GLOBAL NEW MATERIAL INTERNATIONAL HOLDINGS LIMITED
环球新材国际控股有限公司

(Incorporated in the Cayman Islands with limited liability)
Stock Code: 06616



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BOARD STATEMENT

Dear Stakeholders,

On behalf of the board (the "**Board**") of directors (the "**Directors**") of Global New Material International Holdings Limited (the "**Company**" which together with its subsidiaries, collectively, the "**Group**"), I am pleased to present the Environmental, Social and Governance Report (the "**ESG Report**") of the Group for the year ended 31 December 2025 (the "**FY2025**") for the purpose of demonstrating the Group's policies, practices, measures and performance on environmental, social and governance ("**ESG**") areas.

The Group is actively implementing various initiatives to address the ESG concerns, recognizing that all of us, as well as our future generations could be affected by ESG issues and sustainability challenges. As such, as an influential listed company, the Board has the responsibility to evaluate and determine the Group's ESG-related risks and ensure that appropriate and effective ESG risk management and internal control systems are in place. The Group has identified climate-related risks and opportunities associated with its operations, along with their potential climate-related financial impacts, and has conducted climate-related scenario analysis. In accordance with government requirements, we have established clear short-term emission reduction targets and long-term sustainable development goals to achieve continuous emission reductions. We also regularly review progress and metrics, and continually assess the effectiveness of our approaches and measures. These actions not only enhance our corporate image and promote sustainable practices, but also strengthen our market competitiveness. Consequently, sound ESG practices can indeed create value for the Group's development.

The ESG Report demonstrates the Group's continuous commitments to strengthen its performances in sustainability, such as environmental performance and targets, corporate governance, community engagement, customers' satisfaction and employee welfare of the Group.

The Board is responsible for the implementation of ESG initiatives and monitoring of the effectiveness of ESG strategies, directions and policies of the Group. The Board believes that an effective corporate governance structure is important for successfully integrating and managing its sustainability initiatives to drive the Group's business development. The Board will also ensure the effectiveness of the Group's ESG risk management and internal control system and actively communicate with internal and external stakeholders to understand their expectations and requirements. The Board believes that the Group's ESG engagement will significantly benefit our long-term development. The Board will continue to review and monitor the Group's ESG performances and provide consistent, comparable and reliable ESG information to the stakeholders on an annual basis.

For and on behalf of the Board
SU Ertian,
Chairman and Chief Executive Officer
Global New Material International Holdings Limited
Hong Kong, 27 March 2026

ABOUT THIS REPORT

REPORTING SCOPE AND BOUNDARY

The ESG Report discloses ESG-related policies and initiatives for the core and principal operations (i.e. production, research and development and sales of pearlescent pigment products and mica functional fillers in Guangxi Zhuang Autonomous Region, the People's Republic of China ("**PRC**") and Republic of Korea ("**Korea**"), as well as production and sales operation of pearlescent materials by the newly acquired entity SUSONITY. As of 31 December 2025, more than 90% of the total number of the Group's employees are based in its production facilities and business presence in Guangxi Zhuang Autonomous Region, Korea, Germany, the United States and Japan.

The ESG Report covers key performance indicators ("**KPIs**") of the corporate office ("**office**") and the representative project(s) of the Group during the FY2025 ("**project(s)**").

REPORTING BASIS AND PRINCIPLES

The ESG Report is prepared in accordance with the ESG Reporting Code (the "**ESG Code**") as set out in Appendix C2 to the Listing Rules and is based on the four reporting principles - materiality, quantitative, balance and consistency:

- "Materiality" Principle:

  The Group identifies material ESG issues by stakeholder engagement and materiality assessment. Details are set forth in the section headed "Materiality Assessment". For the purpose of Part D of the Code, the Group discloses information about climate-related risks and opportunities that could reasonably be expected to affect its cash flows, its access to finance or cost of capital over the short, medium or long-term.

- "Quantitative" Principle:

  Information is presented with quantitative measure, whenever feasible, including information on the standards, methodologies, assumptions used, and provision of comparative data.

- "Balance" Principle:

  The ESG Report identifies the achievements and challenges faced by the Group.

- "Consistency" Principle:

  The ESG Report is the fifth ESG report of the Group. The ESG Report will continue to use consistent methodologies and environmental performance indicators for comparisons in the following years.

ABOUT THIS REPORT

The ESG Report has complied with all "comply or explain" provisions and reported on the selected recommended disclosures outlined in the ESG Code.

The information contained in the ESG Report is derived from internal documents and statistics of the Group, as well as the control, management, and operations information provided by the subsidiaries in accordance with the Group's internal management systems. A complete content index is appended to the last section of this ESG Report for reference. The ESG Report is prepared and published in both Chinese and English at the Stock Exchange's website (www.hkexnews.hk) and the Company's website (http://www.chesir.com). In the event of contradiction or inconsistency between the Chinese version and the English version, the Chinese version shall prevail.

REVIEW AND APPROVAL

The Board acknowledges its responsibility for ensuring the accuracy and completeness of the ESG Report and to the best of their knowledge, the ESG Report has addressed all relevant material issues and has fairly presented the ESG performances of the Group for the FY2025. The ESG Report was reviewed and approved by the Board on 27 March 2026. The ESG Report has also been reviewed by the ESG Committee of the Board, and the members of which include Mr. SU Ertian (苏尔田先生), Mr. JIN Zengqin (金增勤先生), Mr. ZHOU Fangchao (周方超先生) and Mr. BAI Zhihuan (白植煥先生).

FEEDBACK

Should you have any opinion or suggestion on the ESG Report, please feel free to liaise with the Group as follows:

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ABOUT THE GROUP

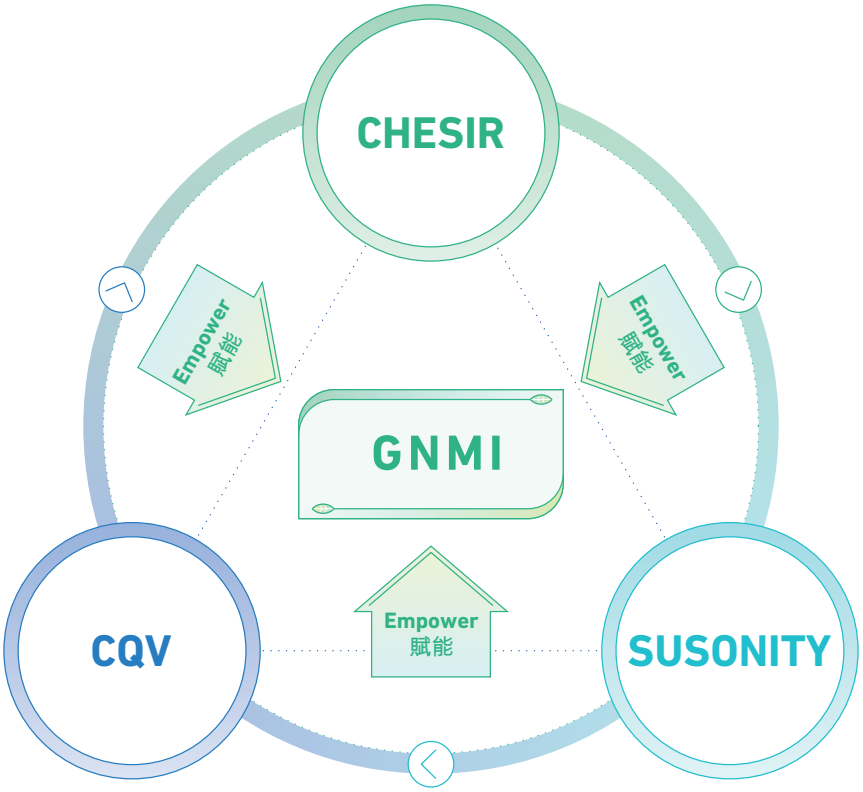
As a global new materials technology platform company, Global New Material International Holdings Limited (stock code: 06616.HK) focuses on the R&D, production and commercial applications of surface performance materials. Driven by technological innovation in materials science, the Company is committed to empowering global manufacturing and driving green industrial transformation and sustainable development. The principal business of the Group covers core segments including pearlescent effect pigments (a diversified product portfolio based on substrates such as natural mica, synthetic mica, high-end flaky alumina, glass flakes and silicon dioxide), synthetic mica and cosmetic active ingredients. With a product portfolio of over 5,000 types, its products are widely applied in various cutting-edge fields including automobiles, cosmetics, electronic appliances, new energy, high-end manufacturing and skincare products, and it maintains a leading global position in multiple segmented sectors such as pearlescent pigments, synthetic mica and surface active materials. As a national high-tech enterprise and a "little giant company" specializing in niche sectors, with a strong market share, innovative capacity and core technologies, and the undertaking entity for the key basic new materials initiatives under the National Industrial Foundation Enhancement Programme, the Company is leading the transformation, upgrading, and value reconstruction of global new materials industry.

Through integrating the global research and development and industrial resources of its subsidiaries SUSONITY (formerly Merck Surface Solutions Business) and Korea CQV, the Group has established an innovative material ecosystem covering Europe, Asia and the Americas. Relying on six global manufacturing bases, six research and development centers and six application centers, as well as years of market penetration and strategic integration, The Group has built an integrated "R&D-Manufacturing-Marketing" collaborative network covering more than 150 countries and regions worldwide, fully unleashing the efficiency of global resource integration.

The Group has the ability to vertically integrate the whole process from substrates, surface function modification to end formulation solutions. With strong independent innovation system and high R&D efficiency, the Company has become a key partner for global leading brands in supply chain optimization and value enhancement.



ABOUT THE GROUP



To build a green and sustainable future, the Group adheres to the principle of the harmonious coexistence with nature by leveraging the core effects of technological innovations. The Group constantly drives sustainable business operations and development through technological innovations, ensuring every product and its production process are environmentally friendly and healthy for our end users, with every colour originating from our lives and nature, safeguarding consumer health and safety. Emerging downstream application fields such as new energy, environmental protection, and smart manufacturing continue to emerge, opening up novel opportunities for the industry's development.

The Group advances by balancing integrity with innovation, expanding through the integration of local and global perspectives. We firmly believe ESG is not a cost but the most powerful catalyst for innovation. Guided by our founding principles, we will forge ahead with technological innovations and expand our horizons through global strategic deployment. We will continuously drive synergistic breakthroughs in deepening our core business, advancing global reach and ESG practices, collectively charting a clear trajectory for high-quality development.

ESG HIGHLIGHTS

THE GROUP'S SUBSIDIARY CHESIR 5.9MWP ROOFTOP DISTRIBUTED PHOTOVOLTAIC PROJECT SUCCESSFULLY CONNECTED TO THE POWER GRID

Guangxi Chesir Pearl Material Co., Ltd., which is the principal subsidiary of the Group, has successfully integrated its Phase I rooftop distributed photovoltaic project to its power grid, marking a key breakthrough in the Group's green manufacturing system upgrade. With an installed capacity of 5.9 megawatts peak (MWp), the project adopts a Building-Integrated Photovoltaics (BIPV) model combined with a "self-consumption with surplus fed into the grid" approach, delivering substantial environmental and economic benefits. As a "National Green Factory" (國家級綠色工廠) accredited by the Ministry of Industry and Information Technology of the PRC (國家工業和信息化部), Chesir consistently applies ESG principles throughout its entire production and operation processes.



ESG HIGHLIGHTS

THE GROUP'S SUBSIDIARY CQV NEW R&D BUILDING - INTEGRATING GREEN ENERGY, SMART MANUFACTURING, AND ARCHITECTURAL AESTHETICS

The new R&D building of CQV, a subsidiary of the Group, features a distinctive exterior clad in coloured BIPV photovoltaic panels. Integrating green energy, smart manufacturing, and architectural aesthetics, it fully embodies CQV's deep commitment to sustainable development principles. The building houses multiple fully equipped cutting-edge R&D units, enabling end-to-end synergy from fundamental scientific research to large-scale industrial applications, accelerating the commercialization of new materials. The new R&D building not only represents an infrastructure upgrade but also embodies CQV's long-term strategy of "driving growth through R&D". It will focus on achieving technological breakthroughs in weather-resistant and cosmetic-grade high-performance surface materials, further solidifying the Company's technological and brand leadership in the global high-end materials market.



GLOBAL NEW MATERIAL INTERNATIONAL'S "MATERIALS + INNOVATION + FULL-SCENE" STRATEGY ACHIEVES FIRST LARGE-SCALE IMPLEMENTATION IN GREEN BUILDING SECTOR

As a globally leading supplier of functional materials, the Group will fully leverage its technological strengths in high-performance materials such as synthetic mica and pearlescent materials to deliver specialized material solutions for BIPV applications. In collaboration with Jiangsu Suchuan Technology, the Group has jointly developed multiple pearlescent pigment solutions specifically tailored for BIPV, coupled with its coloured photovoltaic glass production system, this enables stable performance and mass-producible domestic alternatives. Currently, the Group's weather-resistant pearlescent materials are widely applied in high demand industries such as automotive, building facades, and marine anti-corrosion, providing reliable material support for BIPV integration into more complex architectural environments. This collaboration will also accelerate the expansion of the Company's product applications within the new energy building sector.



ESG HIGHLIGHTS

GLOBAL NEW MATERIAL INTERNATIONAL HELD GLOBAL EXECUTIVE MEETING, ANCHORING SYNERGY ACROSS FIVE MAJOR SYSTEMS

The Group's Global Executive Meeting convened in Chesir, centered on the theme "Deepening Synergy Across Five Major Systems to Drive Global Integration and High-Quality Development". The meeting summarized phased achievements, outlined future initiatives, consolidated collaborative consensus, and anchored development directions. Interim outcomes across five core systems - Marketing, Production & Quality, Procurement & Supply Chain, R&D & Technology, and HR - are shared and a series of agreements on synergistic development for future tasks are reached. The R&D & Technology theme anchored its efforts on two key directions: "high-end + green", accelerated the development of premium products such as cosmetics and weather-resistant materials for new energy vehicles, while promoting the substitution of green materials such as synthetic mica. Moving forward, the Group will continue to deepen cross-sector resource integration, unite the strength of its global teams, and steadily advance towards its goal of "becoming the global leader in functional materials and surface technologies", promoting breakthroughs in globalisation of the high-end materials sector.



THE GROUP'S SUBSIDIARY SUSONITY REMAINS COMMITTED TO THE TRACEABILITY ALLIANCE FOR SUSTAINABLE COSMETICS (TRASCE)

The Group's subsidiary SUSONITY continues its vital work as a founding member of the Traceability Alliance for Sustainable Cosmetics (TRASCE). This alliance, comprising 18 leading cosmetics companies, aims to strengthen traceability throughout the industry's key raw materials and packaging supply chains.

