奧威控股有限公司
AOWEI HOLDING LIMITED

(Incorporated in the British Virgin Islands and continued in the Cayman Islands with limited liability)
(formerly known as Hengshi Mining Investments Limited 恒實礦業投資有限公司)

Stock Code: 1370

2025 Environmental, Social and Governance Report

CONTENTS

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ABOUT THIS REPORT

This report is the Environmental, Social and Governance (the "**ESG**") report (the "**Report**") published by Aowei Holdings Limited (the "**Company**", the "**Group**" or "**we**"). This Report sets out the Group's strategic approach to sustainable development, business ethics and sound corporate governance, and discloses the Group's commitment to maintaining ongoing two-way communication with stakeholders in accordance with the principle of openness and transparency. It also reports the Group's vision, management practices, performance achievements and social contributions in environmental and social aspects.

Reporting Period and Scope

This report covers the period from 1 January 2025 to 31 December 2025 (the "**Reporting Period**"), detailing the Group's ESG management and overall performance during the Reporting Period. Unless otherwise stated, the scope of this report is consistent with the previous year, focusing on our core businesses, namely the Group's iron ore business and green building materials (sand and gravel materials) business in Mainland China. The report scope is determined based on the materiality of our business operations and their impact on ESG aspects.

This report has been prepared in accordance with the Environmental, Social and Governance Reporting Guide (Appendix C2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"), with disclosure of applicable key performance indicators. The information disclosed in this report is primarily derived from the Group's internal documents and publicly available information. Although we have not sought external assurance for this ESG report, we have relied on internal data monitoring and verification to ensure accuracy. We may seek external assurance for future ESG reports as and when necessary. For the corporate governance report, please refer to the "Corporate Governance Report" section in the Company's 2025 Annual Report.

Reporting Principles

The Report is prepared based on the four reporting principles of "Materiality", "Quantitative", "Balance" and "Consistency". The application of each reporting principle is presented as follows:

Materiality	Quantitative	Balance	Consistency
The Group systematically identifies, assesses and prioritises environmental, social and governance ("**ESG**") topics by incorporating stakeholder priorities and the material impacts of its business operations, to determine the scope and depth of disclosures in this Report. This ensures the delivery of core information with decision-making value to stakeholders. In compliance with Section D of Appendix C2 (Environmental, Social and Governance Reporting Guide) to the Listing Rules, the Group has made specific disclosure regarding climate-related risks and opportunities that may affect its financial performance, operating model and long-term development.	The Group strictly adheres to the Listing Rules of the Stock Exchange of Hong Kong and relevant international standards, and has established a unified mechanism for data collection, calculation and verification for the quantification and disclosure of all key performance indicators. Data sources include routine statistics from various business segments, internal audit records and management-confirmed information, subject to multi-level review.	This Report adheres to the principle of objectivity and neutrality, comprehensively and truthfully reflecting the Group's management achievements and areas for improvement in ESG aspects during the Reporting Period. It does not avoid challenges or overstate results, ensuring fair and balanced disclosures that fully present the Group's actual sustainable.	Unless otherwise stated, the Group maintains consistent disclosure scopes, statistical standards and calculation methods with prior periods to ensure cross-year data comparability. Comparative data has been included in the Report to facilitate stakeholders' longitudinal analysis of the Group's ESG performance trends and enhance information transparency and readability.

Information Collection

Financial data in this ESG Report are extracted from the 2025 Annual Report, while other data are extracted from the Group's internal management system and statistics. The key indicators in relation to safety, environment issues of the Company are counted and calculated based on the regulations or industry standards of the PRC. Unless otherwise stated, the reporting currency of this ESG Report is RMB.

Access To The Report

This Report contains a complete table of contents for readers' quick reference. It is prepared in both Chinese and English. Shareholders and stakeholders may access the Report via the website of the Stock Exchange of Hong Kong (www.hkexnews.hk). In the event of any inconsistency between the Chinese and English versions, the Chinese version shall prevail.

Contact Information

The Company places great value on comments and suggestions from our stakeholders. If you have any suggestions or comments on the content of this ESG Report or our overall performance in sustainable development, please feel free to contact us at ir@aow.com.cn.

BOARD STATEMENT

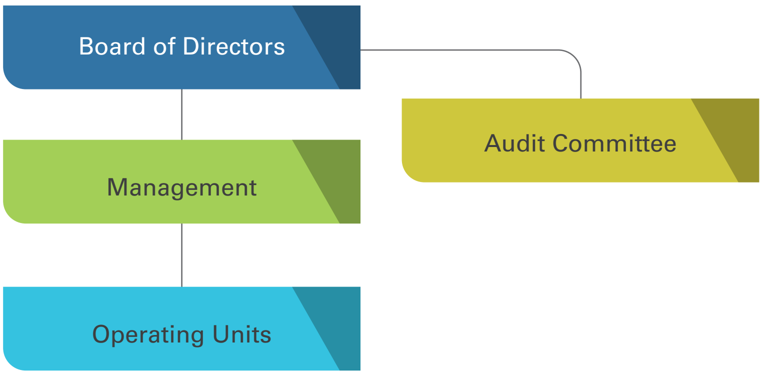
The Group firmly believes that a robust Environmental, Social and Governance ("**ESG**") framework is the cornerstone of driving high-quality corporate development, building core competitiveness and addressing long-term challenges. The Group adheres strictly to the Listing Rules of the Stock Exchange of Hong Kong and relevant ESG regulatory requirements, with sustainable development as its core strategic orientation. It continuously optimises its ESG governance structure and strengthens risk prevention and control mechanisms, promoting the integration of operational efficiency, social responsibility and ecological protection, and is committed to achieving long-term co-prosperity among the enterprise, society and the environment.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE STRUCTURE

The Group is committed to fully integrating environmental, social and governance (including climate-related) considerations into its entire business operations and development process, striving to create long-term sustainable value for all stakeholders and fulfilling its corporate social responsibility.

To further strengthen the deep integration of ESG governance with corporate governance and business operations, the Group has established a multi-tiered ESG governance framework involving the Board of Directors, the Audit Committee, the management and various functional departments. This framework clearly defines the management responsibilities at all levels, systematically identifies, assesses and manages various ESG issues including climate-related risks and opportunities, and deeply embeds them into strategic formulation, business planning, risk management and daily operations, ensuring the scientific setting, efficient implementation, dynamic monitoring and timely reporting of ESG objectives and strategies.

The Group's ESG governance framework is detailed below:



Board of Directors

- Formulate and oversee the implementation of ESG (including climate-related) strategies and policies
- Review sustainable development progress and performance
- Identify, assess and manage ESG (including climate-related) risks and opportunities
- Bear ultimate responsibility for ESG report disclosures and internal controls

Audit Committee

- Oversee the effectiveness of the Company's ESG (including climate-related) management strategies and internal control systems
- Monitor the formulation and implementation of the Company's ESG (including climate-related) policies
- Identify, assess and oversee ESG (including climate-related) risk issues and risk-bearing capacity
- Report ESG (including climate-related) matters to the Board annually

Management

- Drive and supervise the implementation of ESG (including climate-related) policies and optimize management strategies
- Review the effectiveness of ESG (including climate-related) risk management and improve internal systems
- Promote the establishment of ESG (including climate-related) objectives and indicators
- Review the progress and performance of ESG (including climate-related) targets
- Regularly report ESG (including climate-related) progress and results to the Board

Operating Units

- Serve as the implementation body and drive the delivery of ESG (including climate-related) plans
- Maintain accurate records and timely reporting of ESG (including climate-related) data
- Fully implement all ESG (including climate-related) requirements
- Set ESG (including climate-related) targets and conduct regular monitoring
- Achieve ESG (including climate-related) objectives and engage with stakeholders
- Report ESG (including climate-related) matters to Management annually

