentage of employees trained by gender and employee category (e.g. senior management, middle management).	6.3 Nurturing Talent
KPI B3.2	Average training hours completed per employee by gender and employee category.	6.3 Nurturing Talent
Aspect B4: Labour standard		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	SECTION VI - GROUP WELFARE
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	6.2 Prevention of Child Labour and Forced Labour
KPI B4.2	Description of steps taken to eliminate such noncompliance when discovered.	6.2 Prevention of Child Labour and Forced Labour

Appendix I: ESG Reporting Guide Content Index of Stock Exchange

Subject areas, aspect, general disclosure and key performance indicator (KPI)	Description	Chapter/Statement
Aspect B5: Supply chain management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	SECTION V – EXCELLENT OPERATION
KPI B5.1	Number of suppliers by geographical region.	5.2 Supplier Management
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	5.2 Supplier Management
KPI B5.3	Description of practices for identifying environmental and social risks at each stage of the supply chain, and related implementation and monitoring methods.	5.2 Supplier Management
KPI 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.	5.2 Supplier Management
Aspect B6: Product responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	SECTION V – EXCELLENT OPERATION
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	5.3 Product Responsibility
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	5.3 Product Responsibility
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	5.3 Product Responsibility
KPI B6.4	Description of quality assurance process and recall procedures.	5.3 Product Responsibility
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	5.3 Product Responsibility

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ESG Reporting Guide Content Index of Stock Exchange

Subject areas, aspect, general disclosure and key performance indicator (KPI)	Description	Chapter/Statement
Aspect B7: Anti- corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to prevention of bribery, extortion, fraud and money laundering.	SECTION V – EXCELLENT OPERATION
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the Reporting Period and the outcomes of the cases.	5.1 Anti-Bribery and Anti-Corruption
KPI B7.2	Description of preventive measures and whistleblowing procedures, how they are implemented and monitored.	5.1 Anti-Bribery and Anti-Corruption
KPI B7.3	Description of the anti-corruption training provided to directors and employees.	5.1 Anti-Bribery and Anti-Corruption
Aspect B8: Community investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	SECTION VI - GROUP WELFARE
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	6.5 Community Engagement
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	6.5 Community Engagement

Appendix II: Summary of ESG Report Highlights

ESG Highlights	Description of the Disclosure	Policies and Procedures Involved	Corresponding Chapter
Feedback Mechanism	Introduce the Company's "Anti-fraud and Whistleblowing System"	"Anti-Fraud and Whistleblowing System"	5.1 Anti-Bribery and Anti-Corruption
	In order to open up the channels for employees to express their voices, to make employees to express their voices in a real way, to pay continuous attention to the demands of the employees, so that the employees' opinions or suggestions can be paid attention to, get feedback and implementation, the liaison organization will deal with them in a fair manner, based on the premise of complying with the professional ethics and the Company's management system, and in a rational and objective way, so that the employees' voices can be responded to and solved appropriately.	"Notice on Employee Requests or Help Channels J-HR-2023-161"	
Brief Introduction to the History of the Group	Action plan for low carbon business model transformation; Development of environmentally friendly processes, development of "hexavalent chromium" free plating process at Jiujiang Plant	"Greenhouse Gas Management Procedure"	3.1 Greenhouse Gas Emissions

Appendix II: Summary of ESG Report Highlights

ESG Highlights	Description of the Disclosure	Policies and Procedures Involved	Corresponding Chapter
Sustainable Development Framework	In Carbon Neutral, add specific carbon reduction goals	"CSR Policy" "Greenhouse Gas Management Procedure"	2.2 The Group's Goals
Stakeholder Engagement	Internal and external communication mechanisms, Communication Management Procedures, have been established	"Communication Management Procedure"	2.4 Stakeholder Engagement
Continuous Monitoring of Environmental Performance	Biodiversity Sensitive Areas Statement: The Company has no premises/businesses adjacent to or located in biodiversity sensitive areas	CSR Policy	4.1 Biodiversity and Environmental Protection
Gas Emissions and Energy Management	In order to standardise the management of the Company's greenhouse gas emissions and clarify the responsibilities of each department, so as to achieve the Company's zero-carbon goal and reduce greenhouse gas emissions, the Greenhouse Gas Management Procedures have been formulated	"Greenhouse Gas Management Procedure"	3.1 Greenhouse Gas Emissions
	Huizhou Keen Point Precision Plastic Co., Ltd. plans to introduce ISO 50001 energy management system certification, and is expected to obtain a third-party certificate in early		