R-CYCLE - INNOVATION OPPORTUNITIES IN THE RECYCLING INDUSTRY - LASER MARKING PACKAGING

The Group's subsidiary SUSONITY is partnering with industry-leading companies, including Saudi Basic Industries Corporation (SABIC), AVIENT, REIFENHÄUSER, and KOENIG & BAUER, to reshape the circular economy for plastics through laser marking and packaging technology. Laser marking packaging is an eco-friendly, highly efficient, and anti-counterfeiting marking technology. Utilizing carbon dioxide, fiber or UV lasers, it rapidly engraves indelible barcodes, expiration dates, and anti-counterfeiting codes onto food, pharmaceutical, and cosmetic packaging. It offers advantages over traditional inkjet coding such as zero consumables, higher durability, flexibility and clarity, enhancing its recyclability, enabling replacement of traditional inkjet coding.

ESG AWARDS

THE GROUP'S SUBSIDIARY CQV WAS AWARDED THE ECOVADIS "GOLD RATING"

CQV Limited achieved a "Gold Rating" in the EcoVadis sustainability (corporate social responsibility) performance assessment, which evaluates companies' social responsibility performance. CQV has consistently strived to meet EcoVadis' requirements. Across the four domains of environmental protection, fair labour and human rights, ethical conduct, and sustainable procurement, CQV actively fulfills its corporate social responsibilities, earning the trust of its customers and partners.

THE GROUP'S SUBSIDIARY CQV WAS RECOGNISED WITH KOREA'S "LIGHTHOUSE FACTORY" CERTIFICATION

CQV achieved a leap in smart factory certification from Level 2 to Level 4 by establishing a K-Smart Lighthouse Factory centred on the core objective of "Smart Production Processes for Pearl Pigments". Project outcomes include: 25% reduction in manufacturing lead time; 30% increase in sales revenue; 30% decrease in process defect rate; 20% reduction in labour hours; shortening of export shipment cycle by 33%.



ESG AWARDS

THE GROUP'S SUBSIDIARY SUSONITY HAS OBTAINED THIRD-PARTY CERTIFICATION LABELS: COSMOS, NATRUE, HALAL

SUSONITY's growing portfolio of cosmetic raw materials has earned COSMOS certification labels, recognising the company's responsible use of natural resources and commitment to environmental protection. The NATRUE label helps identify genuinely natural, renewable, and sustainable cosmetic raw materials. All of the Company's cosmetic material formulations carry official Halal certification, supporting our animal welfare objectives.

THE GROUP'S SUBSIDIARY CHESIR WAS HONOURED WITH "LIUZHOU CRAFTSMAN" TITLE

Chesir was awarded the prestigious "Liuzhou Craftsman" title in recognition of its exceptional professional skills and outstanding contributions to the industry. This accolade fully demonstrates the Company's profound commitment to cultivating highly skilled talent and upholding the spirit of craftsmanship. Guided by the development philosophy of "Strengthening the Enterprise Through Talent, Establishing the Enterprise Through Technology", Chesir continuously supports the establishment of various innovation studios. By creating platforms such as the "Technical Innovation Studio" and the "Industry-Academia-Research Collaboration Platform", the Company encourages employees to fully engage in innovation efforts, fostering a highly skilled and professional team of craftsmen.



ESG AWARDS

THE GROUP'S SUBSIDIARY CHESIR WAS HONOURED WITH "GUANGXI MAY 1ST LABOUR CERTIFICATE"

Chesir was honoured with the "Guangxi May 1st Labour Certificate" in recognition of its outstanding innovation achievements, significant social contributions, and relentless pursuit of excellence. This certificate acknowledges the dedicated efforts of its employees and the Company's commitment to high-quality development, while also commending its contributions to advancing economic and social progress, industrial transformation and upgrading, and technological innovation.

THE GROUP WAS HONOURED AS "BEST PRACTICE IN TECHNOLOGICAL INNOVATION"

The Group stood out among hundreds of participating companies from China and Europe at the 2nd Sino-European Corporate ESG Best Practice Conference to be honoured the "Best Practice in Technological Innovation" award for its outstanding achievements in technology innovation driving green development and sustainable governance system construction.



THE GROUP'S SUBSIDIARY CHESIR WAS AWARDED THE "2025 PREMIUM SUPPLIER OF COATINGS RAW MATERIALS"

Chesir has been honoured with the "2025 Premium Supplier of Coatings Raw Materials - Pigments & Fillers" award. This recognition affirms the Group's product quality and its commitment to advancing high-quality and sustainable development through technological innovation and market-driven approaches.



ESG AWARDS

THE GROUP HAS BEEN HONOURED WITH DUAL ACCOLADES: "ESG OUTSTANDING INVESTMENT VALUE LISTED COMPANY" AND ITS CHAIRMAN AND CEO CONCURRENTLY RECOGNIZED AS "ESG OUTSTANDING IMPACT BUSINESS LEADER"

The Group has consistently driven the transition to green production, strengthened supply chain responsibility management, promoted transparent environmental information disclosure, and established a robust ESG management system. It integrates sustainable development principles throughout the entire value chain, encompassing raw material procurement, manufacturing, and product R&D. Chairman SU Ertian has consistently prioritized ESG initiatives as a cornerstone of the company's high-quality development, establishing clear ESG objectives and implementation pathways. He spearheaded the creation of an ESG management system and assessment mechanism covering the entire operation process. Leading the Company to focus on key areas such as green production and resource recycling, he actively engages in social practices including public welfare and community development, fully embodying the responsibility and commitment of a new-era entrepreneur.



THE GROUP'S SUBSIDIARY CHESIR WAS NAMED TO THE "2025 AUTONOMOUS REGION MANUFACTURING SINGLE CHAMPION ENTERPRISE LIST"

Manufacturing Single Champion Enterprises refer to high-quality companies rigorously selected and announced by the Autonomous Region Department of Industry and Information Technology. These enterprises demonstrate long-term specialization in specific manufacturing segments, possess domestically advanced production technologies or processes, and hold leading market shares for single products within national or regional industries. Chesir's inclusion stands as a significant recognition of the Company's years of commitment to technological innovation, core business focus, and driving industry advancement.

ESG AWARDS

THE GROUP'S SUBSIDIARY CHESIR WAS HONOURED WITH "CHINA PETROLEUM AND CHEMICAL INDUSTRY FEDERATION SCIENCE AND TECHNOLOGY PROGRESS AWARD"

The "China Petroleum and Chemical Industry Federation Science and Technology Progress Award" is a national industry-specific science and technology award approved by the Ministry of Science and Technology of China. It recognizes companies that have made outstanding contributions to the advancement of petroleum and chemical science and technology nationwide. Chesir was awarded for its joint R&D projects, demonstrating high recognition of the Company's technological breakthroughs in the field of synthetic materials.

THE GROUP WON BLOOMBERG'S "NEW EMERGING LISTED ENTERPRISE" AWARD

The selection process centres on the enterprise's overall quality as the core criterion, encompassing eight key areas: performance, corporate governance, investor relations, corporate strategy, corporate social responsibility, sustainable development, innovative business models, and risk management. This award represents a high recognition of the Group's outstanding operational performance and comprehensive development potential.



ESG AWARDS

THE GROUP WAS HONOURED AS "MOST INFLUENTIAL ENTERPRISE IN THE CAPITAL MARKET"

While consolidating its existing markets, the Group actively explores new growth pathways. Guided by its strategic vision of "Materials + Innovation + Full-Scene Applications", the Group has built a global, multi-scenario ecosystem to meet consumers' increasingly diverse needs, providing robust support for its steady development. The Group was honoured as the "Most Influential Enterprise in the Capital Market" for its outstanding performance in the capital market.



SU ERTIAN, CHAIRMAN AND CEO, WAS HONOURED AS ONE OF "TOP 10 ELITE MBA FIGURES OF CHINA 2025"

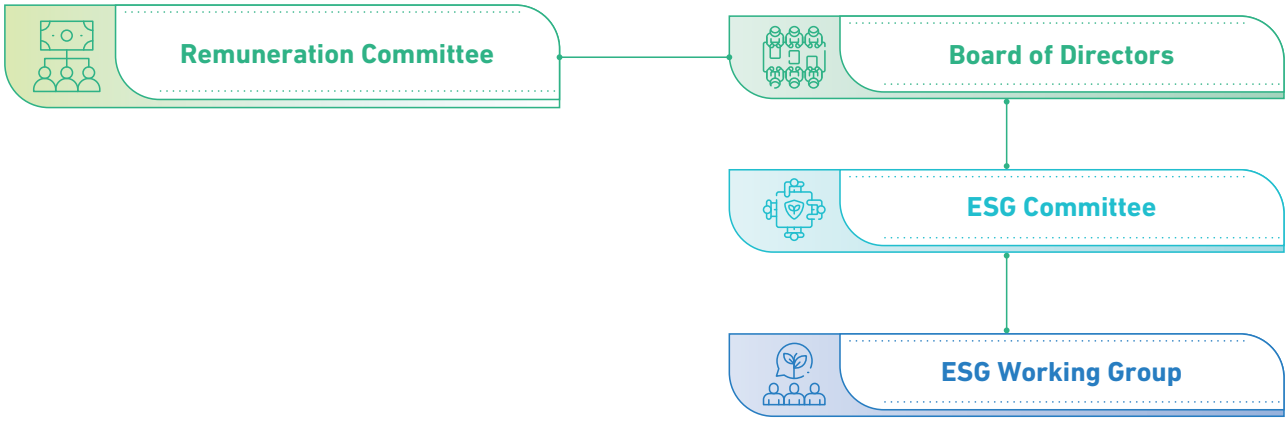
Chairman SU Ertian has led the Group in its transformation from "manufacturing" to "creation." He spearheaded two pivotal international acquisitions: the 2023 acquisition of Korea's publicly listed company CQV, strengthening the Company's high-end cosmetic materials portfolio; and the 2025 acquisition of Merck KGaA's Surface Solutions business (SUSONITY GmbH), significantly enhancing China's capabilities within the global surface performance material industry chain. Chairman SU's recognition as one of the "Top 10 Elite MBA Figures of China 2025" for 2025 stands as a testament to his outstanding contributions in advancing the internationalization and sustainable development of the new materials industry.



GOVERNANCE STRUCTURE

The Board is committed in fulfilling its ESG responsibility and has the overall responsibility to implement and monitor the effectiveness of the Group's ESG strategies and reporting systems. The Group has established the Corporate Governance System Policy (企業管治制度), Environmental Protection Management System Policy (環境保護管理制度), and the Social Responsibility Management System Policy (社會責任管理制度). The Group has established ESG Committee and ESG Working Group to systematically advance ESG (including climate-related) initiatives. The ESG Committee, comprises Board members, oversees the Group's overall ESG strategy and objective progress. The ESG Working Group comprises senior management, department heads and employee representatives, is responsible for executing specific ESG actions and cross-departmental coordination. Among its members, Mr. ZHOU Fangchao also serves in the Compensation Committee. Within the Group's governance structure, this Committee formulates compensation policies and related implementation processes linked to ESG performance, systematically integrating ESG (including climate-related) objectives with the Group's governance framework.

The Group's ESG framework is summarized as follows:



GOVERNANCE STRUCTURE

Roles and Responsibilities within ESG Framework

The Board

- Lead, oversee, and approve ESG (including climate-related) targets and the implementation of policies within the Group
- Approve the Group's annual ESG report and bear ultimate responsibility for ESG reporting
- Monitor the implementation, progress, and performance of ESG strategy (including climate-related aspects)
- Oversee ESG (including climate-related) business risks and opportunities to inform decision-making, ensuring content is relevant and applicable to corresponding operations
- Bear responsibility for internal controls over ESG (including climate-related) risks
- Conduct annual internal meetings to discuss ESG (including climate-related) matters and lead the ESG Committee

ESG Committee

(Comprises Board members)
(Management Level)

- Oversee and review ESG (including climate-related) strategies, policies, targets, metrics, and performance
- Identify material ESG issues through reviews and internal operational assessments
- Develop and review the company's ESG (including climate-related) responsibilities, vision, strategy, framework, principles and policies
- Strengthen materiality assessment and reporting processes to ensure the sustained execution and implementation of ESG (including climate-related) policies approved by the Board
- Review the Company's ESG (including climate-related) targets and periodically assess progress toward achieving these ESG objectives
- Review key ESG (including climate-related) trends and associated risks and opportunities, and assess the adequacy and effectiveness of the Group's ESG-related framework and business model in this regard
- Adopt and update the Group's ESG (including climate-related) policies as necessary, ensuring they remain updated and comply with applicable laws, regulations, regulatory requirements, and international standards
- Conduct internal meetings semi-annually and report ESG (including climate-related) matters to the Board annually

GOVERNANCE STRUCTURE

ESG Working Group

(Comprises senior management, department heads and outstanding employee representatives)
(Working Level)

- Follow and report to the Board and senior management on ESG (including climate-related) strategy, and propose ESG initiatives to achieve sustainable development goals
- Engage and communicate with stakeholders to conduct materiality assessments and develop ESG (including climate-related) strategy and initiatives
- Coordinate employee implementation of ESG (including climate-related) initiatives
- Establish key performance indicators to measure performance across all aspects of ESG (including climate-related) requirements
- Conduct biannual meetings and report ESG (including climate-related) matters to the ESG Committee every six months

Department Head and Employees

(Working Level)

- Record and monitor ESG (including climate-related) key performance indicators
- Implement ESG (including climate-related) policies and related measures
- Conduct meetings biannually and report ESG (including climate-related) matters to the ESG working group every six months

The Group has established a systematic mechanism for building Directors' climate governance capabilities. This includes providing tailored training sessions on climate risk management for Directors and organizing industry exchange activities to continuously enhance their professional expertise and oversight capabilities on climate issues. Concurrently, the selection process for Board members has been optimized to incorporate climate governance-related qualifications, ensuring a steady supply and retention of relevant professionals. Furthermore, the Group has established an external think tank of climate experts to provide professional support to the Board, bridging knowledge gaps in climate governance. It ensures Directors possess sufficient expertise to effectively lead and oversee the Group's overall strategy for addressing climate-related risks and seizing opportunities.

STAKEHOLDER ENGAGEMENT

Stakeholders' opinions are the solid foundation of the Group's sustainable development and success. Stakeholder engagement helps the Group to formulate strategies which meet the needs and expectations of the stakeholders, thereby enhancing the ability to identify potential risks, and strengthen important relationships. The Group actively communicates with its stakeholders through various channels, as set forth below.