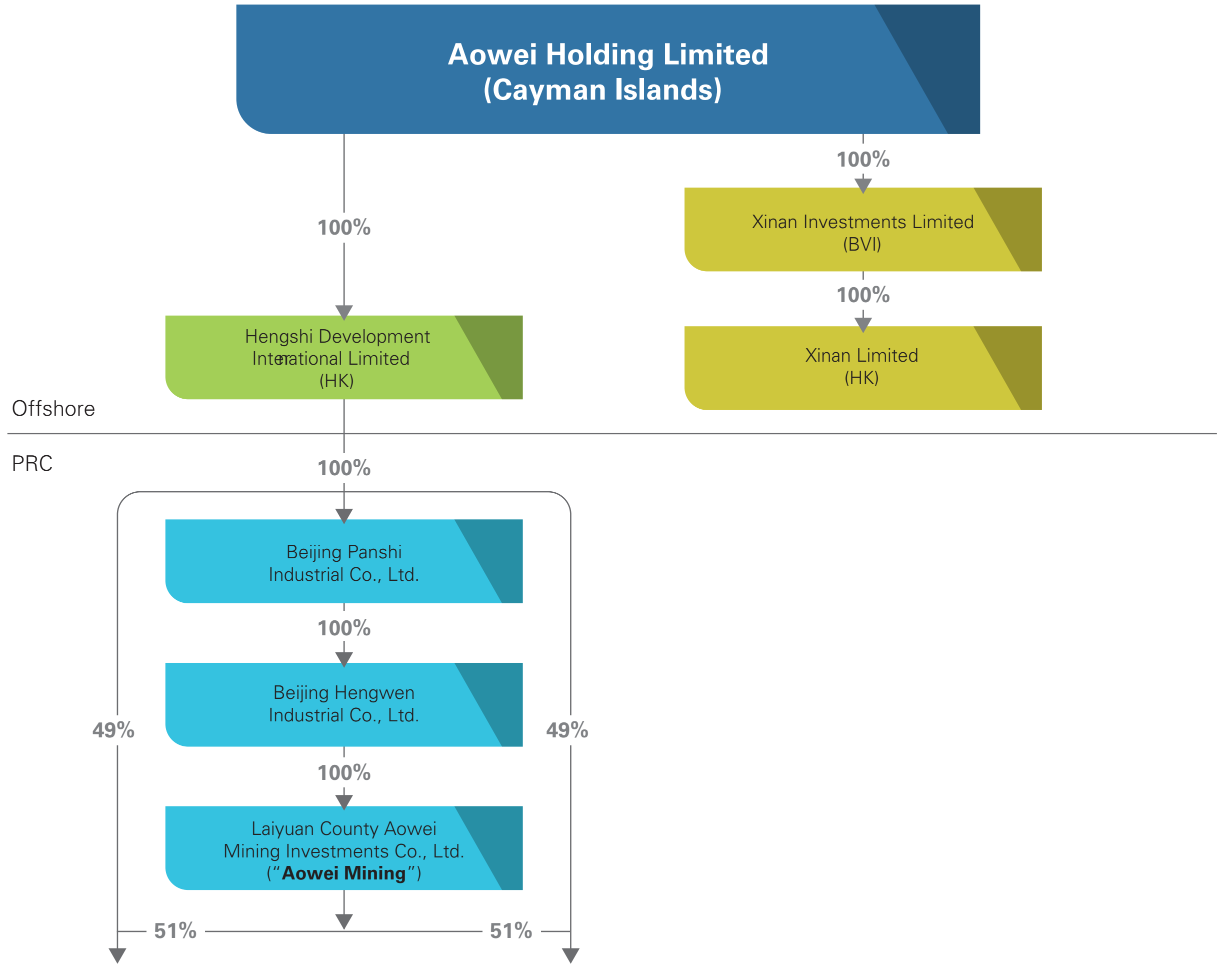
The Group focuses on policy implementation, regular monitoring and continuous improvement to achieve its sustainable development goals. It conducts regular materiality assessments on ESG (including climate-related) matters and establishes an indicator system to track performance. The Board of Directors, Audit Committee, management and operating units hold annual meetings to ensure the effective execution of ESG (including climate-related) strategies.

In 2025, the Group has organized internal training to enhance climate-related risk management capabilities and disclosure compliance. Going forward, the Board will continue to strengthen ESG (including climate-related) risk control, improve the Group's resilience, and safeguard long-term sustainable development and stakeholders' interests.

Group Profile

The Company was listed on the Main Board of The Stock Exchange of Hong Kong Limited on 28 November 2013 (stock code: 1370), and was principally engaged in (i) the exploration, mining, processing and trading of iron ore products and major products including iron ores, preliminary concentrates and iron ore concentrates; and (ii) conducting the green construction materials construction sand and gravel materials production and sales business.

As at 31 December 2025, the structure of the Group was as follows:



Corporate Governance

The Group strictly complies with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and relevant regulatory requirements, and continuously optimizes a standardized and transparent governance framework to fully protect the interests of all shareholders. The Board of Directors is responsible for setting the risk appetite, comprehensively assessing and determining the nature and extent of risks the Company may undertake in achieving its strategic objectives, and establishing and maintaining a sound and effective risk management and internal control system covering all material risks, including environmental, social and governance (ESG) risks. Under the supervision of the Board, management is responsible for the design, implementation and daily monitoring of the risk management and internal control system, and regularly confirms its effectiveness to the Board. For details of the Group's corporate governance, please refer to the Corporate Governance Report in the 2025 Annual Report.

STAKEHOLDER ENGAGEMENT AND MATERIALITY ASSESSMENT

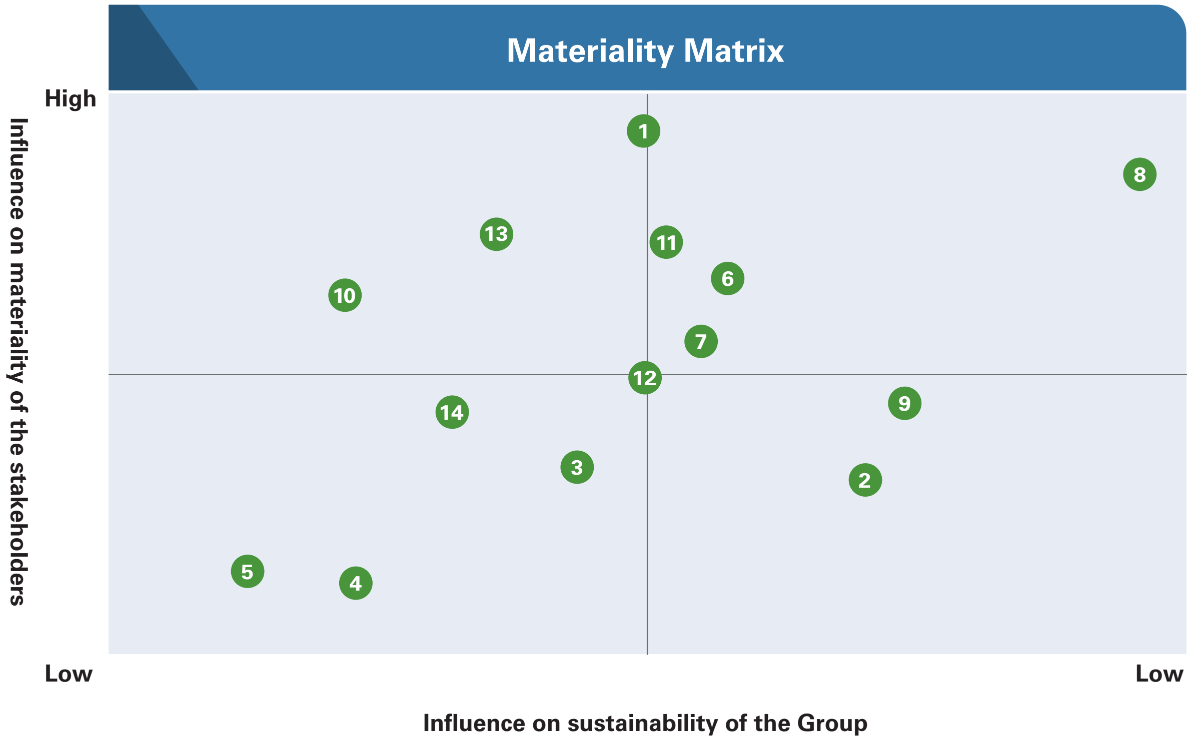
The Group regards stakeholder engagement as a cornerstone of sustainable development and continuously establishes diverse and efficient communication mechanisms. Through multi-channel online and offline interactions, the Group maintains regular dialogue with stakeholders, actively listens to their needs and feedback, and incorporates such input into business strategy optimization to deepen mutual trust and collaboration, driving the shared growth of the Group and its stakeholders.

The Group is committed to responding to the demands of stakeholders through different channels as follows:

	COMMUNICATION WITH STAKEHOLDERS		
Stakeholders	**Demands**	**Reply**	**Communication Channels**
Shareholders	Sustainable and stable investment return To operate in compliance with relevant laws and regulations To promptly disclose the information	Enhance business diversity and strengthen operating cash flow Improve internal compliance system Establish a comprehensive system for the disclosure of regular and specific information	General meetings Annual and interim reports Company announcements
Governmental authorities	To promote authorities development of local and peripheral industries To operate in compliance with relevant laws and regulations	Provide employment opportunities and pay taxes in the locations where we operate Accept government supervision and strengthen compliance with relevant laws and regulations on environment, safety and integrity	Participation in government meetings Regular visits to government authorities Acceptance of inspection by government authorities
Employees	To provide adequate health and safety protection To provide sufficient career development opportunities To improve remuneration and benefits	Formulate the work safety and health policy in compliance with relevant laws and regulations Improve the internal staff recruitment and promotion management system	Internal memorandum Employees' activities Training and counselling activities
Customers	To operate in compliance with laws and regulations To continuously provide high-quality services To improve product quality	Strengthen compliance with relevant laws and regulations on environment, safety and integrity Improve employee training Optimise production technology	Business communication Customer feedback Onsite visits
Suppliers	To ensure fair, equitable and open procurement process Timely performance of contractual obligations	Ensure the transparent procurement process and accept internal and external supervision Strengthen contract management and cash flow monitoring	Onsite visits Provide corporate corruption reporting hotline
Banking and financial institutions	High credit rating and ability to pay debts To ensure robust and sustainable business development	Maintain good credit by settling debts on time Maintain sound operation and development	Ongoing communication through physical visits, emails, virtual meetings and other formal channels
Communities	To improve community environment To support community welfare	Improve local infrastructure Maintain good communication with local residents	Participation in community meetings and community welfare activities

Materiality Assessment

In order to identify the material aspects to be disclosed in this Report, we communicated with stakeholders to understand the 14 major aspects of their concerns, and ranked the importance of all aspects to form the following materiality assessment results:



Environment	Work Environment	Operating Practice	Community Contribution
1 Environmental impact and management 2 Emission management 3 Water conservation 4 Energy conservation and emission reduction 5 Climate change	6 Employee benefits 7 Development of employees 8 Workplace safety 9 Occupational health management	10 Supply chain management 11 Quality assurance 12 Anti-corruption	13 Community development 14 Public welfare charity

According to the results of the materiality assessment, the most important issue to the Group is workplace safety, and we will make relevant disclosure in the section headed "Health and Safety".