Appendix II: Summary of ESG Report Highlights

ESG Highlights	Description of the Disclosure	Policies and Procedures Involved	Corresponding Chapter
Management of Water Resource	Compliant treatment of waste water	"Wastewater Treatment Control Procedures"	4.4 Management of Water Resource
Management of Wastes	Recycling of sprues	"Material Waste Disposal Procedure"	3.3 Management of Wastes
	Restrictions on transboundary movements of hazardous wastes; internal classification and treatment of wastes based on waste streams	"Waste Management and Control Procedure"	
	Reduction of internal waste emissions through reuse, recycling or repurposing of materials; actions or training to raise awareness among employees on waste reduction and classification	"Waste Management and Control Procedure"	
Management of Packaging Materials	Recycling of packaging materials for the Company, reducing waste of resources, effectively reducing costs and increasing the utilization rate of packaging materials	"Packaging Material Recycling Management Standards"	4.5 Packaging Material Use

Appendix II: Summary of ESG Report Highlights

ESG Highlights	Description of the Disclosure	Policies and Procedures Involved	Corresponding Chapter
Climate Change	Carbon Neutral Target Commitment (at least meet the carbon neutral target committed to by the Chinese government to achieve a carbon neutral supply chain by 2060)	"Greenhouse Gas Management Procedure"	3.1 Greenhouse Gas Emissions
	The Company participated in the Carbon Disclosure Project (CDP) Climate Change Project questionnaire	"CDP Report"	
	We monitor relevant GHG emissions throughout the assessment area	"Greenhouse Gas Management Procedure"	
	We develop GHG inventories based on the GHG Protocol standard accounting criteria and update them annually	"Greenhouse Gas Management Procedure"	
	We have goals for absolute data on reductions in Scope 1, 2 and 3 emissions, and we have goals for emission intensity reductions	"Greenhouse Gas Management Procedure"	
	We have a dedicated management team to reduce greenhouse gas emissions	"Greenhouse Gas Management Procedure"	

Appendix II: Summary of ESG Report Highlights

ESG Highlights	Description of the Disclosure	Policies and Procedures Involved	Corresponding Chapter
Supply Chain Management	Based on the standard requirements of human rights, labour, health and safety, environment, business ethics, and sustainable procurement, we develop a supply chain that complies with the relevant guidelines of Corporate Social Responsibility (CSR), evaluate the ability of all suppliers to implement social responsibility, and urge them to gradually improve their CSR capability. We purchase legal, reliable, and internationally price-competitive products and services from companies with a strong sense of social responsibility, quality, and cost improvement, and we manufacture high-quality products and provide timely and high-quality services to meet customer requirements.	"Sustainable Procurement Control Procedure"	5.2 Supplier Management
	Carry out a conflict minerals survey of suppliers. The minerals currently available for investigation by the Group are 3TG (tin, tantalum, gold and tungsten), cobalt and its derivatives.	"Conflict Minerals Control Management Procedure"	

Appendix II: Summary of ESG Report Highlights

ESG Highlights	Description of the Disclosure	Policies and Procedures Involved	Corresponding Chapter
Labour Standard	Impact assessment to identify potential child labour, forced labour and/or human trafficking;	"Regulation of Employment Management Requirements"	6.1 Employment Ordinance- Prevention of Child and Forced Labour
	Prohibition of child labour and verification of the age of job applicants before hiring;	"Regulation of Employment Management Requirements"	
	Taking action to protect young employees	"Regulation of Employment Management Requirements"	
	Remedial procedures for identified victims of child labour, forced labour and/or human trafficking	"Regulation of Employment Management Requirements"	
Employee Benefits	Regular employee health checks		6.1 Employment Ordinance-Safety Culture
	Provision of health insurance to employees		
	Actions to provide adequate housing for employees		6.1 Employment Ordinance-Attract and Retain Talent
	Family Support Plan (FFP) (e.g. parental leave, paternity leave or allowances)		
Communication with Employees	A two-way communication system is in place to enable employees to express their views on working conditions	"Notice on Employee Requests or Help Channels J-HR-2023-161"	5.1 Anti-Bribery and Anti-Corruption - whistleblowing mechanism
Employee Development and Training	Provision of skills development training		6.1 Employment Ordinance-Nurturing Talent
	Promote internal career mobility based on employee competence and potential		
	Establish plans of personal development and career for all employees		