Stakeholders	Communication Channel
Government and Regulatory Agencies	• Annual reports, interim reports, ESG reports and other public information • Supervision and inspection
Shareholders and Investors	• Annual general meetings and other general meetings • Company website • Press releases/announcements • Annual reports, interim reports, ESG reports and other public information
Employees	• Training • Meetings • Performance evaluation • Surveys
Customers	• Fax, email and telephone • Meetings
Suppliers/Subcontractors/ Business Partners	• Meetings • Site visits • Surveys • Trainings
Community or Non-governmental Organisations (NGOs)	• Sponsorships and Donations • ESG reports
Media	• Enquiry mailbox

MATERIALITY ASSESSMENT

In preparing the ESG Report, the Group directly engaged with the above stakeholders as part of the materiality assessment process to identify and prioritise the issues which would have significant impact on the Group's business and its stakeholders to be included in the ESG Report.

PROCESS

Stage 1

IDENTIFICATION

A selection of ESG issues that may reasonably be considered important for the Group and its stakeholders from various sources, including listing rules requirement, industry trends and internal policies. 28 issues were identified and grouped into 4 categories: Environment, Employment and Labour Practices, Operating Practices and Community.

Stage 2

PRIORITISATION

Conducted online surveys to rate the importance of each issue from the perspective of a stakeholder and the Group using a scale of 1 to 5.

Developed the materiality matrix based on the scores of the surveys, set the threshold for materiality (i.e. at a score of average) and prioritised a list of sustainability issues.

Stage 3

VALIDATION

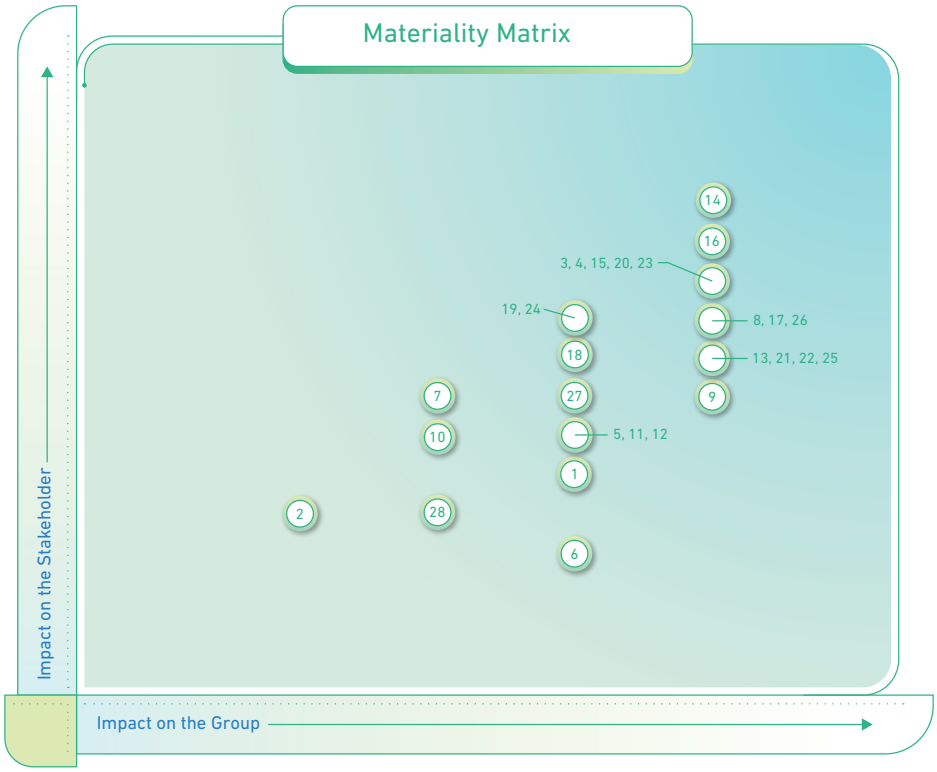
Management reviewed the materiality matrix and the threshold for materiality. ESG issues, with a score of average or above from the perspective of a stakeholder and the Group, were prioritised as the most important sustainability issues for the Group to address and report on.

MATERIALITY MATRIX

Issues located in the upper-right quadrant of the matrix are of relatively high importance to stakeholders and the Group's operations. Meanwhile, climate-related risks and opportunities are also key issues and are reasonably expected to impact the Group's capital and financial performance in the short-, medium- or long-term. Based on the materiality matrix, the Board believes that the most pertinent sustainability issues which are material to both the Group and its stakeholders include the following:

- Effluents Management
- Waste Management
- Staff Occupational Health and Safety
- Staff Development and Training
- Prohibition of Child Labour and Forced Labour
- Customer's Privacy and Confidentiality
- Safety of Services/ Products

MATERIALITY ASSESSMENT



1 Air Emissions

2 Greenhouse Gas ("**GHG**") Emissions

3 Effluents Management

4 Waste Management

5 Energy Efficiency

6 Water Efficiency

7 Use of Materials and Packaging Materials

8 Environmental Compliance

9 Land Use, Pollution and Restoration

10 Climate Change

11 Employment Practices

12 Diversity and Equal Opportunities

13 Anti-discrimination

14 Staff Occupational Health and Safety

15 Staff Development and Training

16 Prohibition of Child Labour and Forced Labour

17 Responsible Supply Chain Management

18 Environmental Friendliness on Products or Services Purchased

19 Compliance with Regulations on Marketing, Product and Service Labelling

20 Customers' Privacy and Confidentiality

21 Customer Satisfaction

22 Intellectual Property

23 Safety of Services/Products

24 Quality of Services/Products

25 Business Ethics

26 Anti-corruption Training for Management and Employees

27 Contributions to the Society

28 Communication and Connection with Local Community

CLIMATE CHANGE

Climate change is currently one of the biggest global challenges faced by society, and we must act now for our climate and our communities. In recent years, extreme weather, such as strong winds and heavy rainfall, as well as tides and floods, have become the focus around the world. Logistics and supply chains are particularly vulnerable. Heavy rainfall, rising tides and floods can cause serious damage to assets such as buildings, warehouses and goods in storage which results in material financial losses. Although such incidents are beyond everyone's control, the Group believes that all stakeholders should work together to address climate change, which will also be regarded as one of the most significant risks to the world in the next five years.

CLIMATE-RELATED RISKS AND OPPORTUNITIES

Through climate risk assessment, the Group has identified a range of climate-related risks (such as river flooding, landslides, heat stress, trade restrictions and regulations, government oversight, cap-and-trade systems) and opportunities (such as climate resilience, resource and energy efficiency, markets, reputation, legal and litigation) that are significant to our assets, operations, and services in the current/near term, short-term (2030), medium-term (2050), and long-term (2080), along with their potential impacts on business strategy, operations, and financial performance. We systematically assess the potential impacts (including financial aspects) of climate-related risks and opportunities based on the time horizons aligned with our strategic planning. During strategy formulation, the Group comprehensively balances economic benefits and risk tolerance levels to develop corresponding response plans. Climate risk assessments encompass multidimensional factors, including geographic location, time horizon, uncertainty, interactions between risks, and potential systemic impacts. Given the evolving nature of climate impacts and the Group's proactive advancement of feasible climate adaptation and mitigation measures, we will annually review climate risk assessment outcomes to ensure they reflect the latest developments and adjust strategic planning directions as appropriate.

Furthermore, the impact levels of climate risks and opportunities corresponding to each time horizon are detailed in the "Climate-related Scenario Analysis" section of this Report. Climate-related physical risks and transition risks with higher risk ratings, along with the types of climate-related opportunities, will be discussed further below.

CLIMATE CHANGE

Types of Risks	Risk Drivers	Risk Descriptions and Effects (Include Financial Implications)	Our Responses
Physical Risks			
Acute Risk	River Flood	• The Group's production facilities located in Liuzhou City, Guangxi, China; North Chungcheong Province, South Korea; Darmstadt, Germany; Savannah and Philadelphia, USA; and Onahama, Japan are predominantly situated near rivers or coastal areas, making them vulnerable to river flooding risks • It is projected that the frequency and severity of river flooding will increase dramatically as precipitation levels rise in these regions • The impacts of river flooding include property damage and business interruption, power outages, supply chain disruptions, and risks to employee safety. The above leads to increased repair costs, revenue losses, higher emergency expenditures, and potential compensation and insurance expenses	• Emergency response plans and guidelines, including the Emergency Response Plan for Environmental Emergencies and the Special Emergency Response Plan for Natural Disasters, have been established to address extreme weather or urgent situations • Protective walls have been constructed for facilities and runoff water storage. Appropriate flood prevention measures have been implemented for assets, including ground drainage systems, installation of waterproof gates and flood barriers, covering assets with waterproof tarps, planting turf, and drainage works to prevent soil erosion. For assets downstream of dams, river flow is continuously monitored and controlled, with regular communication maintained with local governments regarding flood discharge schedules and flow rates • Water-reactive hazardous chemicals and critical inventory will be relocated to higher ground for protection

CLIMATE CHANGE

Types of Risks	Risk Drivers	Risk Descriptions and Effects (Include Financial Implications)	Our Responses
Physical Risks			
Acute Risk	Landslide	• The Group operates production bases in Liuzhou City, Guangxi, China, and North Chungcheong Province, South Korea. The proportion of land exposed to river flood erosion annually in these regions shows an upward trend relative to baseline values. This indicator, to a certain extent, reflects potential landslide risks • The production base in Liuzhou, Guangxi, China, is located near mountains, steep slopes or ravines, making it susceptible to landslides. This exposes the facility to risks of equipment damage, personnel casualties and production interruptions. Consequently, it may lead to increased maintenance costs, revenue losses, higher emergency expenditures, and potential compensation and insurance expenses • Landslides may disrupt transportation routes, affecting logistics plans for suppliers delivering raw materials to production facilities or for finished goods being shipped to customers or warehouses. This poses risks to supply chain stability and operation continuity, potentially impacting operational costs	• Conduct risk assessments of the production sites and surrounding geology, optimize drainage and flood prevention designs, rationally plan functional layouts, and establish post-disaster recovery strategies • Consider using retaining walls, soil nails and ground anchors to reinforce slopes within the production base area and identified unstable inclines. Conduct quarterly inspections of reinforced structures to ensure integrity and mitigate landslide risks • Partner with suppliers who possess high-level building and infrastructure recovery capabilities • Emergency response plans and guidelines, including the Emergency Response Plan for Environmental Emergencies and the Special Emergency Response Plan for Natural Disasters, have been established to address extreme weather or urgent situations

CLIMATE CHANGE

Types of Risks	Risk Drivers	Risk Descriptions and Effects (Include Financial Implications)	Our Responses
Physical Risks			
Chronic Risk	Heat Stress	• As the Group's primary operation involves manufacturing, outdoor and high-temperature work environments are unavoidable, resulting in a high exposure in heat stress • Heat stress reduces labour productivity at production bases, impacting output efficiency and workforce allocation. Increased investment in heatstroke prevention and cooling facilities may directly pressures operational costs and production efficiency • Under high temperatures caused by heat stress, the safety of storage goods may be compromised, potentially increasing quality wear and tear, risks of inventory write-offs, and insurance costs, impacting revenue stability and asset value	• Conduct safety hazard inspections in high-temperature areas, promote heatstroke prevention and cooling measures, and provide emergency response training to raise employees' heatstroke prevention awareness • Chesir has stocked heatstroke prevention medications in office building and conducted multiple "Send Cooling" initiatives, distributing watermelons, cold beverages, and other heatstroke prevention benefits to all employees • Warehouse operations and product packaging (e.g., plastic bags) have been properly arranged to ensure safe storage of goods • Collaborate with suppliers capable of maintaining production volume and operational capacity under heat stress to stabilize material supply

CLIMATE CHANGE

Types of Risks	Risk Drivers	Risk Descriptions and Effects (Include Financial Implications)	Our Responses
Transition Risks			
Regulatory Change Risk	Trade Restrictions and Regulation; Government Regulation	• The global transition to a low-carbon economy may drive local regulatory changes, introducing trade restrictions, taxes, and stricter compliance requirements, potentially increasing operational costs • As countries implement policies supporting decarbonization, regulations and standards for adopting sustainable energy and new energy vehicles (such as electric vehicles) may be revised. Expenditures on new technology investments and equipment upgrades may increase • Additional capital investment may be required to comply with new regulations	• Continuously monitor the latest ESG regulatory frameworks in our operational regions, particularly regulations related to ESG reporting requirements and emission standards • Regularly review Group policies to incorporate stricter ESG regulatory updates, ensuring compliance • Capital has been allocated for environmental management, with plans to replace majority of private vehicles with electric vehicles in the future • Utilise rooftop distributed photovoltaic project and solar energy to effectively reduce carbon emissions, while integrating renewable energy into the on-site grid to significantly contribute to energy conservation and emission reduction • The Group has engaged external consultants to set greenhouse gas emission reduction targets with reference to the Science Based Targets initiative (SBTi)

CLIMATE CHANGE

Types of Risks	Risk Drivers	Risk Descriptions and Effects (Include Financial Implications)	Our Responses
Transition Risks			
Carbon Pricing Risk	Cap-and-trade System	• With the implementation of carbon pricing mechanisms such as national carbon tax policies or emissions trading schemes, operational costs are expected to rise. Meanwhile, overall increases in energy prices may drive up energy expenditures, thereby impacting the Group's profitability • In countries where the Group operates production facilities, the implementation of national emissions trading schemes is expected to result in more properties facing higher carbon taxes over time, leading to increased expenditures • Cap-and-trade systems may be subject to policy changes and market conditions. Due to price volatility in trading markets, the Group may face unpredictable costs associated with trading/ purchasing emission permits	• Analyse the upward trend in carbon prices and the potential increase in carbon pricing risks • Utilise rooftop distributed photovoltaic project and solar energy to effectively reduce carbon emissions, while integrating renewable energy into the on-site grid to significantly contribute to energy conservation and emission reduction • Consider developing a cap-and-trade system plan to address carbon pricing risks, and where feasible, explore establishing an internal carbon pricing mechanism within the Group to optimize decision-making processes

CLIMATE CHANGE

Opportunity Categories	Climate-related Opportunity Descriptions	Effects (Include Financial Implications)
Green Building, Resource and Energy Efficiency	• Establish a production management platform data centre to enable intelligent management • Deeply integrate automation and smart technologies across production facilities • Adopt more efficient production and distribution processes • Adopt renewable energy and electric vehicles (EVs) at production bases to reduce emissions • Launch new products related to green building and energy efficiency improvements; continue developing low-carbon and sustainable products • The rooftop solar photovoltaic system at the Phase I factory in Liuzhou, Guangxi has commenced operation, while the use of photovoltaic renewable energy is being progressively advanced • Plan to initiate a zero-carbon factory certification program • Plan to reduce the Group's carbon emissions through purchasing Renewable Energy Certificate (REC) or green electricity	• Achieve energy conservation, emission reduction and production optimisation, implement predictive maintenance, enable smart supply chain management, and conduct environmental monitoring to reduce operational costs in the long run (e.g., utilities and miscellaneous fees) • Enhance productivity and increase potential financial revenue • Mitigate risks associated with future increases in fossil fuel prices, greenhouse gas emissions and anticipated carbon taxes • Improve capital availability as more investors favour low-emission manufacturers