ENVIRONMENTAL PROTECTION

Adhering to the philosophy of "Ecology First, Green Development", the Group regards ecological and environmental protection as the core premise of sustainable development. It strictly complies with all relevant Chinese laws and regulations on environmental protection and climate change response, including but not limited to the Environmental Protection Law of the People's Republic of China and the Air Pollution Prevention and Control Law of the People's Republic of China. Fully implementing the development strategy of "Waste Resource Utilization, Ecosystem Restoration, and Industrial Chain Extension", the Group continuously promotes the green and intelligent upgrading of its mining business, striving to build a modern mining enterprise characterized by resource conservation and environmental friendliness.

During the reporting period, the Group established a comprehensive full-process environmental management system. By effectively implementing internal rules and regulations such as the Environmental Management System, Pollutant Emission Management System, Environmental Emergency Plan, Ecological Restoration Plan, and Land Reclamation Plan, the Group strengthened the operation and maintenance of environmental protection facilities and conducted full-staff environmental awareness education to ensure the implementation of all environmental protection requirements.

For the mining areas of its subsidiaries, the Group implemented systematic ecological and environmental planning and phased governance, advancing mine area greening, land reclamation, and surrounding ecological restoration in an orderly manner to minimize and eliminate the impact of production and operation on the atmospheric environment. Meanwhile, the Group continuously carried out technological upgrading of production processes and equipment, eliminated high-energy-consuming backward equipment, promoted the application of clean energy, optimized energy structure and utilization efficiency, and comprehensively improved the level of green development.

Emission Management

The Group prioritizes waste reduction at source, standardized disposal and resource utilization as key environmental management priorities. It strictly complies with local environmental emission standards, and continuously improves resource efficiency through technological upgrading and optimized management, building a green and low-carbon production system.

As a mining enterprise, the Group adopts physical magnetic separation processes throughout production, which do not generate hazardous chemical waste, thus eliminating chemical pollution risks at source.

Solid Waste Discharge Management

Solid waste generated during production mainly consists of waste rock and tailings sand. The Group has established a closed-loop management system: all waste rock stripped during mining is used for pit backfilling to achieve on-site disposal; ore recovery rate and concentrate grade are improved through optimized beneficiation processes and equipment to reduce resource waste; meanwhile, waste rock is recycled into construction aggregates and manufactured sand to enhance its comprehensive value and reduce storage safety risks. For tailings sand generated from wet magnetic separation, the Group has constructed dedicated tailings storage facilities, where tailings sand and beneficiation wastewater are pumped, compacted and stored, with 24-hour on-site supervision and regular maintenance to ensure safe and stable operation.

Waste rock (tons)	**2025**	2024
Recycled quantity	**2,960,200**	1,402,032
Waste rock recycled quantity per RMB'000 output value	**4.7**	2.2

Tailing sand (tons)	**2025**	2024
Storage volume	**1,724,202**	1,748,625
Tailing sand processing volume per RMB'000 output value	**2.7**	2.7

Going forward, the Group will continue to upgrade production processes and equipment, further improve ore utilization efficiency, deepen solid waste recycling, reduce solid waste emissions, and minimize the environmental impact of operations.

Wastewater Discharge Management

The Group strictly complies with the Water Pollution Prevention Law of the People's Republic of China and relevant regulations, establishing a fully enclosed wastewater recycling system. A comprehensive filtration and recycling system is constructed at production sites. Production wastewater is transported via sealed pipelines and dedicated pumping stations to tailings repositories, where it undergoes sedimentation, filtration, and closed-loop recycling, achieving zero discharge of industrial wastewater. 24-hour on-site monitoring and maintenance are implemented for tailings repositories and pumping stations to ensure stable operation. During the reporting period, no wastewater leakage or pollution incidents occurred across the entire system.

Dust Management

For dust-generating processes including mining, dry beneficiation, and material transportation, the Group has established a three-dimensional dust control mechanism featuring source reduction, process suppression, and end-point protection:

– Mining Phase: Wet drilling operations are fully implemented, equipped with mobile dust suppression devices such as water sprinklers and fog cannons to real-time control dust during excavation.

– Beneficiation Phase: High-efficiency dust collection equipment is installed in beneficiation workshops, combined with enclosed conveying galleries and sprinkler systems to achieve sealed collection and treatment of dust.

– Transportation Phase: Clean transportation management is strengthened, with regular sprinkling on haul roads to suppress dust.

Through the above multi-dimensional control measures, dust emissions are effectively reduced, safeguarding the air quality and ecological environment of the working area, and professional dust protection equipment is provided to on-site personnel to ensure occupational health.

During the Reporting Period, the Company engaged qualified testing institutions to test the dust generated in the production and operation activities. The dust emission concentration of the Company conformed to the applicable standards of the Emission Standard for Pollutants for Mining and Mineral Processing Industry (GB28661-2012) implemented by local environmental protection regulatory authorities.

Noise Management

The Group adopts a comprehensive noise control system focusing on source prevention and process control. Low-noise and high-efficiency mining and beneficiation equipment is prioritized in production to reduce noise generation at the source. Sound insulation and noise reduction facilities are installed in high-noise operation areas to effectively minimize noise impact on the surrounding environment. Meanwhile, professional noise protection equipment is provided to frontline operators to strengthen occupational health protection and ensure that the noise level in the working environment complies with relevant standards.

During the Reporting Period, the Company engaged qualified testing institutions to regularly test the noise generated in the production and operation activities. The noise detected at the factory boundary conformed to the applicable standards of the Emission Standard for Industrial Enterprises Noise at Boundary (GB12348-2008) implemented by the local regulatory authorities.

Waste Gas Emissions Management

The Group's waste gas is mainly vehicle exhaust generated by transportation. Strict full-life cycle vehicle management is implemented in accordance with the vehicle management system. The Group optimizes vehicle scheduling and usage efficiency, promotes energy-saving and environmentally friendly travel modes, and encourages employees to adopt green commuting to reduce exhaust emissions at the source.

The air pollutants generated by the Group's motor vehicles are quantified as follows:

Air pollutants emission (kg)	2025	2024
Nitrogen oxides (NO_X)	**26.2**	29.0
Sulfur oxides (SO_X)	**1.0**	1.1
Suspended particulate matter (PM)	**1.4**	1.5

Note: The air pollution emissions are calculated in accordance with the emission factors specified in the Technical Guide for Compiling the List of Air Pollutants Emitted by On-road Vehicles (Trial) issued by the environmental protection regulatory authority.

Going forward, the Group will further enhance the refined management of waste gas emissions, promote subsidiaries to decompose control objectives and establish assessment mechanisms, and impose strict assessments on units with excessive emissions or administrative penalties, ensuring that the Group's overall waste gas emissions continuously comply with local environmental standards.

Biochemical Waste Management

The Company attaches great importance to the standardized disposal of domestic waste, and has fully implemented a classified waste management system in all office and production premises, strictly prohibiting illegal acts such as random dumping and open-air incineration of domestic waste. Non-degradable domestic waste is uniformly collected and transferred to designated landfills of local environmental sanitation departments for compliant disposal, so as to control the impact of domestic waste on the ecological environment from the source. As of December 31, 2025, the Company has disposed of approximately 52.35 tons of domestic waste in compliance with regulations.

Waste Materials Management

The Group adheres to the management principles of recycling and value maximization, and has established a full-life cycle control mechanism for waste materials. For obsolete and damaged equipment and materials, priority is given to maintenance, renovation and reuse transformation; for waste materials that cannot be repaired, they are disposed of and realized in accordance with regulations, realizing resource recycling and asset value revitalization. As of December 31, 2025, the cumulative amount realized from the disposal of waste materials by the Company totals approximately RMB8.1 ten thousand yuan.

MANAGEMENT OF WATER RESOURCES

Water resources are the core resource for the Group's production and operation. Therefore, we have incorporated water conservation and efficient utilization into the key work of sustainable development, and continuously improved the water resources management system. The Group strictly abides by laws and regulations such as the Water Law of the People's Republic of China and the Law of the People's Republic of China on Water and Soil Conservation. Water-saving facilities such as tailings ponds and circulating pump stations are built in the concentrator to realize full recycling and zero discharge of production wastewater, maximizing the reuse rate of water resources. At the same time, regular water-saving publicity and education for employees is carried out to strengthen the water-saving awareness of all staff and integrate the water-saving concept into daily operation.

The Group's water consumption data are as follows:

Water resources (m^3)	2025	2024
Water consumption in total	**41,981**	81,347
Water consumption intensity (water consumption in total/per RMB'000 output value)	**0.04**	0.10

Water consumption decreased significantly compared with the same period last year, mainly attributable to the suspension of production in the iron ore business of Jiheng Mining.

In the future, the Group will continue to deepen the technological upgrading of wastewater recycling in production links, formulate progressively decreasing control targets for fresh water consumption, build a solid line of defense for water resources security, and ensure the long-term and stable operation of the business.

Management of Energy

The Group takes energy conservation and consumption reduction, and green development as its core goals, contributing to the sustainable operation of the enterprise and low-carbon development of society. Through measures such as optimizing production processes, promoting technological innovation and energy-saving upgrading of equipment, the Group systematically improves energy utilization efficiency and reduces energy consumption in production and operation. At the same time, a sound assessment and incentive mechanism for energy conservation and consumption reduction has been established to stimulate the initiative and enthusiasm of all staff to participate in energy conservation work, form a good atmosphere of full-staff energy conservation, and steadily achieve the goals of energy consumption control and energy efficiency improvement.

The Group's energy consumption data are as follows:

Energy	Energy category	2025	2024
Diesel (kWh in '000s)	Direct energy	**23,596**	20,901
Gasoline (kWh in '000s)	Direct energy	**656**	6,871
Electricity (kWh in '000s)	Indirect energy	**121,275**	117,972
Intensity of total energy consumption (per RMB'000 output value/kWh in '000s)		**0.2**	0.2

Note: The energy consumption is calculated according to the conversion factors as guided in the General Principles of Comprehensive Energy Calculation (GB/T 2589-2020). In the future, the Group will actively implement energy conservation and consumption reduction measures. Under the premise of the original equipment capacity, the Group will aim to maintain or reduce the intensity of energy consumption such as electricity, diesel and gasoline year by year, so as to promote the efficient and energy-saving development of the Group.

CLIMATE CHANGE

Climate change is one of the most significant challenges facing the global community today. Promoting green development has become a common consensus of the international community, and energy conservation, green and low-carbon development represent an inevitable trend and future direction of global progress.

To align with this global trend and lead national development transformation, China has proposed the "3060" dual carbon goals: striving to peak CO_2 emissions by 2030 and achieve carbon neutrality by 2060. The Group has formulated long-term governance plans and climate-related risk management policies, and will strictly deliver its targets in compliance with relevant local government requirements.

Climate Risk Identification and Management

To address climate-related risks and their impacts, the Company has integrated climate change considerations into its ESG governance framework (see the "ESG Governance Structure" section of this report). Combining its core business characteristics, the Company has formulated a systematic action plan and gradually established corresponding response measures, while actively responding to and implementing various government climate policies and targets.

The Group also seeks to seize opportunities arising from the industry's low-carbon transition, promote the development of green mines and high-quality sustainable development. Regular climate-related training is conducted to continuously enhance the Group's professional knowledge and governance capabilities in addressing climate change.

With reference to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC) of the United Nations, the Group has adopted three climate scenarios — Shared Socioeconomic Pathway (SSP) 1–2.6, SSP2–4.5 and SSP5–8.5 — tailored to the attributes of the iron ore industry to conduct an analysis of climate-related risks and opportunities, thereby providing a scientific basis for strategy formulation.

Below sets out the climate-related risks and opportunities faced by the Group over the short-term (1-3 years), medium-term (4-6 years) and long-term (7-10 years) time horizons:

Risk/Opportunity Factor	Core Impacts	Time Horizon	Current and Expected Financial Impacts
Climate-related Physical Risks			
Flood hazards	Elevated safety risks of stope waterlogging/slope instability and tailings ponds, triggering geological disasters, damaging facilities and creating environmental liabilities	Short/Medium/Long-term	Short-term revenue decline; medium-term increase in capital expenditure for restoration and climate adaptation measures; long-term accelerated asset write-offs, rising insurance premiums and asset relocation costs
Extreme high temperature and drought	Reduced efficiency of open-pit operations, higher equipment failure rates, production capacity constraints due to water scarcity, and exacerbated dust pollution	Short/Medium/Long-term	Short-term increase in operating and water costs and revenue decline; medium-term rise in capital expenditure for supporting facilities; long-term lower asset utilisation efficiency and accelerated depreciation

Risk/Opportunity Factor	Core Impacts	Time Horizon	Current and Expected Financial Impacts
Transition Risks			
Shifts in market and customer preferences	Increased downstream customer requirements for the green attributes of the Group's products, and intensified competition in recruiting high-calibre climate management professionals.	Short/Medium/Long-term	Short-term increase in operating and human resource costs; medium and long-term market share erosion and reputational damage to the Group
Policy and regulatory changes	Implementation of carbon pricing mechanisms and continuous upgrading of green mine standards	Short/Medium/Long-term	Increased carbon emission costs and compliance rectification expenditure; regulatory penalties for non-compliance and disruptions to normal operations
Technology development and application	Rapid iteration of low-carbon mining and intelligent risk control technologies, and lag in technology application	Short/Medium/Long-term	Resulting in the disruption of normal production and operations; direct adverse impact on product revenue and the Group's market position in the industry
Supply chain synergy risks	Low-carbon transformation and adjustment of suppliers, and logistics and transportation disruptions caused by extreme weather	Short/Medium/Long-term	Short-term increase in supply chain adjustment costs and production constraints; medium and long-term upward pressure on raw material and equipment procurement costs

Risk/Opportunity Factor	Core Impacts	Time Horizon	Current and Expected Financial Impacts
Development Opportunities			
Product and brand upgrading	Enhance the green added value of products and their market premium capability	Short/Medium/Long-term	Short-term consolidation of cooperation with core downstream customers and direct growth in sales revenue
Technological innovation and application	Introduction of new energy mining equipment and intelligent monitoring systems in mining areas	Short/Medium/Long-term	Reduced energy consumption and operating costs, alongside improved production efficiency and climate risk prevention and control capabilities
Resource efficiency improvement	Optimisation of circular water utilisation in mining areas, increased ore recovery/dressing rates, and promotion of comprehensive utilisation of solid waste	Short/Medium/Long-term	Lower production and environmental protection costs, plus additional revenue generated from solid waste utilisation business
Ecological value exploration	Carrying out ecological restoration of goafs/waste rock yards in mining areas and development of carbon sink forests	Medium/Long-term	Cultivation of carbon sink assets, exploration of diverse ecological business formats, increased additional economic benefits and enhanced the Group's green image

Climate Strategy and Decision-Making

Anchoring its core development objectives of green mine construction, low-carbon mining and operations, and full-chain climate resilience enhancement, the Group has deeply integrated climate risk management with its core iron ore mining, processing and operation businesses. It has formulated four core climate strategies for full implementation across the Group:

Risk Mitigation: Strengthen the climate resilience of core assets such as tailings ponds and stope slopes, establish an emergency response mechanism for extreme weather, and exercise comprehensive control over climate-related physical risks.

Low-carbon Mining: Advance the optimisation of the energy structure in mining areas and the energy-saving retrofitting of mining equipment, establish a carbon emission accounting system for the entire mining process, and comply with the industry's low-carbon regulatory requirements.

Value Enhancement: Prioritise the standardised development of green mines, boost the green added value of iron ore products, and explore the economic value of resource recycling and ecological restoration in mining areas.

Sustainable Development: Integrate climate considerations into the core decision-making processes for the Group's investments and new project development, promote the R&D and application of green mining technologies, and foster new drivers for the green development of mines.

Specific Measures for Risk Mitigation and Opportunity Capture

Strategic Objective	Current Expected Financial Impacts	Time Horizon	Key Initiatives
Risk Mitigation	Optimised asset layout to reduce exposure to climate risks, and investment in intelligent monitoring to mitigate subsequent disaster losses	Short/Medium-term	Conduct a comprehensive climate risk assessment across the entire business chain; upgrade emergency plans for extreme weather and conduct regular drills; install intelligent monitoring and early warning equipment at stopes and tailings ponds
Low-carbon Mining	Initial increase in equipment/process retrofitting costs, with long-term reduction in carbon emission and compliance costs	Short/Medium/Long-term	Phase in the electrification retrofitting of mining equipment; establish a full-process carbon emission accounting and control system; drive energy conservation and consumption reduction across all employees

Strategic Objective	Current Expected Financial Impacts	Time Horizon	Key Initiatives
Value Enhancement	Initial capital investment in ecological restoration/facility construction, with long-term achievement of product premium and diversified income	Short/Medium/Long-term	Fully advance the standardised development of green mines; build a closed-loop water circulation system in mining areas; roll out the comprehensive utilisation business of waste rock and tailings; develop carbon sink forests to cultivate carbon sink assets
Sustainable Development	Initial increase in supply chain/digital transformation costs, with long-term improvement in production efficiency and core competitiveness	Short/Medium/Long-term	Integrate climate considerations into the Group's investment and new project development decision-making; advance the green upgrading of the supply chain; build a digital platform for climate risk management; set up a professional team for green technology and management

Safeguard System for the Implementation of Climate Strategies

Organisational and Process Optimisation: clarify cross-departmental management responsibilities and optimise the end-to-end management mechanism for climate risk identification, assessment and response.