CLIMATE CHANGE

Opportunity Categories	Climate-related Opportunity Descriptions	Effects (Include Financial Implications)
Resilience	• Invest in resilient infrastructure capable of withstanding extreme weather events (including urban flooding and tropical cyclones) and chronic climate impacts (including sea level rise, heat stress, and increased rainfall) • Utilise renewable energy facilities and implement energy-saving measures. Leverage rooftop distributed photovoltaic projects and solar energy to effectively reduce carbon emissions • Optimise the work environment to enhance productivity	• Strengthen resilience planning (e.g., in infrastructure, land, buildings, and workforce-related aspects), which may help enhance the Group's market valuation • Enhance supply chain reliability and operational resilience under varying conditions, minimizing business disruption and potential financial losses • Facilitate workforce management and project planning, improving operational efficiency • Reduce anticipated financial losses from infrastructure damage • Reduce insurance premiums due to improved climate resilience (mitigating physical risk impacts), potentially reducing the Group's expenditures
Markets	• Accelerate innovation in product development, green materials and eco- friendly formulations through mergers and acquisitions, integrating R&D resources to enter new markets • Actively engage in partnerships that promote sustainable practices, improve processes and coordinate action • Monitor suppliers' exposure to impacts of climate change through supplier assessments	• New revenue streams by investing in green initiatives (e.g. carbon offset) • Maintain competitiveness in the low-carbon, sustainable product market • Sustainable practices and more efficient suppliers benefit the Group's business operations • Reduce supply chain complexity to ensure supply chain resilience

CLIMATE CHANGE

Opportunity Categories	Climate-related Opportunity Descriptions	Effects (Include Financial Implications)
Reputation	• Increase in customer preference in lower- emission products • Anticipated reputational benefits	• Increase in product sales and thus the Group's profit • More companies seeking business partnerships with the Group, which benefits the Group's business growth and revenue
Legal and Litigation	• Align with countries/regions climate strategy • Keep abreast of the latest regulation issued by the government where the Group operates	• Smoother transition to the low-carbon economy to avoid litigation risk

The ESG Committee meets with the ESG Working Group every six months to assess, monitor, and review climate-related risks and opportunities. The Group has systematically integrated ESG issues (including climate-related matters) into its overall enterprise risk management framework, reviewing and prioritizing climate-related risks alongside other risks, and conducting an annual assessment of the Group's overall risk profile. Looking ahead, the Group will continue to review the impact of climate change on its operations and integrate climate-related risks and opportunities into operational considerations to enhance the Group's resilience.

The Group has deeply integrated climate-related risks and opportunities into its overall strategic planning. In terms of top-level strategy, we have incorporated green development as a core strategic direction for the Group, systematically coordinating climate risk prevention and control with low-carbon transition opportunities to achieve organic integration at the strategic level. In business operation, we implement low-carbon strategies comprehensively—from R&D innovation and production optimization to capacity layout—dedicated to developing eco-friendly products, building green production system, and constructing low-carbon projects. This approach captures the industry's green transformation trend while mitigating operational risks. For market expansion, we leverage our green product portfolio and ESG framework as a fulcrum. Aligning with international low-carbon policies and standards, we strategically position ourselves in global low-carbon markets, transforming climate opportunities into sustained competitive advantages.

Meanwhile, to ensure the Group maintains robust climate risk resilience, the Company will prudently assess regional climate-related risks in its investment strategy—for instance, potentially reducing capital allocation to flood-prone areas. While this may impact short-term returns, it helps mitigate the risk of prolonged operational disruptions caused by extreme weather events. Furthermore, operational cost savings achieved through the adoption of energy-efficient technologies, such as solar power generation systems, support the higher investment risks incurred during the early stages of the green transition. This approach strikes a balance between risk management and long-term benefits.

CLIMATE-RELATED FINANCIAL MATTERS

Climate-related physical risks have the potential to damage the integrity of the Group's assets or interrupt and delay our product delivery to customers directly, which may negatively affect the Group's income. Considering the pace of change in countering climate change has expedited around the world, transition risks have the potential to increase the operational cost. The Group has systematically identified relevant physical and transition risks and will continue to monitor market information and policy developments to dynamically adjust its response strategies. For climate- related risks and opportunities that could reasonably be expected to affect the Group's cash flows, its access to finance or cost of capital over the current, short-, medium- or long-term, their impacts on the Group's financial performance and cash flows for the Reporting Period as well as anticipated impacts on its financial performance and cash flows are illustrated in the previous section "Climate- related Risks and Opportunities". We have initiated a zero-carbon factory certification program and plan to reduce the Group's carbon emissions through purchasing REC or green electricity. Concurrently, we are progressively advancing the use of photovoltaic renewable energy and plan to make investments based on market demand as a long-term development opportunity. As climate- related risks and opportunities intensify, anticipated financial impacts over the coming years are expected to increase. These include expenditures related to renewable energy adoption, capital expenditures for replacing or purchasing company vehicles, ESG advisory service fees, and operational costs associated with climate adaptation and mitigation measures (such as procuring energy-efficient equipment).

Capital Deployment and Financial Resources Allocations

During the Reporting Period, the Group invested approximately HK$5 million in ESG (including climate-related) initiatives, primarily allocated to research building photovoltaic system installations, factory automation upgrades, and ESG-related consulting services. The Group has integrated climate transition into its future strategic planning and has allocated corresponding resources to support related investments and expenditures, such as constructing or upgrading solar photovoltaic systems, purchasing electric vehicles, acquiring green electricity, and engaging ESG-related consulting services. Relevant budgets will be dynamically allocated based on project progress and market conditions to ensure flexible capital allocation aligned with business development.

CLIMATE CHANGE

CLIMATE-RELATED SCENARIO ANALYSIS

The Group engaged a third-party consultant to conduct climate-related scenario analysis to assess the climate-related physical and transition risks, as well as the climate-related opportunities. Details of analysis are as follows:

Approach of Scenario Analysis

Scope of Scenario Analysis

- Chesir's production base in Liuzhou, Guangxi, China
- CQV's production base in North Chungcheong Province, South Korea
- SUSONITY's production bases in Darmstadt, Germany; Savannah and Philadelphia, USA; and Onahama, Japan

Scenarios Adopted	
Physical Risks	Intergovernmental Panel on Climate Change ("**IPCC**") AR6 SSP 1-2.6, SSP 2-4.5, SSP 3-7.0[1]
Transition Risks	Central Banks and Supervisors Network for Greening the Financial System ("**NGFS**"): Delayed Transition, Below 2℃, Current Policies
Rationale	• The scenarios developed take reference from IPCC (physical risks) and NGFS (transition risks) • The sources selected provide timeframes that align with strategic planning time horizon and the Paris Agreement

Time Horizon	
Short-term	2030
Medium-term	2050
Long-term	2080

Relevance & Assumptions

- Analysis was conducted in the second half of 2025. It was expected that the asset locations will remain the same over the time horizon (as stated above)
- Mitigation measures will remain the same
- Physical risk: Assessed how climate-related weather events can possibly impact the Company's assets and businesses
- Transition risk: Considered carbon price, energy mix, energy investment, electricity capacity, CO_2 emissions etc. to determine the transition risk possess to the Company

[1] With reference to Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report Shared Socioeconomic Pathways.

Qualitative Analysis

The following analysis outlines the risk ratings under various climate-related scenarios in different time horizons. Risk levels are classified into 4 levels, namely "Extreme", "High", "Medium" and "Low". Possible climate-related opportunities are also suggested as follows under the Company's consideration. Similarly, different ratings are assigned to the corresponding opportunities under different climate-related scenarios. Please refer to the legend and summary analysis tables as below.

Legend

Risk	Opportunities
Extreme	Extreme
High	High
Medium	Medium
Low	Low
	Not Applicable

Physical Risk Rating

Physical Risk		SSP 1-2.6			SSP 2-4.5			SSP 3-7.0		
Type of Risks	Risk Drivers	2030	2050	2080	2030	2050	2080	2030	2050	2080
Acute Physical Risk	Urban flood									
	Coastal flood									
	River flood									
	Landslide									
	Tsunami									
	Tropical Cyclone									
	Wildfire									
	Heat Waves									
Chronic Physical Risk	Sea Level Rise									
	Heat Stress									
	Drought									
	Water Stress									
	Increased Precipitation									
	Water Depletion									

CLIMATE CHANGE

Transition Risk Rating

Transition Risk		Delayed Transition			Below 2℃			Current Policies		
Type of Risks	Risk Drivers	2030	2050	2080	2030	2050	2080	2030	2050	2080
Regulatory Change Risk	Trade Restrictions and Regulation									
	Government Regulation									
Carbon Pricing Risk	Cap-and-trade System (one of the carbon pricing mechanism)									
Stranded Assets Risk	Asset Standing									
Market Disruption Risk	Volatile Market Structures									
	Changing Consumer Preferences and Behavior									
Financing Risks	Cash Flow and Financing Availability									
Technological Change Risk	Technology Obsolescence									
	Sustainable Energy Integration Challenges									
Supply Chain Disruption Risk	Supply Chain Resilience									
Workforce Transition Risk	Workforce Skill Gaps									

Suggested Opportunity Rating

		Opportunities					
Risk Drivers	**Possible Opportunities**	**SSP 1-2.6**	**SSP 2-4.5**	**SSP 3.7.0**	**Delayed Transition**	**Below 2℃**	**Current Policies**
Physical Risk							
Tropical Cyclone	- Invest in resilient infrastructure which can withstand extreme weather events e.g. rain gardens, permeable pavers, green roofs etc. to better manage stormwater runoff and reduce flooding risk						
Heat Stress	- Optimise working environment, with shaded areas, proper ventilation, hydration station, so as to boost productivity - Utilise shading device to reduce the solar heat penetration into the indoor areas to reduce cooling load - When comes into usage of air conditioning to improve indoor thermal comfort, select high efficiency air conditioners (e.g. high coefficient of performance) to reduce energy use						
Increasing Precipitation	- Invest in green infrastructure facilities that utilise increased precipitation for purposes like irrigation, cooling systems, or replenishing groundwater sources						
Transition Risk							
Cap-and Trade System	- Create new revenue streams by investing in carbon offset projects						
Sustainable Energy Integration	- Increasing adoption of renewable energy						
Government Regulation	- Create a stable and predictable market environment with clear direction and targets						
Company Reputation	- As sustainability becomes an increasingly important priority, company that are unable to transition towards more sustainable business practices and significantly lower their greenhouse gas emissions may become the target of heightened scrutiny and activism from investors concerned about climate-related risks. Investors are increasingly factoring in environmental performance and emissions reduction targets into their investment decisions and portfolio management strategies. The ability of better transitioning into low-carbon economy may boost company's reputation and attract more investments						

CLIMATE CHANGE

METRICS AND TARGETS

Greenhouse Gas (GHG) Emissions

In response to the community's increasing concern on GHG emissions, climate changes, and other related issues, the Group is committed to implementing and maintaining a high standard of GHG management. The below table sets forth the key statistics relating to GHG emissions of the Group. The GHG emissions[2] are as follows:

	Unit	2025	2024	Compared to 2024
Scope 1[3]	tonnes CO_2-equivalent	**109.51**	44.74	145%
Scope 2[4]	tonnes CO_2-equivalent	**103,247.38**	57,319.32	80%
Scope 1 & 2 Sub-total	tonnes CO_2-equivalent	**103,356.89**	57,364.06	80%
Scope 3				
Category 1: Purchased goods and services	tonnes CO_2-equivalent	**140,242.83**	—	—
Category 2: Capital goods	tonnes CO_2-equivalent	**7,158.28**	—	—
Category 3: Fuel- and energy- related activities	tonnes CO_2-equivalent	**454,950.54**	—	—
Category 4: Upstream transportation and distribution	tonnes CO_2-equivalent	**5,003.90**	—	—
Category 5: Waste generated in operations	tonnes CO_2-equivalent	**690.84**	—	—
Category 6: Business travel	tonnes CO_2-equivalent	**95.80**	—	—
Category 7: Employee commuting	tonnes CO_2-equivalent	**1,575.01**	—	—
Scope 3 Sub – total	tonnes CO_2-equivalent	**609,717.20**	—	—
Offset[5]	tonnes CO_2-equivalent	**(6.16)**	(7.22)	-15%
Total	tonnes CO_2-equivalent	**713,067.93**	57,356.84	—
Intensity	tonnes CO_2-equivalent per square meter floor area[6]	**2.21**	0.76	—

2 The calculation of greenhouse gas emissions refers to the "General Guideline of the Greenhouse Gas Emissions Accounting Method and Reporting of Other Industrial Enterprises (《工業其他行業企業溫室氣體排放核算方法與報告指南》)"issued by the National Development and Reform Commission, the "Electricity Carbon Dioxide Emissions Factors (《電力二氧化碳排放因子》)" issued by the Ministry of Ecology and Environment of the People's Republic of China, the "Korea Greenhouse Gas Inventory Report" published by the Korea Greenhouse Gas Inventory and Research Centre and the "Grid Emission Factor Inventory" published by the Institute for Global Environmental Strategies, "National Greenhouse Gas Inventory Guidelines" issued by IPCC, "Air pollutant Emission Inventory Guidebook" issued by European Environment Agency, "CoM Emission Factors for National Electricity" published by the Joint Research Centre of the European Union and Global Covenant of Mayors for Climate and Energy, "National Greenhouse Gas Inventory Report of Japan" issued by Ministry of the Environment of Japan, "GHG Emission Factors Hub" issued by the United States Environmental Protection Agency, "GHG Protocol Corporate Accounting and Reporting Standard", and "GHG Protocol Value Chain (Scope 3) Accounting and Reporting Standard".

3 Scope 1: Direct emission from the business operations owned or controlled by the Group. The table above shows the Group's greenhouse gas emissions related to mobile source. The Group's boiler-related greenhouse gas emissions amounted to approximately 11,570.66 tonnes CO_2-equivalent.

4 Scope 2: The "indirect energy" emissions from the internal purchased electricity consumption by the Group. Location-based calculation methodology is applied. Moreover, due to updates in emission factors, related figures are restated.

5 Offset: Greenhouse gas emission offset by trees newly planted by the Group.

6 Covers the Group's production facilities and business in Guangxi Zhuang Autonomous Region, Korea, Germany, the United States and Japan.

CLIMATE CHANGE

This year's report newly included data from SUSONITY's production bases in Germany, the United States and Japan, along with disclosures for Scope 3 emission categories. Consequently, total GHG emissions recorded a significant increase for the Reporting Period. GHG emissions are primarily concentrated in Scope 3 emissions. As Scope 3 emissions data has been included for the first time this year, to ensure comparability, the year-on-year comparison of total GHG emissions and intensity will be presented in next year's report.

The Group's Scope 2 GHG emissions mainly originate from the use of electricity and steam within production facilities. Since the Group's catering facility in Guangxi is currently using Liquefied Natural Gas (LNG) and electricity, it will not generate significant smokes and fumes. Greenhouse gases are also derived from vehicles providing transfer services for guests who visit our production facility and offices as well as vehicle usage during the delivery of our products to customers. All PRC motor vehicles used for employee commuting and other business purposes are petrol vehicles that have achieved the national emission standard "National Phase V" (國五). Meanwhile, the Group has adopted the use of electrical carts for transportation purpose within the production facility to reduce direct emission of GHG.

The Group will constantly adhere to national energy work policies and energy management standards, formulate and implement energy management system, striving to conserve energy and enhance energy efficacy. In the meantime, the Group will continue to assess, record and disclose its GHG emissions annually and continue to refine the data collection system, develop and monitor the effectiveness of emission reduction strategies based on the projection of data in the coming years.

Details of our calculation approach and Scope 3 related information are shown in the tables below:

Our Approach	
Standard Used	GHG Protocol Corporate Accounting and Reporting Standard GHG Protocol Value Chain (Scope 3) Accounting and Reporting Standard For details, please refer to footnote 2
Consolidation Approach	Access to operational data
Operational Boundary	Production facilities and sales operations in Guangxi Zhuang Autonomous Region, Korea, Germany, the United States and Japan

CLIMATE CHANGE

Scope 3 Categories[7]	Basis for Selection	Disclosure
Category 1: Purchased Goods and Services	Emissions associated with extraction, production, and transportation of goods and services purchased by the Group, including office supplies, operation support, raw materials and R&D-related	✓
Category 2: Capital Goods	Emissions associated with extraction, production, and transportation of capital goods purchased by the Group, including company vehicles, machinery and equipment	✓
Category 3: Fuel- and Energy-related Activities	Emissions associated with extraction, production, and transportation of fuels and energy purchased by the Group not accounted for in Scopes 1 and 2, including upstream emissions of purchased fuels and electricity	✓
Category 4: Upstream Transportation and Distribution	Emissions associated with purchased third-party transportation and distribution services, and transportation and distribution of products purchased by the Group	✓
Category 5: Waste Generated in Operations	Emissions associated with disposal and treatment of waste in our operations in facilities not owned or controlled by the Group, including hazardous waste, industrial waste and domestic waste	✓
Category 6: Business Travel	Emissions associated with transportation of employees for business-related activities	✓
Category 7: Employee Commuting	Emissions associated with transportation of employees between their homes and their worksites in modes of transportation not owned or operated by the Group	✓

[7] The remaining Scope 3 categories were not disclosed in the Reporting Period due to data collection difficulties. The Group will continue to refine its data collection system and communication with its value chain stakeholders to enhance its data collection. Scope 3 category 13 downstream leased assets and category 14 franchises are not applicable for the Group as it does not act as a lessor and lease its asset to other entities, and does not act as a franchisor during the Reporting Period.

CLIMATE CHANGE

Sustainability Targets

The Group has engaged third-party experts to set GHG emission reduction targets with reference to the Science Based Targets initiative (SBTi). The scope of these targets will encompass production facilities and sales operations located in Guangxi Zhuang Autonomous Region, China, Korea, Germany, the United States, and Japan. The target-setting process is scheduled to commence in the second to third quarter of 2026, targeting to achieve carbon neutrality or net-zero emissions by 2050. This aligns with the Paris Agreement's goal of limiting global warming to 1.5℃ above pre-industrial levels. The target-setting conclusions will be incorporated into future ESG reports. The ESG Committee will annually review emission reduction targets and assess the need for updates.

Among these, the Group's subsidiary SUSONITY aims to source 80% of its electricity from third-party renewable energy by 2030. Solar power plants have already been established at major production sites, progressively transitioning to near-carbon-neutral, fossil-free energy. For instance, starting in 2024, the site in Hesse, Germany, has utilised electricity generated by a solar power station installed and operated by Merck. SUSONITY's Onahama site signed a green power contract with an energy supplier in 2025 to support renewable energy generation.

Concurrently, the Group is actively exploring and developing reduction strategies and targets for Scope 3 emissions.

The Group supports global climate action and aligns with the international Paris Agreement and local government emission reduction requirements. It will spare no effort in putting these commitments into practice, including climate action, supporting preventive measures to address environmental challenges, promoting greater environmental responsibility, and encouraging the development and dissemination of eco-friendly technologies. The Group has implemented multiple emission reduction measures, including the adoption of renewable energy and energy monitoring systems, to lower its total GHG emissions.

Looking ahead, the Group remains committed to continuously doing its utmost to implement its action plans, actively manage its environmental footprint, and strive towards a low-carbon economy.

OUR ENVIRONMENT

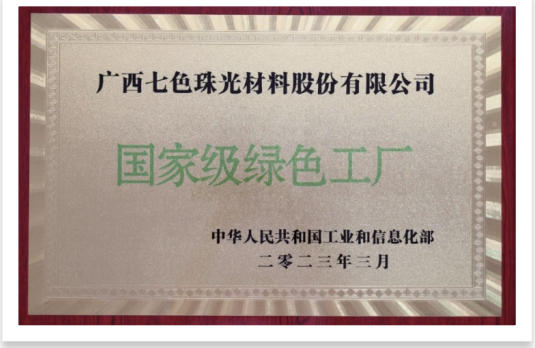
SUSTAINABILITY OVERVIEW AND MANAGEMENT OBJECTIVES

The Board believes that the success of the Group is built upon adhering to sustainability development principles and providing high-quality products to customers. Additionally, the Group strives to preserve the surrounding environment and support the communities through its social responsibility practices.

The Group has established a set of management policies and adopted various environmental protection and natural resources conservation measures to ensure sustainable development and operation of its business. In the meantime, the Group's environmental management system was accredited with ISO 14001:2015 certification. The Group actively manages its business in an environmentally and socially responsible manner based on the policies adopted. The following sections present a summary of these policies and their implementation during the FY2025.

As part of the strategic orientation, the Group's subsidiary SUSONITY ensures its alignment with European Climate Law and the EU Emissions Trading System (EU ETS), and relevant laws and regulations. Its operations also are certified according to ISO 14001. To ensure ongoing compliance with environmental, occupational safety, and energy law requirements, SUSONITY maintains a structured document management system with monthly updates provided via our EHS software provider (applicable for Darmstadt, Germany).

In 2023, Guangxi Chesir Pearl Material Co., Ltd., which is the principal subsidiary of the Group, was accredited as a "Green Factory" (綠色工廠) by the Ministry of Industry and Information Technology of the PRC (國家工業和信息化部). Another subsidiary, CQV, was also awarded Korea's "Lighthouse Factory" certification in 2025, demonstrating the Group's efforts and achievements in advancing green manufacturing, smart transitioning and technology-driven sustainable development. Each product of the Group is healthy, environmentally friendly and safe, contributing to the creation of long-term sustainable value for customers and society.



With the accelerated upstream and downstream deployment of high-end production capacity, various major projects have been successfully implemented, and the Company's Chesir Phase II pearlescent material factory officially commenced its production in February 2024. This green production base was built by adopting globally advanced technology and the highest environmental standards. Equipped with advanced production management platform data centre, it has achieved intensified, process-oriented, standardised and intelligent management. In April 2025, main building complex of the synthetic mica plant in Tonglu (桐廬), capable to manufacture 100,000 tonnes annually, successfully reached its structural completion, marking the transition into the comprehensive phase of interior finishing and equipment installation. The new facility deeply integrates automation and intelligent technologies, meeting production standards for mid-to-high-end products. This advancement accelerates the Group's pursuit of technological breakthroughs, industrial upgrading, and global resource integration, positioning it to become a leader in the global surface performance materials sector.

In addition, the Group promotes energy savings and carbon reduction and is committed to achieving sustainable business operations. To this end, the Group has set clear yearly and long-term emission reduction targets. Compared with the 2021 baseline, the Group strives to achieve the following targets by 2027:

- To further optimize product structure and resources consumption structure, air emission intensity per unit of production will reduce by about 10%; hazardous and non-hazardous waste disposal per unit of production will reduce by about 20%; and water consumption intensity per unit of production will reduce by about 30%, so as to reduce the impacts of pollutants discharge on the environment and climate.

INVESTMENT IN ENVIRONMENTAL MANAGEMENT

To develop a better and greener environment, in FY2025, the Group planted 268 trees as well as lawn shrubs in the Guangxi Production Plant. To integrate renewable energy into the factory's power grid and achieve significant energy savings and emission reductions, the Group's subsidiary has successfully integrated its rooftop distributed photovoltaic project to its grid during the Reporting Period. With an installed capacity of 5.9 megawatts peak (MWp), the project adopts a Building-Integrated Photovoltaics (BIPV) model combined with a "self-consumption with surplus fed into the grid" approach. This initiative saves millions of dollars in electricity costs annually, conserves 1,550 tonnes of standard coal, reducing CO_2 emissions by 5,120 tonnes. This project represents a key breakthrough in the Company's green manufacturing system upgrade. The photovoltaic modules form a highly efficient thermal insulation layer projected to reduce factory temperature by 3-5°C, decrease air conditioning energy consumption, enhance employee comfort, extend roof lifespan and lower maintenance costs. We will continue to expand such projects to other newly constructed factories to achieve green production. The Group has reserved funds for its environmental management including monitoring and testing, cleaning, wastewater treatment, greening, and maintenance. The Group will persist in investing in low-carbon, sustainable production methods and product development.

"Low carbon and environmental protection" has become an important developing trend in the pearlescent material industry. With a prevailing trend of climate change and new energy applications, pearlescent material specified for solar photovoltaic cell panel was developed to be applied to the solar absorber layers or coatings of solar panel to improve its performance. This kind of novel pearlescent material has specific optical and thermal properties designed to optimise solar absorption and conversion efficiency, as well as extend the useful life of solar panel. The new "low-carbon, environmentally friendly" pearlescent material for solar panels developed by CQV, a subsidiary of the Group, has the characteristics of high reflectivity, thermal stability, weather resistance and excellent optical performance in the solar spectrum, which not only gives solar panels a better visual experience, but also improves their light absorption performance.

Moreover, coloured solar panel has a wide range of application opportunities within the curtain wall sector. Following the rising expectation for building aesthetics and energy saving requirements, Building Integrated Photovoltaics (BIPV) markets has experienced a significant growth. Nevertheless, traditional photovoltaic panel's monotonic colour can hardly fulfil the modern building aesthetics. In comparison, coloured solar panel has specific optical properties able to display multiple colours by adjusting irradiation angle and intensity, perfectly fuses with each building styles. It also equips with both electricity generation and decorative functionality, making the architecture stands out among the others. Besides, its weather and UV resistance enable it to operate consistently regardless of natural erosion in a long run, providing clean energy for the building and promoting low carbon and environmental protection.

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In addition, the Group will optimize factory operations and create smart factories by using technologies such as artificial intelligence, big data, and the Internet of Things. The application of technology can also contribute to environmental management. These technologies can assist companies in achieving goals in energy conservation and emission reduction, production optimisation, predictive maintenance, smart supply chain management, and environmental monitoring and governance, thereby reducing resource waste, lowering carbon emissions, saving costs, and enhancing the enterprise's sustainable competitiveness.

CQV has expanded its affiliated research institute and established the InA Centre to advance material technologies, enabling the adaptation or modification of its products to withstand climate change impacts. SUSONITY has evaluated green technologies and will continue advancing related initiatives. Climate change may increase demand for UV filters and insect repellents, presenting opportunities to expand relevant product line. SUSONITY's UV filters and insect repellents serve as sustainable alternatives, while RonaFlair pigments offer an ideal substitute for talc, which is suspected of posing health risks. In the cosmetics sector, SUSONITY's Clean Beauty series meets Halal certification and vegan requirements, free from microplastics, and encompasses multiple natural product certifications. These products benefit human health and the ecological environment, achieving sustainable economics.

THE GROUP'S POLICIES RELATING TO ENVIRONMENTAL PROTECTION

As the major production and operations of the Group are based in the PRC, Korea, Germany, the United States and Japan, its business operations are subject to the local environmental laws and regulations. To comply with the relevant environmental laws and regulations and minimise the impact to the environment, as well as to report on the environmental and social aspects of the Group's business operations, the Group has established the ESG Committee and Working Group to identify the relevant environmental risks and opportunities and set clear environmental targets. Meanwhile, the Group has developed a series of environmental management programs and policies for the purpose of identifying the key aspects of the Group's operations (the "**Key Aspects**") which may have significant impacts on the environment in light of applicable laws and regulations.

- Pollution Prevention and Control Management System (污染防治管理制度)
- Environmental Protection Management System (環境保護管理制度)
- Waste Emission Reduction Management System (廢棄物減排管理制度)
- Company Greenhouse Gas Emissions Management Guide (公司溫室氣體排放管理規定)
- Greenhouse Gas Emissions Management Policy (溫室氣體排放管理政策)
- Chesir Energy Management System (七色珠光能源管理制度)
- Energy Management Target Indicators (能源管理目標指標)
- Special Contingency Plan for Environmental Emergencies (突發環境事故專項應急預案)
- Contingency Plan for Environmental Pollution Emergencies (突發環境污染事故應急預案)
- Contingency Plan for Environmental Emergencies (突發環境事件應急預案)
- Environmental Management Policy (環境管理政策)

As required by the ESG Committee, representatives from each department within the Group meet regularly to review its key processes and identify possible Key Aspects underlying the operation of the concerning departments. The Group's Safety and Environmental Department (安全環境部) is responsible for establishing and managing the Group's Environmental Protection Management Network (環保管理網絡). They will then discuss with the ESG Committee members and senior management regarding any Key Aspects identified, and design appropriate measures aimed at reducing the environmental impacts arising from such Key Aspects. These measures will be documented, and the relevant personnel will be provided with suitable training. Regular supervision and reporting to the senior management are conducted to ensure effective implementation of the measures. The Safety and Environmental Department is also responsible for educating and providing training to staff to enhance their knowledge and skills regarding environmental protection.

EMISSIONS AND WASTE GENERATION

Air Emissions

Vehicle emission was one of the Group's air emission sources for the financial year. In addition, the Group regularly monitors emissions from its production processes[8]. The principal types of emission and waste generated from the Group's business operations are set forth below and the Group considers that the emission and waste would not have any significant adverse impact on the environment.