Business Policy Alignment: revise core business policies including mine mining, safety management and environmental operations, integrate the requirements for green mine development and climate risk prevention and control into the policy system, and align with the Group's climate objectives.

Incentive Mechanism Integration: incorporate indicators such as the effectiveness of climate risk management, the achievement of carbon emission reduction targets and the progress of green mine development into performance appraisals, and integrate such indicators into the remuneration structures of the management and business teams.

Resource and Supplier Management: rationally allocate climate-related financial and human resources to ensure capital investment in various initiatives; establish a supplier climate risk assessment system to drive the coordinated low-carbon development of the supply chain.

Data System Development: build a standardised data collection and analysis system for mining area climate, carbon emissions, resource consumption, risk events and other metrics, to provide accurate data support for climate risk assessment and strategy optimisation.

GHG Emissions

The board of directors and management of the Group attach great importance to climate risk management and GHG emission reduction, and are deeply aware of the profound impact of GHG emissions on the ecological environment and the sustainable development of the enterprise. Carbon reduction and low-carbon green operation have been incorporated into the Group's medium and long-term development strategy and normalized operation and management system. During the reporting period, the Group strictly abided by domestic laws and regulations such as the Energy Conservation Law of the People's Republic of China and the 14th Five-Year Plan for Controlling Greenhouse Gas Emissions, and benchmarked against the climate-related disclosure requirements of the HKEX ESG Guide. A special emission reduction control mechanism was established to clarify the emission reduction responsibilities of all departments, and regular statistics, verification and review of GHG emission data were conducted to ensure full compliance of emission management and authentic and traceable data.

During the reporting period, the Group continued to promote green and low-carbon development, adopting multiple measures to strictly control GHG emissions and improve energy efficiency. At the production and operation end, the Group accelerated the upgrading of production equipment, gradually replacing high-energy-consuming outdated equipment with clean energy facilities and energy-saving equipment, optimizing the energy consumption structure, and reducing electricity consumption and indirect carbon emissions. At the daily office end, the Group advocated that all employees practice the green and low-carbon concept, promote green travel modes, optimize the overall scheduling of official vehicles to reduce fuel consumption, deepen the practice of paperless office, and strictly control the use of office paper and printing equipment, cutting down office energy consumption and carbon emissions from details.

In addition, the Group actively fulfills its ecological protection responsibilities to support the achievement of the national "dual carbon" and carbon neutrality goals. During the reporting period, through ecological restoration measures such as factory greening and public welfare tree planting, approximately 750 new trees were planted and 3,750 square meters of green space was added, further enhancing carbon sequestration capacity, mitigating the environmental impact of GHG emissions, and building a green, low-carbon and sustainable operational ecosystem.

Details of GHG emissions of the Group are as follows:

GHG Emissions (tCO_2e)		2025	2024
Direct GHG emissions (scope 1)	Gasoline and diesel	**6,323.7**	5,625.8
Indirect emissions (scope 2)	Electricity purchased	**107,243.4**	104,322.9
Other indirect GHG emissions (scope 3)	Waste paper	**0**	0.5
	Business air travel	**3.3**	11.8
GHG removals (scope 1)	Planting trees	**10.4**	(6.5)
GHG emissions in total		**83,456.3**	109,948.7
Intensity of GHG emissions (GHG emissions in total/per RMB'000 output value)		**0.1**	0.2

Note: The Group's greenhouse gas emissions are calculated in accordance with the GHG Protocol Corporate Accounting and Reporting Standard (2004), the IPCC 2006 Guidelines for National Greenhouse Gas Inventories, the annual regional grid average carbon dioxide emission factors issued by the Ministry of Ecology and Environment and the National Bureau of Statistics of China, and the Guidelines for the Accounting and Reporting of Greenhouse Gas Emissions for China Civil Aviation Enterprises (2013), among other standards.

The emission factor adopted for purchased electricity (Scope 2) in the current year has been changed from the previous year, mainly due to the compliance update of accounting parameters based on the latest regional grid emission factors newly issued by the competent national authorities, so as to ensure the accuracy and comparability of accounting results.

Emission factor for 2024: 0.8843 $kgCO_2e/kWh$

Emission factor for 2025: 0.6361 $kgCO_2e/kWh$ (North China Regional Grid)

There is no change in the accounting methodology and boundary. The adjustment is only attributed to the official update of the emission factor. The relevant change has been uniformly reflected in the current year's greenhouse gas data to ensure that the disclosure is true, accurate and complete.

In the future, the Group will continue to benchmark against the HKEX ESG regulatory requirements, further improve the GHG emission management system, and deepen clean energy substitution and refined energy consumption control. Meanwhile, the Group will accelerate the improvement of the climate risk prevention and control mechanism, continuously enhance the level of green operation, and strive to achieve the goal of a sustained annual decline in GHG emission intensity.

EMPLOYMENT AND LABOUR PRACTICES

Employees are the core assets and fundamental driving force for the Group's sustainable development. The Group has always placed the protection of employees' rights and interests and their career development at a strategic level. Taking compliance as the bottom line and development as the orientation, we have established a comprehensive and people-oriented labor management system, fostered an equal, inclusive and progressive workplace environment, and promoted the symbiotic growth of value between the enterprise and its employees.

The Group strictly abides by the Labor Law of the People's Republic of China, the Labor Contract Law of the People's Republic of China and other relevant laws and regulations, fully respects employees' freedom of career choice, and comprehensively safeguards employees' legitimate labor rights and interests. It implements fair employment and diversified employment policies throughout the entire process of recruitment and employment, salary and welfare, promotion and development, and firmly eliminates any form of discrimination based on gender, race, marital status, pregnancy and childbirth, religious belief, disability and other factors.

In labor management, the Group strictly enforces the bottom-line requirements of prohibiting child labor and eliminating forced labor. It verifies the identity information of applicants during recruitment to prevent false declarations; from the date of employment, it establishes labor relations with employees and signs labor contracts in accordance with the law, adhering to the principles of legality and compliance, equality and voluntariness, consensus through consultation, and good faith to clarify the rights and obligations of both parties; dismissal and contract termination are carried out in strict accordance with laws, regulations and contract agreements to protect the legitimate rights and interests of both employers and employees.

Aiming to build a talent incentive system with market competitiveness, the Group improves its salary, welfare and career development mechanisms to attract, retain and empower outstanding talents. It has formulated systems such as the Wage Accounting Management Measures and Performance Appraisal Management Measures, and established a salary distribution system based on post value and performance contribution. Through diversified incentive methods including post salary, performance salary, overtime pay, various allowances, bonuses and equity incentives, it achieves an accurate link between performance and incentives, fully stimulating employees' enthusiasm and creativity.

The Group pays five social insurances and one housing fund for all employees in accordance with the law, providing sound statutory welfare protection; it regularly conducts salary evaluation and optimization adjustments based on the Group's operating performance, employees' performance and industry salary dynamics, effectively recognizing employees' value contributions. Meanwhile, it builds a clear career development path to support employees' vertical promotion and horizontal development, helping employees realize professional value and personal growth.

The Group strictly complies with national regulations on working hours and rest, and safeguards employees' rights to rest and leave. Administrative office positions implement a standard working hour system of five days a week and eight hours a day; production positions adopt a scientific shift and compensatory leave system in light of the operational characteristics of the industry. It implements various statutory leaves in accordance with the law, including marriage leave, bereavement leave, maternity leave, sick leave, personal leave, paid annual leave and work-related injury leave. Statutory holidays and public rest days are not included in annual leave, fully protecting employees' rights to balance work and rest.

The Group attaches great importance to employees' demands and expression of opinions, and establishes a multi-dimensional and normalized employee communication channel. The human resources departments of the Group and its subsidiaries regularly conduct self-inspection and supervision on the implementation of labor standards, and promptly identify and rectify problems in labor management; it extensively collects employees' suggestions on management systems, working environment and development planning through seminars, surveys, suggestion boxes and other forms.

In addition, a confidential reporting mechanism is set up to smooth employees' complaint and reporting channels, encouraging supervision and feedback on discriminatory employment, illegal employment and other violations. During the reporting period, no incidents violating labor standards occurred within the Group.

As of 31 December 2025, the Group had a total of 729 full-time employees. The relevant data are as follows:

Employment Structure	2025	2024
Total number of employees	729	759
By gender		
Male	701	730
Female	28	29
By age		
Under 35	73	73
35-50	382	385
Above 50	274	301
By region		
Local residents of Laiyuan County	527	545
Residents outside Laiyuan County	205	214
By position		
Management	103	139
General employees	626	620
By employment type		
Full-time	729	759
Part-time	0	0
Employee turnover rate	**4.0**	**16.3%**
By gender		
Male	3.9%	15.6%
Female	0.1%	0%
By age		
Under 35	0.0%	3.2%
35-50	0.4%	5.7%
Above 50	3.6%	7.4%
By region		
Local residents of Laiyuan County	2.4%	8.1%
Residents outside Laiyuan County	1.2%	8.1%

During the reporting period, the total number of employees of the Group decreased by 4% compared with the same period of the previous year, mainly due to the optimization of the organizational structure of its subsidiaries, streamlining of staffing and improvement of personnel efficiency. The Group always adheres to the employment principle of gender equality, and no gender discrimination occurred during the reporting period; affected by the attributes of the mining industry, the proportion of female employees stood at 3.8%.