Mobile source emission data of nitrogen oxides (NO_x), sulphur oxides (SO_x), and particulate matter (PM) are set forth in the table below:

Air Pollutant[9]	Unit	2025	Compared to 2024
Nitrogen Oxides ("**NO_x**")	kg	**284.97**	4,180%
Sulphur Oxides ("**SO_x**")	kg	**4.26**	1,351%
Particulate Matter ("**PM**")	kg	**17.92**	3,709%

The increase in air emissions for the financial year was due to the enhance production capacity attributed to the commissioning of the Phase II production base of Chesir, as well as inclusion of SUSONITY production base data. The Group will continue to improve its internal data collection mechanism for a complete disclosure in the coming years.

8 2025 annual NO_x emissions, SO_x emissions and PM emissions from its production processes were 10.0980 tonnes, 0.4202 tonnes and 5.1149 tonnes respectively. The relevant data is derived through actual measurement or calculation.

9 The estimation is based on"Technical Guidelines for Compiling the Air Pollutant Inventory of Road Mobile Vehicles (Trial)" (「道路機動車大氣污染物排放清單編製技術指南（試行）」) issued by Ministry of Environmental Protection of the PRC and "How to Prepare an ESG Report" and its attachment "Appendix II: Reporting Guidance on Environmental KPIs" issued by the Stock Exchange of Hong Kong, "Air pollutant Emission Inventory Guidebook" issued by European Environment Agency, "National Greenhouse Gas Inventory Report of Japan" issued by Ministry of the Environment of Japan, and "AP-42 Emission Factors" issued by US Environmental Protection Agency.

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Waste Generation

- **Non-hazardous waste: The Group's production facilities and office operations generate non-hazardous sludge, paper, household waste, and other related wastage**

Non-hazardous domestic wastes and non-hazardous sludge are generated in the Group's production facilities and office operations. Non-hazardous sludge is generated from production processes and general refuse such as paper, plastic bags, and plastic bottles are generated from office operations. Sludge is generally generated from wastewater treatment tank sedimentation, collected by the contractor and reused to manufacture bricks. Household wastes and food wastes from the staff canteen are generated from production facilities and business presence in Guangxi Zhuang Autonomous Region. The food leftovers from the staff canteen are collected for reuse, such as poultry feeding.

The Executive Department of the Group is responsible for handling office and domestic wastes (including used batteries, toner cartridges, ink cartridges, fluorescent tubes and general refuse). Domestic wastes discharged by our production facilities and offices in ordinary means are in compliance with regulations including the Law of the PRC on the Prevention and Control of Environmental Pollution by Solid Wastes (《中華人民共和國固體廢物污染環境防治法》), the requirements of "Pollutant Control Standards for Domestic Waste Landfills" (《生活垃圾填埋場污染物控制標準》), "Pollutant Control Standard for Domestic Waste Incineration" (《生活垃圾焚燒污染物控制標準》) and Korea's "Wastes Control Act" (《廢物管制法》).

Wastes[10] generated from the Group's production facilities and business are as follows:

Wastes	Handling Method	Unit	2025	Compared to 2024
Non-hazardous Wastes*	Handled by Contractors	tonnes	**18,447.21**	107%
Total		tonnes	**18,447.21**	107%
Intensity		tonnes per square meter floor area	**0.06**	-52%
Wastewater	Discharged	m^3	**2,019,321**	109.44%

Note:

* Non-hazardous wastes are mainly referring to sludge.

The increase in non-hazardous waste generation was due to the enhance production capacity attributed to the commissioning of the Phase II production base of Chesir, as well as inclusion of SUSONITY production base data for the financial year.

[10] Korea CQV factory generated 57.70 tonnes of hazardous wastes in 2025, while SUSONITY production bases generated 216.48 tonnes of hazardous wastes.

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The Group's subsidiary SUSONITY has maintained robust hazardous and non-hazardous waste management systems. Hazardous waste continues to be handled in strict compliance with all regulatory safety requirements. For non-hazardous waste, digitalization has contributed to a sustained reduction in paper waste. Its German production unit has already achieved a >10% improvement in circularity compared to 2022, demonstrating the effectiveness of these measures. Moreover, SUSONITY's has remains its previous Effluent Treatment and Discharging Policy, which remains applicable until the updated version is finalized.

SUSONITY has continued to implement its initiatives in wastewater management, including continuous improvement of wastewater treatment systems and ensuring all wastewater discharge concentrations remain below the Water Reference Level (WRL). These measures collectively minimize environmental impact and maintain alignment with our established environmental standards.

Looking ahead, the Group will continue to refine its wastes reduction measures and disclose relevant results where appropriate. The Group will perform sample testing regularly to ensure the parameters outlined by the wastewater discharge license are fulfilled before discharging to the municipal wastewater treatment plant for further treatment. We will also seek continuous improvement in waste and wastewater management performance by setting appropriate targets in the future after further assessment.

The Group's waste management strategy focuses on legal disposal, reduction and reuse of wastes. All waste disposals and processing must be carried out by government-certified service providers pursuant to laws and regulations as stipulated in the Group's operational locations. Recyclable wastes are collected according to classifications and are delivered to the qualified vendor where appropriate.

- **Measures undertaken to reduce emission and waste generation**

To minimise the environmental impacts brought by the mentioned emissions and wastes, the Group has adopted the following measures during the FY2025 to align with its "Pollution Prevention and Control Management System" (污染防治管理制度), "Environmental Protection Management System" (環境保護管理制度) and other related policies:

- Setting yearly emission limitation targets for pollutants (such as NO_x from boiler emission; water consumption, COD, ammonium-nitrogen and total phosphorus in domestic wastewater discharge; noise nuisance from equipment; and sludge treatment in "Hazardous and Non-hazardous Waste Emission Reduction Management Systems" (有害及無害廢棄物減排管理制度);
- Utilising electric vehicles within the production facility as opposed to fossil fuel-powered vehicles to reduce emissions at the sources;
- Developing a better understanding of the Group's suppliers and taking into account their environmental and social responsibility practices. Please refer to the sub-section headed "Supply Chain Management" below for further details; and
- Periodically arranging environmental compliance inspections to ensure the Group's compliance with the applicable environmental laws relating to the Group's operations.

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In addition, the Group implements comprehensive management of personnel and equipment in each business premises, while managing risks related to air quality enhancement. Regular training is provided to on-site personnel regarding air pollution and emission management to enhance their awareness and practical performance in managing air pollutants. In addition, we also manage and optimize the operation of air pollution prevention and control facilities to minimize emissions of air pollutants. We not only utilize low-NO_x boilers but also adopt "Power Demand Control" to operate motor inverter systems to achieve energy saving. In pursuit of carbon neutrality, the Group has also switched from liquefied petroleum gas fuel to more environmentally friendly liquefied natural gas to further reduce carbon emissions. Despite the higher cost of LNG, it aligns with our corporate commitment to environmental concerns.

For policies and measures undertaken by the Group to reduce the use of electricity, please refer to the paragraph headed "Natural Resources — Energy Efficiency" below.

ENVIRONMENTAL COMPLIANCE

After the Environmental Protection Tax Law of the PRC (《中華人民共和國環境保護税法》) came into effect on 1 January 2018, the Group is subject to the obligation to pay environmental pollution tax for pollutants directly discharged to the environment, such as air pollutants and water pollutants.

During the FY2025, the Group has complied with the following laws and regulations:

- Environmental Protection Law of the PRC (《中華人民共和國環境保護法》);
- Energy Conservation Law of the PRC (《中華人民共和國節約能源法》);
- Circular Economy Promotion Law of the PRC (《中華人民共和國可循環經濟促進法》):
- Atmospheric Pollution Prevention and Control Law of the PRC (《中華人民共和國大氣污染防治法》);
- Ambient Air Quality Standards of the PRC (《中華人民共和國環境空氣質量標準》);
- Boiler Air Pollutant Emission Standards of the PRC (《中華人民共和國鍋爐大氣污染物排放標準》);
- Law of the PRC on the Prevention and Control of Environmental Pollution by Solid Wastes (《中華人民共和國固體廢物污染環境防治法》);
- Water Pollution Prevention and Control Law of the PRC (《中華人民共和國水污染防治法》);
- Prevention and Control of Noise Pollution Law of the PRC (《中華人民共和國噪聲污染防治法》);
- Discharge Standard of Pollutants for Municipal Wastewater Treatment Plant (《城鎮污水處理廠污染物排放標準》);
- Water Law of the PRC (《中華人民共和國水法》);
- Mineral Resources Law of the PRC (《中華人民共和國礦產資源法》);
- Framework Act on Environmental Policy (《環境政策基本法》):

- Environmental Impact Assessment Act (《環境影響評價法》);
- Environment Dispute Mediation Act (《環境糾紛調解法》);
- Clean Air Conservation Act (《大氣環境保全法》);
- Water Environment Conservation Act (《水質和水體保全法》);
- Waste Control Act (《廢棄物管理法》);
- Toxic Chemicals Control Act (《有害化學物質管理法》);
- Germany's Federal Immission Control Act (BImSchG);
- Germany's Circular Economy Act (KrWG);
- Germany's Waste Catalogue Ordinance (AVV);
- Germany's Commercial Waste Ordinance (GewAbfV);
- Germany's Ordinance on Waste Recovery and Disposal Records (NachwV);
- Germany's Hazardous Substances Ordinance (GefStoffV);
- Germany's Water Resources Management Act (WHG);
- Japan's Waste Management and Public Cleansing Law;
- Japan's Basic Environment Law;
- Japan's Act on the Promotion of Effective Utilisation of Resources;
- Japan's Water Pollution Control Law;
- U.S. Resource Conservation and Recovery Act;
- U.S. Hazardous Materials Transportation Act;
- U.S. Clean Water Act; and
- Other applicable environmental laws and regulations in all material respects.

During the FY2025, the Group was not aware of any significant non-compliance issues regarding emission, noise, waste disposal and sewage discharge. The Group believes that the emissions, disposed wastes, and discharged sewage during our business operation do not pose material impact on the surrounding environment.

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ENVIRONMENTAL IMPACTS FROM OUR OPERATIONS AND MITIGATION MEASURES

The generation of air pollutants, GHG, noise emissions and sewage discharge from the operation of our production facilities complies with the requirements under the relevant local laws and regulations. In order to minimise the environmental impact of the Group's business operation to the surrounding environment, the Group has established the "Pollution Prevention and Control Management System" (污染防治管理制度) and "Environmental Protection Management System" (環境保護管理制度), and also developed yearly emission limitation targets for specific pollutants in "Hazardous and Non-hazardous Waste Emission Reduction Management Systems" (有害及無害廢棄物減排管理制度).

List of Hazardous and Non-hazardous Waste Emission Reduction Management Systems applicable to PRC business premises in FY2025 is set forth below:

Pollution Source	2025 Targets	Compliance
Nitrogen oxides	**4.58 t/a**	✓
Sulfur dioxide	**0.39 t/a**	✓
Fluorides	**0.021 t/a**	✓
Sludge	**11200 t/a**	✓
Chemical oxygen demand	**9 t/a**	✓
Ammonia nitrogen	**1.85 t/a**	✓
Total phosphorus	**0.08 t/a**	✓
Petroleum hydrocarbons	**0.02 t/a**	✓

During the FY2025, to the best of the Directors' knowledge, the Group has achieved all yearly emission limitation targets, and no complaint was received from its customers or other parties in respect of environmental protection issues. In addition, the Group has not experienced any material environmental incidents arising from its business operations. During the FY2025, no material administrative sanctions or penalties were imposed upon the Group for the violation of environmental laws or regulations which had an adverse impact on its operations.

NATURAL RESOURCES

The Group recognises the importance of efficient resources consumption and continuously aims at streamlining its operations to develop an energy-efficient culture. "Chesir Energy Management System" (七色珠光能源管理制度) is established according to the national energy work policies and energy management standards, with an aim to save energy, reduce material consumption, eliminate waste, further improve energy utilization efficiency, and utilise resources safely and reasonably while considering the actual needs of the Group's production and material consumption. SUSONITY sources sustainable ingredients where applicable, such as RSPO-certified palm-based components, which are used only in small quantities within cosmetic formulations.

The Group has been identifying environmental issues in various areas from its business planning stage and actively formulates measures to deal with environmental risks. In addition, in order to implement environmental management, we annually formulate and implement facility improvement investment plans to reduce energy consumption and greenhouse gas emissions. Under these policies and practices, the Group has established 2 strategic directions: energy conservation and emission reduction, and environmental management through the establishment of eco-friendly infrastructure. Concrete projects are underway to achieve the feasibility of these strategies.

The principal types of resources utilised by the Group in the operation and management of production facility and offices during the FY2025, and the measures undertaken by the Group to promote efficient usage are discussed below:

Water Consumption and Efficiency

Freshwater is an indispensable resource on earth. The Group's office utilised an insignificant amount of water resources as compared to domestic water usage. During the FY2025, the aggregate volume of water for production and domestic water consumed within the Group's facilities and offices amounted to approximately 6,980 thousand cubic metres.

	Unit	2025	Compared to 2024
Water	thousand cubic metres	**6,979.66**	65.21%
Intensity	thousand cubic metres per square meter floor area	**0.02**	-61.37%

To ensure efficient and sustainable use of water resources, the Group has closely monitored the usage of water resources, adopted internal guidelines and provided staff education to promote water conservation, as well as routinely inspects and upkeeps water supply facilities. In addition, we reduce water consumption in high-water-consuming processes by reusing water and using it for other activities. For example, wastewater and septic tank water are 100% reused for pond replenishment. We also collect rainwater and use it for septic tanks.

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Energy Efficiency

Electricity is necessary for the operation of offices and production facilities and serves as a primary source of energy consumption. The Group has adopted an internal policy during the FY2025 to promote conservative energy uses. Under the policy, the usage of electricity in our production facility is continuously monitored. Clear guidelines on the operating hours and energy-saving measures in respect of electrical appliances such as office equipment, lighting and air conditioning facilities in the Group's public areas have been established. To monitor the usage of electricity effectively, we collect and analyse electricity use data in the monthly meeting. Moreover, SUSONITY Production GmbH is certified in accordance with ISO 50001, ensuring effective energy management system implemented throughout its operations.

Various types of equipment used in the industrial sector are one of the main sources of energy consumption and they usually exhibit low energy efficiency. In view of this, the Group has introduced pumps, dust collectors, air compressors and other equipment with higher energy efficiency and lower power consumption at major operational sites, resulting in energy savings and reductions in GHG emissions. Moreover, the Group made use of solar energy for operating purposes, enabling carbon emission reduction.