In the future, the Group will continue to promote workplace diversity and inclusiveness, optimize staffing structure, actively create a more inclusive working environment, and promote the balanced development of the workforce.

Notes:

Staff turnover rate = number of turnover ÷ annual average workforce

DEVELOPMENT AND TRAINING

The Group has always regarded talent cultivation as the core strategy for its sustainable development, adhering to the philosophy of shared growth between employees and the enterprise. We have established a standardized, full-cycle and full-coverage talent development system, empowering employees' growth with institutional support. The Group has formulated and implemented the Employee Training Management Measures, and built a multi-dimensional and hierarchical training matrix. Focusing on five core areas: work safety, occupational health, professional skills, management capabilities and corporate culture, we carry out customized training to precisely meet the capacity improvement needs of employees at all positions and levels, helping them sharpen their skills and achieve steady growth. In addition, the Group has improved its career development and promotion mechanism. Through the Employee Promotion Management Measures and Skill Level Assessment Measures, we have defined transparent promotion and assessment standards, and built a diversified career path featuring vertical promotion and horizontal development, stimulating employees' internal motivation and supporting them to realize personal value and career development.

Employees training	2025	2024
Number of employees trained	744	759
Percentage of employees trained in total employees	100%	100%
Percentage of employees trained (by gender)		
Male	93.7%	96.2%
Female	6.3%	3.8%
Percentage of employees trained (by employee category)		
General employees	76.6%	81.7%
Management	23.4%	18.3%
Average training hours (hours)	8	21
Male	8	22
Female	8	9
General employees	11	27
Management	7	7

Notes: The percentage of trained employees categorized by gender and employee category includes the number of employees hired and separated in 2025.

HEALTH AND SAFETY

Employees' occupational health and production safety serve as the bottom-line guarantee for the Group's stable operation and sustainable development, and also represent the core embodiment of the Group's fulfillment of corporate social responsibility. During the reporting period, the Group strictly aligned with national laws and regulations governing work safety and occupational health, including the Work Safety Law of the People's Republic of China, the Law of the People's Republic of China on the Prevention and Control of Occupational Diseases, and the Regulations on the Implementation of the Mine Safety Law of the People's Republic of China. Adhering to the people-first and life-first development philosophy, the Group set the high-standard safety target of "zero work-related fatalities and zero serious injuries". With the core principles of "prevention first, source control, and whole-chain governance", it established a full-process, closed-loop occupational health and safety (OHS) management system, and built a safe and reliable working environment for employees and partners through normalized management and full-staff participation.

Management Measures

Taking institutional norms as the starting point, the Group improved a multi-dimensional safety management regulatory system covering daily operation, emergency response, organizational management and other links. It formulated a series of rules and regulations such as the Occupational Health Management System, the Emergency Plan for Occupational Health Hazards, and the Operating Rules of the Work Safety Committee, promoting the standardization and refinement of OHS management, eliminating management loopholes, and ensuring the effective implementation of various control requirements. In response to potential risks in the workplace, the Group established a normalized risk identification and hidden danger investigation mechanism, conducted regular special safety assessments and on-site inspections, set up ledgers for identified problems, ordered rectification within a time limit, and implemented closed-loop verification, so as to curb safety accidents at the source.

In terms of occupational health protection, the Group adopted targeted measures tailored to individual employees and specific positions. In accordance with the risk levels of different positions, it provided employees with labor protection equipment that meets national standards and post requirements, and strengthened supervision over the use of such equipment. Meanwhile, in collaboration with professional third-party institutions, the Group regularly monitored hazardous factors in the workplace, arranged pre-job, on-job and post-exit physical examinations for employees in positions exposed to occupational hazards, established a one-person-one-file occupational health archive for each employee, tracked employees' health status throughout the process, and effectively protected employees' physical rights and interests.

In terms of work safety control, the specialized safety management department adopted a combined model of "daily patrol + special supervision + unannounced inspections" to strengthen the whole-process supervision of production sites, promote the standardization of work safety, and continuously improve on-site safety control capabilities. To mobilize employees' initiative in participating in safety management, the Group set up a safety incentive mechanism to encourage employees to take the initiative to report potential hazards and engage in safety control. In addition, regular special safety training and emergency drills were held every year to enhance employees' safety awareness and emergency response capabilities. For partners such as contractors and suppliers, the Group strictly implemented HSE access and supervision requirements, requiring them to abide by industry standards and safety norms to achieve full-chain safety control.

During the reporting period, the Group strictly abided by all safety supervision laws and regulations, implemented the primary responsibility for work safety and supervision responsibility at all levels, and promoted normalized safety inspections and assessments to ensure the full implementation of various safety instructions. During the period, a total of 146 special OHS inspections were carried out, all potential safety hazards were fully rectified, and the implementation rate of safety instructions and hidden danger rectification rate both reached 100%. No records of penalties related to occupational health and safety violations were incurred.

To strengthen the safety literacy of all staff, the Group conducted a total of 639 person-times of special OHS training during the reporting period, covering employees in all positions. To improve emergency response and disposal capabilities, the Group organized a total of 3 emergency rescue drills targeting high-risk scenarios in mine production, including tailings pond and waste dump landslides, debris flows accidents, further optimizing emergency procedures and enhancing the operability of emergency plans.

Safety Accidents and Targets

For the year ended 31 December 2025, the Group continued to deepen refined safety risk control. No fatal work-related injuries, serious disabilities or other major safety accidents occurred during the reporting period, and zero work-related fatalities were recorded for at least three consecutive reporting years. The incidence of various minor accidents was kept under control, and no unnecessary working days were lost. For the 2025 fiscal year, the Group set clear OHS control targets: the minor injury rate shall be controlled within 3%, and zero incidents shall be achieved for serious injuries, fatalities, fires, collective food poisoning, major equipment and facility accidents, and occupational diseases.

SUPPLY CHAIN MANAGEMENT

The Group regards sustainable supply chain management as a critical pillar for its high-quality development. It adheres to integrating ESG principles throughout the entire supply chain process, strengthens collaborative governance with upstream and downstream partners, and builds a safe, stable and responsible supply chain system through strict access, dynamic evaluation and closed-loop management, ensuring that supply chain operations align with the Group's sustainable development goals.

In the new supplier selection phase, the Group strictly implements procurement and bidding management systems and establishes a multi-dimensional comprehensive evaluation system. In addition to examining basic indicators such as industrial qualifications, production capacity, product quality, service standards and credit status, the Group also focuses on strengthening ESG risk assessment. This covers labor rights protection, occupational health and safety, compliance of products with national green standards, energy conservation, low-carbon and environmental protection emission reduction requirements, as well as checks for irregularities such as child labor, forced labor and employment discrimination, to ensure that suppliers meet the Group's sustainable development requirements. For suppliers in key sectors, the procurement team conducts on-site due diligence to comprehensively verify actual operation conditions and prevent supply chain risks from the source. Meanwhile, the Group shares green management experience with suppliers and carries out targeted exchanges and training to drive the whole supply chain toward green and low-carbon transformation.

During the reporting period, the Group implements an annual comprehensive supplier evaluation mechanism and carries out dynamic management based on dimensions including delivery quality, service response, compliance performance and ESG performance. In response to potential supply chain risks such as supply disruptions, compliance loopholes, environmental safety hazards and policy changes, the Group has established a normalized mechanism for supply chain risk identification, early warning and response. It regularly conducts risk assessments and hidden danger investigations on core suppliers and key links, sets up risk ledgers and formulates targeted emergency plans to effectively resolve various supply chain risks. In addition, the Group optimizes the supply layout of core resources and equipment to reduce the risk of over-reliance on a single supplier and guarantee the stability and continuity of the Group's production and operation.

During the reporting period, the total number of qualified suppliers and contractors providing services to the Group is 152. Among them, there are 145 suppliers of materials and equipment, including 73 in Hebei Province and 72 in other provinces of China; there are 7 partners providing on-site services such as transportation, handling, greening, construction, and geological disaster control, including 6 in Hebei Province and 1 in other provinces of China. During the reporting period, no suppliers or contractors with significant negative impacts on the environment and society were found, and the overall supply chain operated in a stable, compliant and controllable manner.

PRODUCT RESPONSIBILITY

The Group regards product quality as the core cornerstone of its sustainable development. It is committed to building long-term cooperative relationships with customers through superior quality and sound reputation, with a view to achieving mutual benefit and common development. The Group strictly complies with the Product Quality Law of the People's Republic of China and other applicable laws, regulations and industry standards. Through the implementation of a full-process quality management system, the Group consistently provides customers with high-quality products and services, attaches great importance to customer feedback and continuously optimizes service experience.

The Group's quality supervision department conducts regular on-site inspections of its operating mines and processing plants. Each production unit has established a standardized quality inspection ledger, which sets out clear objectives, frequency and scope of quality reviews. Meanwhile, the Group implements strict monitoring over the entire production process, samples are taken at key production stages for laboratory testing, and production equipment parameters and processes are dynamically adjusted based on inspection results to comprehensively safeguard and continuously enhance product quality.

Quality objectives

Iron ore business:	All specifications of iron concentrate comply with the national standard GB/T36704-2018, with the grade of acidic iron concentrate not less than 66% and the grade of basic iron concentrate not less than 63%;
Machine-processed sand and gravel business:	All specifications of manufactured sand comply with the national standard GB/T14685-2011.

To ensure the delivery of products to customers with guaranteed quality and quantity, the Group has adopted a series of safeguard measures including dual measurement and quality inspection. In the event of any material discrepancy, the Group will handle the matter in accordance with the Customer Quality Complaint Handling Form. If the issue cannot be resolved, a third-party authoritative institution will be engaged for review and arbitration.

During the reporting period, the Group had no incidents involving violations of product liability regulations, and no material complaints regarding product quality and services were received.

ANTI-CORRUPTION

The Group has always adhered to a corporate culture of integrity and self-discipline, and strictly abides by laws and regulations including the Criminal Law of the People's Republic of China, the Anti-Corruption Law of the People's Republic of China, the Anti-Money Laundering Law of the People's Republic of China, and the Interim Provisions on Prohibiting Commercial Bribery. It upholds a zero-tolerance principle towards illegal and irregular acts such as corruption, bribery, extortion, fraud and money laundering. The Group has established and improved anti-corruption and integrity codes, matched with sound internal control systems, and built a full-process risk prevention and control system to build a solid line of defense for integrity operation at the institutional level.

To continuously strengthen the integrity awareness of all employees, the Group regularly carries out special anti-corruption training to promote the establishment of compliance operation concepts among management and staff. In 2025, the Group organized directors and all employees to participate in special anti-corruption training, covering the Practical Guide to Anti-Corruption Systems for Listed Companies issued by the Independent Commission Against Corruption of the Hong Kong Special Administrative Region, comprehensively enhancing the compliance awareness and risk prevention capabilities of all personnel.

Meanwhile, the Group has established a sound confidential reporting mechanism, launching diversified channels including reporting hotlines, reporting email addresses and physical reporting boxes, providing employees with a safe and confidential way to report violations of disciplines and regulations. Reported matters are handled exclusively by designated special departments to ensure standardized procedures and timely disposal. When necessary, such matters will be reported to regulatory and law enforcement agencies in accordance with regulations, forming a closed-loop supervision and management mechanism.

During the reporting period, no legal cases arising from illegal or irregular acts such as corruption and bribery occurred in the Group or among its employees, achieving sound results in integrity governance.

COMMUNITY PARTICIPATION

Adhering to the mission of serving society and repaying the people, the Group actively practices ESG concepts and fulfills corporate social responsibilities proactively, deeply integrating its development with the rural revitalization drive. In 2025, the Company fulfilled its social responsibilities in community engagement and rural revitalization support, caring about the development of western China. It donated RMB100,000 to the local government, earmarked for local rural industrial development, infrastructure improvement and other revitalization projects. With concrete actions, it demonstrates the enterprise's dedication to the country and society, effectively supporting the construction of livable, business-friendly and beautiful rural areas.

HKEX ESG REPORTING CODE CONTENT INDEX

Subject Areas, Aspects, General Disclosures and Key Performance Indicators ("KPIs")		Reference/Remarks	Page
A. Environmental			
Aspect A1: Emissions			
General disclosure		Environmental Protection Emissions Management	11
KPI A1.1	The types of emissions and respective emissions data.	Emissions Management	11-14
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity.	N/A	N/A
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity.	Emissions Management	11-14
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	Emissions Management	11-14
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Emissions Management	11-14
A. Environmental			
Aspect A2: Use of resources			
General disclosure		Water Management Energy Management	14-15
KPI A2.1	Direct and/or indirect energy consumption by type in total (kWh in '000s) and intensity.	Energy Management	15
KPI A2.2	Water consumption in total and intensity.	Water Management	15
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Energy Management	15
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Water Management	14-15
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	N/A	N/A

Subject Areas, Aspects, General Disclosures and Key Performance Indicators ("KPIs")		Reference/Remarks	Page
Aspect A3: The environment and natural resources			
General disclosure		Environmental Protection	11
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Environmental Protection	11
B. Social Employment and Labour Practices			
Aspect B1: Employment			
General disclosure		Employment and Labor Practices	23
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Employment and Labor Practices	25
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Employment and Labor Practices	25
Aspect B2: Health and safety			
General disclosure		Health and Safety	27-28
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Health and Safety	28
KPI B2.2	Lost days due to work injury.	Health and Safety	28
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Health and Safety	27-28
B. Social Employment and Labour Practices			
Aspect B3: Development and training			
General disclosure		Development and Training	26
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Development and Training	26
KPI B3.2	The average training hours completed per employee by gender and employee category.	Development and Training	26

Subject Areas, Aspects, General Disclosures and Key Performance Indicators ("KPIs")		Reference/Remarks	Page
Aspect B4: Labour standards			
General disclosure		Employment and Labor Practices	23
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Employment and Labor Practices	23-24
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Employment and Labor Practices	24
B. Social **Operating Practices**			
Aspect B5: Supply chain management			
General disclosure		Supply Chain Management	28-29
KPI B5.1	Number of vendors by geographical region.	Supply Chain Management	29
KPI B5.2	Description of practices relating to engaging vendors, number of vendors where the practices are being implemented, and how they are implemented and monitored.	Supply Chain Management	28-29
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply Chain Management	28-29
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting vendors, and how they are implemented and monitored.	Supply Chain Management	28-29
Aspect B6: Product responsibility			
General disclosure		Product Responsibility	29-30
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	N/A	N/A
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Product Responsibility	30

Subject Areas, Aspects, General Disclosures and Key Performance Indicators ("KPIs")		Reference/Remarks	Page
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	N/A	N/A
KPI B6.4	Description of quality assurance process and recall procedures.	Product Responsibility	30
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	N/A	N/A
B. Social Operating Practices			
Aspect B7: Anti-corruption			
General disclosure		Anti-Corruption	30
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Anti-Corruption	30
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Anti-Corruption	30
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Anti-Corruption	30
Community			
Aspect B8: Community investment			
General disclosure		Community Participation	30
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Community Participation	30
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Community Participation	30

Climate-related Disclosures

Disclosure Requirements		Location (Comply or Explain)	Page
(I) Governance			
An issuer shall disclose information about:			
(a)	Disclosure on the governance body(s) or individual(s) responsible for oversight of climate-related risks and opportunities. Specifically, the issuer shall identify that body(s) or individual(s) and disclose information about:		
(i)	how the body(s) or individual(s) determines whether appropriate skills and competencies are available or will be developed to oversee strategies designed to respond to climate-related risks and opportunities;	Environmental, Social and Governance Framework	4-6
(ii)	how and how often the body(s) or individual(s) is informed about climate-related risks and opportunities;	Environmental, Social and Governance Framework	4-6
(iii)	how the body(s) or individual(s) takes into account climate-related risks and opportunities when overseeing the issuer's strategy, its decisions on major transactions, and its risk management processes and related policies, including whether the body(s) or individual(s) has considered trade-offs associated with those risks and opportunities;	Environmental, Social and Governance Framework	4-6
(iv)	how the body(s) or individual(s) oversees the setting of, and monitors progress towards, targets related to climate-related risks and opportunities, including whether and how related performance metrics are included in remuneration policies; and	Environmental, Social and Governance Framework	4-6
(b)	management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities, including information about:		
(i)	whether the role is delegated to a specific management-level position or management-level committee and how oversight is exercised over that position or committee; and	Environmental, Social and Governance Framework	4-6
(ii)	whether management uses controls and procedures to support the oversight of climate-related risks and opportunities and, if so, how these controls and procedures are integrated with other internal functions.	Environmental, Social and Governance Framework	4-6

Disclosure Requirements		Location (Comply or Explain)	Page
(II) Strategy			
Climate-related risks and opportunities			
An issuer shall disclose information to enable an understanding of climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term. Specifically, the issuer shall:			
(a)	describe climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term;	Climate Risk Identification and Management	16-19
(b)	explain, for each climate-related risk the issuer has identified, whether the issuer considers the risk to be a climate-related physical risk or climate-related transition risk;	Climate Risk Identification and Management	16-19
(c)	specify, for each climate-related risk and opportunity the issuer has identified, over which time horizons – short, medium or long term – the effects of each climate-related risk and opportunity could reasonably be expected to occur; and	Climate Risk Identification and Management	16-19
(d)	explain how the issuer defines 'short term', 'medium term' and 'long term' and how these definitions are linked to the planning horizons used by the issuer for strategic decision-making.	Climate Risk Identification and Management	16-19
Business model and value chain			
An issuer shall disclose information that enables an understanding of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain. Specifically, the issuer shall disclose:			
(a)	a description of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain; and	Climate Risk Identification and Management	16-19
(b)	a description of where in the issuer's business model and value chain climate-related risks and opportunities are concentrated (for example, geographical areas, facilities and types of assets).	Climate Risk Identification and Management	16-19