The Group's energy utilisation data during the FY2025 is as follows:

	Unit	2025	Compared to 2024
Direct Energy Consumption[11] (Excluding Solar Energy)	MWh	**33,375.28**	18,722%
Direct Energy Consumption (Solar Energy)	MWh	**2,993.72**	843%
Indirect Energy Consumption	MWh	**272,788.03**	87%
Total Energy Consumption	MWh	**309,157.03**	112%
Intensity	MWh per square meter floor area	**0.96**	-51%

During the financial year, energy consumption increased compared to previous year due to higher electricity and steam usage resulting from the commencement of operations at the Phase II production base of Chesir, as well as the inclusion of SUSONITY production base data. Chesir's rooftop distributed photovoltaic project successfully connected to the power grid during the financial year, inducing a significant increase in renewable energy consumption compared to last year.

[11] The energy consumption of CQV gas-fired boilers was approximately 12,330 MWh, and that of the SUSONITY gas-fired boilers was approximately 49,545 MWh.

Paper and Packaging Materials

The paper used by the Group is primarily for general use within the Group's offices and internal operations. Paper waste is the major source of our non-hazardous waste in offices.

Papers are also consumed in Group's offices for research and development, design and clerical work. To promote efficient paper usage, the Group has established the following measures:

- Introduced and promoted the concept of "Green Factory" and "Green Office" in the Group; and
- Put in place internal guidelines and systems regarding paper conservation. Under these guidelines, the use of paper by different departments of the Group will be accounted for and monitored, and paper-saving measures such as double-sided printing, using smaller sheets for sundry uses, paperless internal correspondences, etc. have been implemented.

During the FY2025, the Group's paper consumption is as follows:

	Unit	2025	Compared to 2024
Paper Consumption	kg	**3,951.85**	-25.03%

For the financial year, the Group recycled 1,310.08 kg of paper.

The Group has been pursuing efforts to reduce usage of packaging materials and avoid unnecessary packaging. The amount of packaging materials used by the Group for the financial year were 1,490.80 tonnes of paper products, 259.50 tonnes of plastic and 0.35 tonnes of wooden packaging materials.

OUR PEOPLE

GROUP POLICIES RELATING TO CORPORATE SOCIAL RESPONSIBILITY PRACTICES

Employees are the foundation of the Group's success and development. We consider human resources as the most important asset and the Group is committed to ensuring the health, safety, and general welfare of its employees at work. In addition, the Group not only provides various job-related seminars, workshops, and training courses for the employees' continuous professional development, but also adopts various social responsibility practices for supporting the community and upholding the Group's business integrity.

EMPLOYMENT MANAGEMENT POLICIES AND SYSTEMS

The Human Resources Department is established for the management of employment policies in the Group. The "Employees' Handbook" (員工手冊), "Human Resources System" (人力資源制度) and "Employment Code" (僱傭規章) provide the terms, guidelines, and arrangements on remuneration, dismissal, recruitment, promotion, working hours, rest periods, leaves, labour health and safety, insurance benefits, labour discipline, diversity, equal opportunities, anti-discrimination, other benefits and welfare to the Group's employees.

Moreover, in addition to the Employee Handbook, the Group's subsidiary SUSONITY maintains a centralized "House of Documents" compliant with ISO 9001, where all essential governance documents, including our "Human Rights Charter", "Code of Conduct", Policies, Standards and SOPs, are stored and accessible to employees. This system ensures controlled access to current versions of all HR- and governance-related documents.

Recruitment and Dismissal

Recruitment is required in the event of staff replacements, identification of new positions, or an increase in workload or responsibilities within different departments of the Group.

Recruitment is tailored to different classes of positions to be filled and will be directed to appropriate applicants in order to attract suitable candidates. Public recruitment will be carried out through appropriate media for a sufficient period to assure open opportunity for application and consideration.

The dismissal or voluntary termination of employees' contracts shall be enforced according to the employment laws and regulations in Hong Kong, the PRC, Korea, Germany, the United States and Japan. Either party may terminate the employment by giving a written notification or payment in lieu of notice to the other party as specified in the employment contract according to the requirements of Labour Legislation. During the work transfer and resignation procedures, the parties have the responsibility and obligation to hand over the equipment, files and materials belonging to the Group under their management to the relevant departments and responsible persons. To ensure a smooth transition, relevant staff is required to complete a "Job Handover Checklist" (工作移交清單). The Group will conduct an exit interview with all monthly paid departing employees prior to their departure for receiving opinion and feedback to the Group. Moreover, the Group's subsidiary SUSONITY has embedded its "Recruitment Policy" and "Employee Dismission Policy" into its "Social and Labour Standards Policy", ensuring effective governance of ethical recruitment practices, employee dismissal and workplace conditions.

OUR PEOPLE

Promotion

The Group recognises promotion as the shift of an employee from one position to another that requires a higher degree of knowledge, skill, or responsibility, in this regard, a higher pay range is assigned to encourage employee growth and development. We adopt an open-door communication policy and carry out a performance review with the employees on their performance semi-annually, during which process each employee is given equal opportunity for promotion. The Group's employees are provided with a clear career path with opportunities for additional responsibilities and promotions.

The Group has standard policies and procedures for promotion as set forth in the "Employees' Handbook". The Group has a regular promotion plan every half-year. After the half-year or full-year appraisals, the Group will evaluate the work performance of its employees. The Group also implements a universal job promotion plan based on the evaluation results of the employees' work performance and job vacancies. In order to retain talents for sustainable development, employees with outstanding performance will be promoted at any time if the position becomes vacant under special considerations. Moreover, the Group's subsidiary SUSONITY has embedded its "Promotion Policy" into its "Social and Labour Standards Policy", ensuring effective governance of ethical promotion practices.

Equal Opportunity, Diversity, and Anti-discrimination

The Group has set up "Human Resources Diversity Policy" (人力資源多元化政策) and "Anti-discrimination Policy" (反歧視政策) to promote equality in the workplace for all employees. These polices ensure that all employees are treated equally in every aspect of their jobs and work under a discrimination-free environment. We strictly prohibit discrimination against potential candidates in the recruitment process on the account of their race, colour, religion, sex and gender identity, sexual orientation, age, marital and parental status, and/or pregnancy or medical conditions. All employees are encouraged to report any incidents of discrimination to the Human Resources Department and all cases will be thoroughly investigated and treated with strict confidentiality.

Moreover, the Group's subsidiary SUSONITY's approach to equality, non-discrimination, diversity and inclusion is primarily governed by its "Human Rights Charter", which sets out our key commitments and detailed expectations regarding equal treatment, non-discrimination, fair working conditions, equal opportunity and inclusive environment. These principles are further supported by the SUSONITY's "Social and Labour Standards Policy". In addition, SUSONITY's "Code of Conduct" reinforces ethical and respectful behaviour and guides employees in applying these principles in their daily work.

The Group recognises and embraces the benefits of having a diversified Board and workforce to enhance the quality of its performance. We have established the "Human Resources Diversity Policy" (人力資源多元化政策) and believe that different backgrounds and abilities of the Directors could enhance diversity and achieve effective leadership with multi-perspective ideas during the business decision-making process. The selection of candidates has been considered by taking various factors into consideration, including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge and length of service.

OUR PEOPLE

The Group's vision on equality applies to all aspects in employment and is set forth in the employee management policies and systems, including but not limited to recruitment, promotion, transfer, job assignment, rewards and benefits, training and development and suspension. We provide annual training courses for all employees on disability awareness, sexual harassment and workplace bullying, as well as relevant on-the-job training regularly.

Employment Profile

Workforce As at 31/12/2025	2025 No. of Staff
By Gender	
Male	**1,494**
Female	**617**
By Age Group	
Below 30	**311**
30 – 50	**1,165**
Over 50	**635**
By Employment Type	
Full Time	**2,039**
Part Time	**72**
By Management Level	
Senior Management	**51**
Middle Management	**293**
General Staff	**1,437**
Others	**330**
By Geographical Region[12]	
Mainland China[13]	**748**
Hong Kong, China	**13**
Korea[14]	**201**
Germany	**700**
The United States	**144**
Japan	**182**
Others	**123**
Total	**2,111**

12 Due to the double counting of 2 of the employees concurrently working in Mainland China and Hong Kong companies.
13 Including Guangxi Chesir and SUSONITY employees in Mainland China.
14 Including all employees of Korea CQV and SUSONITY employees in Korea.

OUR PEOPLE

The Group strictly abides by the following laws and regulations, and international declarations or treaties, including but not limited to:

- Employment Ordinance (Cap. 57);
- Employees' Compensation Ordinance (Cap. 282);
- Sex Discrimination Ordinance (Cap. 480);
- Mandatory Provident Fund Schemes Ordinance (Cap. 485);
- Race Discrimination Ordinance (Cap. 602);
- Minimum Wage Ordinance (Cap. 608);
- Labour Law of the PRC (《中華人民共和國勞動法》);
- Labour Contract Law of the PRC (《中華人民共和國勞動合同法》);
- Korea's Labour Standards Act;
- Germany Minimum Wage Act (MiLoG);
- Germany Dismissal Protection Act (KSchG);
- Germany Working Hours Act (ArbZG);
- Germany General Equal Treatment Act (AGG);
- Japan Labour Standards Act;
- Japan Minimum Wage Act;
- Japan Labour Contracts Act;
- Japan Employment Security Act;
- Japan Employment Measures Act;
- Japan Equal Employment Opportunity Act;
- The United States Fair Labour Standards Act;
- The United States Equal Pay Act;
- The United States Family and Medical Leave Act;
- Title VII of the Civil Rights Act of the United States;
- The United States National Labor Relations Act;
- The Americans with Disabilities Act;

OUR PEOPLE

- The United States Age Discrimination in Employment Act;
- Universal Declaration of Human Rights;
- International Covenant on Economic, Social and Cultural Rights;
- Convention on the Elimination of All Forms of Discrimination Against Women;
- International Convention on the Elimination of All Forms of Racial Discrimination;
- Convention on the Rights of Persons with Disabilities;
- UN Practical Guide to Developing Comprehensive Anti-Discrimination Legislation; and
- International Labour Organization (ILO) Standards.

To the best of the Directors' knowledge and belief, the Group was in compliance with the local labour law regarding compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, vacation, minimum wage requirements during the FY2025. In addition, the Group did not received any complaints or notifications on contravention of any of the above employment practices.

Employee Retention

Remuneration and Compensation

The Group offers competitive compensation to retain talents. The remuneration package of each employee is determined with reference to various factors including educational background, job duties, professional skills, technical capabilities and experience, as well as salary level for similar job positions in the pearlescent pigment industry. The Group has also adopted a share option scheme pursuant to which employees of the Group are, based on management's evaluation of their individual performance, eligible to be granted share options as incentives.

Moreover, the Group's subsidiary SUSONITY has embedded its "Remuneration and Compensation Policy" into its "Social and Labour Standards Policy", effectively governance of remuneration structures, employee benefits and workplace conditions. SUSONITY's employee welfare and benefits are guided by its "Social and Labour Standards Policy", which reflects our commitment to providing support that goes beyond legal requirements. This includes voluntary social benefits, health and wellness initiatives, employee assistance services, and access to training and development opportunities. We aim to foster a supportive and engaging work environment that promotes well-being and long-term employee satisfaction. Employee satisfaction and well-being are also monitored through our Human Rights Due Diligence process, which incorporates employee surveys as a key tracking tool.

OUR PEOPLE

To attract and retain talents, the Group also offers a variety of benefits, including free shuttle buses, bonuses, "Social Security and Housing Provident Fund" (社保及住房公積金) in the PRC, statutory pension scheme contributions for the benefit of employees by the relevant legal requirements in Hong Kong, Mainland China, Korea, Germany and Japan, including the mandatory provident fund contributions in Hong Kong, social insurance payments in the PRC and national pension scheme in Korea, provident fund insurance in Germany, Japan national pension, injury compensation and insurance, and overtime allowance. The Group would regularly review the employees' compensation and benefits packages to reward and recognise those with outstanding performance. Incentives in the form of bonuses and share options may also be offered to eligible employees based on individual performance.

Rest Period and Working Hours

The Group provides reasonable working hours and rest periods to employees. The resting time of the Group's employees is well-respected, and the employees are also entitled to paid holidays under statutory requirements or otherwise under their respective employment contracts, such as annual leave, sick leave, work injury leave, maternity leave and compensation leave. Moreover, the Group's subsidiary SUSONITY has embedded its "Working Hours and Rest Periods Policy" into its "Social and Labour Standards Policy", ensuring effective governance of employee working hours and rest periods.

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Employee Turnover

During the FY2025, the Group has an overall turnover rate of 6.4%. The detailed turnover numbers and percentage are set forth below:

Turnover	2025 No. of Turnover	2025 Turnover Rate (%)
By Gender		
Male	103	6.9%
Female	32	5.2%
By Age Group		
Below 30	28	9.0%
30 – 50	81	7.0%
Over 50	26	4.1%
By Management Level		
Senior Management	2	3.9%
Middle Management	17	5.8%
General Staff	98	6.8%
Others	18	5.5%
By Geographical Region		
Mainland China[15]	77	10.3%
Hong Kong, China	6	46.2%
Korea[16]	22	10.9%
Germany	19	2.7%
The United States	2	1.4%
Japan	6	3.3%
Others	3	2.4%
Overall	135	6.4%

[15] Including employee turnover of Guangxi Chesir and SUSONITY in Mainland China.

[16] Including all employee turnover from Korea CQV and employee turnover from SUSONITY in Korea.

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Employee Activities

During the FY2025, the Group has organised a variety of activities to motivate and enhance the overall morale of its employees, including Lantern Festival Tour, Chinese New Year Greeting, team-building activities, etc., allowing staff members to gather outside of work for bonding and building team spirit.



Chinese New Year Greeting

The Group held a simple yet grand kick-off ceremony, in which management extended New Year greetings to all employees. They visited the production workshops and various departments to deliver sincere New Year greetings and good wishes to all staffs.



Lantern Festival Tour

The Group held a park tour on the Lantern Festival, celebrating the festival together with its employees. All employees gathered to celebrate the festival, with the venue filled with a warm and joyful atmosphere. The activities are heartwarming, brimming with the ceremonial spirit of the Lantern Festival. The diverse entertainments along with fantastic prizes, earned unanimous praise from the staffs.



Team-building Activities

The Group also organized various team-building activities throughout the year, including museum visits, sightseeing tours, team dinners, and employee birthday celebrations.

OUR PEOPLE



SUSONITY Participates in Merck Running Event

The 12th Merck Running Event took place in Darmstadt, with participation from the Company, regulatory authorities, clubs and recreational teams.