Disclosure Requirements		Location (Comply or Explain)	Page
(II) Strategy			
Strategy and decision-making			
An issuer shall disclose information that enables an understanding of the effects of climate-related risks and opportunities on its strategy and decision-making. Specifically, the issuer shall disclose:			
(a)	information about how the issuer has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the issuer plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation. Specifically, the issuer shall disclose information about: (i) current and anticipated changes to the issuer's business model, including its resource allocation, to address climate-related risks and opportunities; (ii) current and anticipated adaptation and mitigation efforts (direct or indirect); (iii) any climate-related transition plan the issuer has (including information about key assumptions used in developing its transition plan, and dependencies on which the issuer's transition plan relies), or an appropriate negative statement where the issuer does not have a climate-related transition plan; (iv) how the issuer plans to achieve any climate-related targets (including any greenhouse gas emissions targets (if any); and	Climate Strategy and Decision-Making GHG Emissions	21-23
(b)	information about how the issuer is resourcing, and plans to resource, the activities disclosed.	Climate Strategy and Decision-Making	21-22
(c)	information about the progress of plans disclosed in previous reporting periods	Climate Strategy and Decision-Making The Group is currently strengthening its relevant assessment framework, data collection and internal review process. Relevant information will be disclosed when supporting data becomes available for reliable disclosure.	21-22

	Disclosure Requirements	Location (Comply or Explain)	Page
(II) Strategy			
Financial position, financial performance and cash flows			
Current financial effect			
(a)	An issuer shall disclose qualitative and quantitative information about how climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period; and	Climate Risk Identification and Management The Group is currently strengthening its relevant assessment framework, data collection and internal review process. Relevant information will be disclosed when supporting data becomes available for reliable disclosure.	16-19
(b)	the climate-related risks and opportunities identified, for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements.	The Group is currently strengthening its relevant assessment framework, data collection and internal review process. Relevant information will be disclosed when supporting data becomes available for reliable disclosure.	N/A

Disclosure Requirements		Location (Comply or Explain)	Page
Anticipated financial effect			
(a)	The issuer shall provide qualitative and quantitative disclosures about how the issuer expects its financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities, taking into consideration: (i) its investment and disposal plans; and (ii) its planned sources of funding to implement its strategy; and	Climate Risk Identification and Management The Group is currently strengthening its relevant assessment framework, data collection and internal review process. Relevant information will be disclosed when supporting data becomes available for reliable disclosure.	16-19
(b)	how the issuer expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities.	Climate Risk Identification and Management The Group is currently strengthening its relevant assessment framework, data collection and internal review process. Relevant information will be disclosed when supporting data becomes available for reliable disclosure.	16-19
(II) Strategy			
Climate Resilience			
(a)	The issuer shall provide qualitative and quantitative disclosures about the issuer's assessment of its climate resilience as at the reporting date, which shall enable an understanding of: (i) the implications, if any, of the issuer's assessment for its strategy and business model, including how the issuer would need to respond to the effects identified in the climate-related scenario analysis; (ii) the significant areas of uncertainty considered in the issuer's assessment of its climate resilience; and (iii) the issuer's capacity to adjust, or adapt its strategy and business model to climate change over the short, medium or long term;	Climate Strategy and Decision-Making	19-22

Disclosure Requirements		Location (Comply or Explain)	Page
(b)	how and when the climate-related scenario analysis was carried out, including: (i) information about the inputs used; (ii) the key assumptions the issuer made in the analysis; and (iii) the reporting period in which the climate-related scenario analysis was carried out.	Climate Strategy and Decision-Making	19-22
(III) Risk Management			
(a)	An issuer shall disclose information about the processes and related policies it uses to identify, assess, prioritise and monitor climate-related risks, including information about: (i) the inputs and parameters the issuer uses; (ii) whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related risks; (iii) how the issuer assesses the nature, likelihood and magnitude of the effects of those risks; (iv) whether and how the issuer prioritises climate-related risks relative to other types of risks; (v) how the issuer monitors climate-related risks; and (vi) whether and how the issuer has changed the processes it uses compared with the previous reporting period;	Climate Risk Identification and Management Climate Strategy and Decision-Making	16-22
(b)	the processes the issuer uses to identify, assess, prioritise and monitor climate-related opportunities (including information about whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related opportunities); and	Climate Risk Identification and Management Climate Strategy and Decision-Making	16-22

Disclosure Requirements		Location (Comply or Explain)	Page
(c)	the extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the issuer's overall risk management process.	Climate Strategy and Decision-Making	19-22
(IV) Metrics and Targets			
Greenhouse gas emissions			
(a)	An issuer shall disclose its absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tons of CO_2 equivalent, classified as: ■ Scope 1 greenhouse gas emissions; ■ Scope 2 greenhouse gas emissions; and ■ Scope 3 greenhouse gas emissions.	GHG Emissions	22-23
(b)	measure its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) unless required by a jurisdictional authority or another exchange on which the issuer is listed to use a different method for measuring greenhouse gas emissions;	GHG Emissions	22-23
(c)	disclose the approach it uses to measure its greenhouse gas emissions;	GHG Emissions	22-23
(d)	for Scope 2 greenhouse gas emissions disclosed, disclose its location-based Scope 2 greenhouse gas emissions, and provide information about any contractual instruments that is necessary to enable an understanding of the issuer's Scope 2 greenhouse gas emissions; and	GHG Emissions	22-23
(e)	for Scope 3 greenhouse gas emissions disclose the categories included within the issuer's measure of Scope 3 greenhouse gas emissions, in accordance with the Scope 3 categories described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011).	GHG Emissions	22-23

Disclosure Requirements		Location (Comply or Explain)	Page
(IV) Metrics and Targets			
Climate-related risks and opportunities			
(a)	An issuer shall disclose the amount and percentage of assets or business activities vulnerable to: (i) climate-related transition risks; and (ii) climate-related physical risks.	The Group is currently strengthening its relevant assessment framework, data collection and internal review process. Relevant information will be disclosed when supporting data becomes available for reliable disclosure.	N/A
(b)	An issuer shall disclose the amount and percentage of assets or business activities aligned with climate-related opportunities.	The Group is currently strengthening its relevant assessment framework, data collection and internal review process. Relevant information will be disclosed when supporting data becomes available for reliable disclosure.	N/A
Capital deployment, internal carbon prices, remuneration and industry-based metrics			
(a)	An issuer shall disclose the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.	The Group is currently strengthening its relevant assessment framework, data collection and internal review process. Relevant information will be disclosed when supporting data becomes available for reliable disclosure.	N/A

Disclosure Requirements		Location (Comply or Explain)	Page
(b)	An issuer shall disclose: (i) an explanation of whether and how the issuer is applying a carbon price in decision-making (for example, investment decisions, transfer pricing, and scenario analysis); and (ii) the price of each metric tonne of greenhouse gas emissions the issuer uses to assess the costs of its greenhouse gas emissions; or an appropriate negative statement that the issuer does not apply a carbon price in decision-making.	The Group is currently strengthening its relevant assessment framework, data collection and internal review process. Relevant information will be disclosed when supporting data becomes available for reliable disclosure.	N/A
(c)	An issuer shall disclose whether and how climate-related considerations are factored into remuneration policy, or an appropriate negative statement.	The Group is currently strengthening its relevant assessment framework, data collection and internal review process. Relevant information will be disclosed when supporting data becomes available for reliable disclosure.	N/A
(IV) Metrics and Targets			
Capital deployment, internal carbon prices, remuneration and industry-based metrics			
(d)	In determining the industry-based metrics that the issuer discloses, an issuer is encouraged to refer to and consider the applicability of the industry-based metrics associated with disclosure topics described in the IFRS S2 Industry-based Guidance on implementing Climate-related Disclosures and other industry-based disclosure requirements prescribed under other international ESG reporting frameworks.	The Group is currently reviewing the applicability of industry-related indicators covered by the disclosure topics, and will make disclosures in due course.	N/A

Disclosure Requirements		Location (Comply or Explain)	Page
Climate-related targets			
(a)	An issuer shall disclose (i) the qualitative and quantitative climate-related targets the issuer has set to monitor progress towards achieving its strategic goals; and (ii) any targets the issuer is required to meet by law or regulation, including any greenhouse gas emissions targets.	GHG Emissions	22-23
(b)	An issuer shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target.	GHG Emissions	22-23
(c)	An issuer shall disclose information about its performance against each climate-related target and an analysis of trends or changes in the issuer's performance.	GHG Emissions	22-23
(d)	For each greenhouse gas emissions target disclosed: (i) which greenhouse gases are covered by the target; (ii) whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target; (iii) whether the target is a gross greenhouse gas emissions target or a net greenhouse gas emissions target; (iv) whether the target was derived using a sectoral decarbonisation approach; and (v) the issuer's planned use of carbon credits to offset greenhouse gas emissions to achieve any net greenhouse gas emissions target.	GHG Emissions The Group currently does not participate in carbon credit trading or carbon offset schemes. Nevertheless, we continue to closely monitor market developments and regulatory trends, and assess the role and value of high-quality carbon credits as a potential supplementary tool in supporting the Group's emission reduction targets.	22-23

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24 April 2026