Health and Safety

Health care of the employees is of primary importance to the Group, and the Group is committed to providing a safe working environment to its employees. To maintain a safe working environment and minimise potential workplace injuries, the Group has established internal policies on safety management whereby different teams are assigned with different safety compliance responsibilities. We have zero-tolerance for employees who commit physical assault, threatening behaviour, unwelcome photo-taking and harassment in the workplace. The Group has been accredited with the ISO 9001:2015, ISO 14001: 2015, and ISO 45001:2018 certificates. The Group has always adhered to the people-oriented development philosophy, prioritized the health of its employees, and actively carried out occupational health management.

Furthermore, the Group organizes and carries out physical examination for employees annually and establishes health records. Multi-functional gym, equipped with treadmill, table tennis, billiards, dumbbells and other fitness equipment have been set up. Every year, the Group organizes different physical activities and actively participates in cultural and sports events such as air volleyball and fun events held at all levels, demonstrating healthy, vigorous and energetic spirits of our employees.

Looking ahead, we will continue to strengthen occupational health management, improve working environment, strengthen the education and training of occupational health laws and regulations and occupational disease protection knowledge, improve employees' awareness of occupational health and occupational disease protection, and strive to create a good and healthy working environment for employees, so as to ensure that occupational health risks are under control.

Health and Safety Policies and Measures

To ensure the health and safety of our staff and customers, the Group has implemented a series of policies which clearly outlines the requirements and handling procedures under specific situations:

- Safety production target management system (安全生產目標管理制度);
- Position occupational hygiene operating procedures (崗位職業衛生操作規程);
- Construction project occupational health "three simultaneous" management system (建設專案職業衛生"三同時"管理制度);
- Workers occupational health monitoring and filing management system (勞動者職業健康監護及其檔案管理制度);
- Maintenance and overhaul system for occupational diseases protection facilities (職業病防護設施維護檢修制度);
- Protective equipment management system for occupational diseases (職業病防護用品管理制度);
- Prevention publicity, education, and training system for occupational diseases (職業病防治宣傳教育培訓制度);
- Responsibility, hazard prevention, and control system for occupational diseases (職業病危害防治責任制度);
- Monitoring and evaluation management system for occupational diseases hazard (職業病危害監測及評價管理制度);
- Warning and notification system for occupational diseases hazard (職業病危害警示與告知制度);
- Accident handling and reporting system for occupational diseases hazard (職業病危害事故處置與報告制度);
- Hazard project declaration system for occupational diseases (職業病危害專案申報制度);
- Emergency rescue and management system for occupational disease hazards (職業病危害應急救援與管理制度);
- Occupational health inspection and reward and punishment system (職業衛生檢查與獎懲制度);
- Preliminary risk assessment system (初步風險評估系統); and
- Safety and health management system (安全健康管理體系).

OUR PEOPLE

Occupational Measures

The below sets forth a few examples of the practices adopted by the Group in accordance with the applicable local laws and regulations in relation to workplace safety:

Our Attempt

- Ensuring the Group maintain the requirements of ISO 9001:2015 (Quality management), ISO 14001: 2015 (Environmental Management), and ISO 45001:2018 (Occupational health and safety);
- Ensuring the Group sites maintain accident insurance for the workers;
- To monitor safety measures throughout the construction process who will submit inspection reports to the Group regularly;
- Employing certified contractors for regular inspection of fire safety equipment in Guangxi production facility and office premises;
- Providing health checks to staff members as appropriate prior to commencement of employment;
- Providing safety equipment such as fire extinguishers at the workplace;
- Installing surveillance cameras at the main entrances, reception halls and front desks of various sections of the production facility and offices;
- Employing security guards guarding at various entrances and carrying out 24-hour patrol;
- Prohibiting smoking at the workplace;
- Providing safety training to staff members and practising from time-to-time emergency responses in the case of fire or other hazards;
- Regular cleaning of the water supply filters and daily garbage removal; and
- Provide precautionary measures and equipment (such as disinfectant and mask) to protect the staff from pandemic.

1. Fire Drills

   Fire drill is conducted regularly. After each drill, meeting comprising of all responsible parties is held to review every aspect.

2. Emergency Preparedness

   "Contingency plans and Preparation Instructions for Environmental Emergencies" (突發環境事件應急預案及編製説明) and "Contingency plans for natural disaster incidents" (自然災害事故專項應急預案) are established in response to emergency issues such as floods, infectious disease, earthquakes and heatstroke.

OUR PEOPLE

In addition, the Group has formulated the "Safety and Health Management System" that focuses on workplace and employee safety and health. In all locations with risks of safety accidents, a safety and health management system is established based on the safety and health work manual, and various plans will be implemented to ensure employees' well-being. Safety and health issues requiring decision-making are addressed through regular meetings of the Join Industrial Safety and Health Committee held between labour and management. In addition, by establishing a safety and health personnel consultation mechanism between labour and management, we could immediately resolve on-site safety and health requirements and create a safe factory that build on trust between labour and management. We also conduct continuous education, expand safety facilities and investment, and improve safety awareness.



Quarterly Safe Production Meeting

The Group conducts daily safety inspections based on the on-site inspection checklist to enhance employees' safety awareness. Sharing sessions are conducted with each factory to discuss relevant accident cases that occurred within the Company and in other companies, aiming to formulate prevention plans to mitigate similar accident risks in advance of work. Additionally, when working with subcontractors, we formulate safe work plans and issue permits in advance in order to prevent accidents.

The Group has a Process Safety and Environment Team to prevent safety incidents and enhance the quality of safety management, and safety inspections are conducted regularly (quarterly) at all business locations. Inspection covers daily safety management systems, fulfilment of safety responsibilities by department heads, employee safety trainings and emergency drills record, maintenance of special equipment and firefighting facilities, electricity safety usage regulations, and duty schedules. Through this approach, major safety and health issues can be identified and improved in advance, and the quality of safety management can be improved. In addition, when facing extreme weather events such as heat waves that may pose a threat to employee health and worksite safety, we also prioritize the well-being of our employees. The establishment of an environment and safety team not only encourages employees to actively strengthen their awareness of environmental safety, fire prevention and health management, but also provides regular simulation training for emergency evacuation, first aid and life-saving drills in times of fire and other disasters, preventing accidents and enhance employees' response capabilities.

OUR PEOPLE

In addition, the Group carried out investigation and rectification check on hidden dangers of major accident, investigated and rectified special operation safety hidden dangers such as firefighting, electricity and limited space simultaneously. This could effectively curb the occurrence of production safety accidents and ensure safe production. The Company also organizes emergency drills for accident handling, and conducts drills such as on-site personnel rescue, personnel evacuation and emergency handling by simulating accident site, so as to improve the emergency response system, enhance the ability of accident rescue and emergency handling. The Group is committed to further improving the safety awareness and emergency response capabilities of all employees, building a solid line of defense for safe production, and creating a safe and healthy working environment for all employees.

Frequent high temperature weather has brought great challenges to employees. The Group regards heatstroke prevention and cooling as its top priority. Heatstroke prevention medicines have been prepared in each production workshops and office buildings. Moreover, we have carried out several "Send Cooling" activities, delivering watermelons and refreshing drinks to all employees. At the same time, the Group has continuously increased investment in heatstroke prevention and cooling facilities, strengthened the ventilation system and investigation of potential safety hazards in high temperature areas. In addition, the Group has enhanced the publicity of heatstroke prevention knowledge and trainings on emergency handling, helping its employees to improve their awareness and ability of heatstroke prevention. These efforts aim to safeguard the life safety and physical and mental health of employees, ensuring safe production in summer.



"Send Cooling" Activities

OUR PEOPLE

Safety Performance

The Group is committed to providing all necessary resources for effective implementation of safety policies and continuous improvement of its performance to avoid potential accidents at the workplace. The Group's offices and production facilities are subject to certain safety and health requirements pursuant to the requirements of ISO 45001:2018 (Occupational health and safety) and the laws and regulations in Hong Kong, the PRC, Korea, Germany, the United States and Japan, including but not limited to,

- The Labour Law of the PRC (《中華人民共和國勞動法》);
- The Labour Contract Law of the PRC (《中華人民共和國勞動合同法》);
- Occupational Disease Prevention Law of the People's Republic of China (《中華人民共和國職業病防治法》);
- Production Safety Law of the PRC (《中華人民共和國安全生產法》);
- Law of the PRC on the Protection of Women's Rights and Interests (《中華人民共和國婦女權益保障法》);
- Regulation on Work-Related Injury Insurances (《工傷保險條例》);
- Measures for the Administration of Occupational Health Examination (《職業健康檢查管理辦法》);
- Classification and Catalogue of Occupational Diseases (《職業病分類和目錄》);
- Measures for Declaration of Occupational Disease Hazard Projects (《職業病危害專案申報辦法》);
- Regulations on the Reporting, Investigation and Handling of Production Safety Accidents (《生產安全事故報告和調查處理條例》);
- The Occupational Safety and Health Ordinance (Cap. 509) of Hong Kong;
- Occupational Safety and Health Act of Korea;
- EU Framework Directive on Occupational Safety and Health;
- Germany's Occupational Safety and Health Act and its associated regulations;
- Japan's Industrial Safety and Health Act (ISHA); and
- The United States Occupational Safety and Health Act (OSH Act).

The Group's facilities in the PRC, CQV facilities in Korea, as well as SUSONITY's facilities in Germany, the United States, and Japan, reported no work-related fatalities during FY2025 or the two preceding financial years.

OUR PEOPLE

There were no lost working days for the PRC business premises during FY2025 and the previous two financial years. Compared to last year, the CQV factory has implemented more concrete safety measures and reviewed their execution. Consequently, no accidents occurred at the CQV factory during this financial year. However, in FY2024, three accidents were reported resulting in a total loss of 396 workdays. During the financial year, SUSONITY production bases in Germany, the United States and Japan had no loss workdays resulting from work injuries, while 92 loss workdays due to work injuries were recorded in FY2024. The Group will continue to uphold the awareness of workplace safety, review the safety measures and provide guidelines to its employees to ensure continuous improvements and avoidance of workplace accidents. In addition, the Group was in compliance with local labour laws and regulations regarding occupational health and safety during the FY2025. Looking forward, the Group is committed to providing all necessary resources for effective implementation and continuous improvement to prevent occurrence of accidents at the workplace.

Staff Education and Development

The Group always adheres to the concept of "talents are the primary resource" and the strategy of "strengthening the enterprise with talents". The Group has introduced and nurtured retained talents in an all-rounded way, and gathered talents with a broader and open-minded vision. The Group focuses on talent development through practices such as talent group recruitment and fostering「帶土移植、厚土培植」, as well as actively introducing international talents. These efforts promote the construction of high-quality talent pool within the Company for its advancement in its business development.

Moreover, the Group's subsidiary SUSONITY's "Code of Conduct" and corporate value emphasize personal growth, capability-building and performance development. These elements also complement SUSONITY's "Social and Labour Standards Policy".

In FY2025, the participation of these international talents with rich and mature experience in finance, investment, operation, technology and other business fields has provided adequate intellectual resources support for the development of various businesses of the Group. In addition, top-tier talents from other business fields continues to join the Group. With the convergence of talents from diverse backgrounds, they constantly bring new dynamics into the high-quality development of the Group.

While attracting senior talent, the Group also spares no effort to cultivate internal talents, build a platform for opportunities, innovate and improve the talent appointment mechanism, develop a dual promotion channel of management sequence and technology sequence, and publicly select management personnel. This approach allows the innovation and vitality of various talents to flourish. The Company optimizes its talent assessment and incentive policies to grant opportunities and space for employees who are truly capable and driven to achieve desirable results, ensuring they receive corresponding rewards. This strategy aims to stimulate enthusiasm and motivate talents at all levels. Meanwhile, by optimizing organizational structure and work processes, streamlining redundant positions and workflows, and nurturing a team with robust "vitality", the Group fosters a talent pool that grows through experiential learning in their roles, thus providing a solid foundation of talent support for high-quality business development.

OUR PEOPLE

On the other hand, universities and institutions provide further talent support for the Group. In September, Chesir 2025 Campus Recruitment Rotation Summary Conference was successfully held. During the meeting, new campus recruits took turns presenting on their work responsibilities, project participation, skill development, and insights gained during their rotations across various departments over the past several months. From R&D laboratories to quality control, and from production operations to market analysis, these new employees immersed themselves in frontline operations. They not only rapidly grasped the operational mechanisms across the pearlescent materials industry chain but also demonstrated exceptional learning agility, cross-functional adaptability, and foundational problem-solving capabilities in real-world scenarios. This summary conference not only served as a comprehensive review of the initial training outcomes for the 2025 campus recruitment cohort but also demonstrated the early effectiveness of Chesir's "dual-mentor system" training model. This system empowers new hires through dual-track development, business skill transfer and career guidance, providing clear learning pathways and comprehensive growth support. The Company aims to continuously refine its talent development mechanisms, accelerate the cultivation of young talent pipelines, and inject sustained momentum into its high-quality development and global innovation initiatives.



In FY2025, CQV has held a series of languages (Chinese and English) courses, which not only promotes effective and smooth communication with its parent company but also aims to foster long-term business development.

Employees are precious assets to the Group, while the Group being committed to business development and talent investment. We consider employees to be indispensable to the Group's business achievements, in addition to providing the above safety-related training, we also provide both internal and external training programs to our employees regularly with a view to upholding the Group's brand image and continue to enhance their work quality and personal development.

OUR PEOPLE

The Group has established a series of policies for staff training and development:

(1) Internal Trainer Management Measures(內訓師管理辦法)

To establish the Company's internal trainer team, realize the formalisation and scientific management of internal lecturers so that it can effectively provide guidance for the employees to improve their work and performance, inherit the Company's relevant technology and corporate culture and facilitate knowledge sharing.

(2) Employee Training Credit System Management Measures(員工培訓學分制管理辦法)

The credit system management method is implemented to establish an effective learning incentive mechanism, encourage and assist the employees to master the knowledge and skills required for work, further improve their comprehensive quality, thereby enhancing their professional ability and effectively improving training efficiency.

(3) Staff Training Management System (員工培訓管理制度)

The Staff Training Management System is implemented to standardize and promote the Company's training continuously and systematically. Through the accumulation, dissemination, application, and innovation of knowledge, experience, and ability, the professional skills and quality of employees are improved to meet the needs of the Company's business development.

(4) New Employee Training and Assessment Management Measures (新員工培訓及考核管理辦法)

The measure is specially implemented to standardize the Company's new employee training management, for the new employees to familiarise themselves with and adapt to the Group's culture, system and code of conduct as soon as possible. The Group supports the new employees to be familiarised with the working environment, master their relevant work methods and skills, and clarify work norms and requirements. The Group also introduces a mentorship program whereby senior staff members will supervise new employees and provide on-board training and orientation to them to facilitate smooth integration into the Group's operation process.

In addition, we provide training opportunities to our employees through dedicated external service providers to enhance their capabilities and support their continuous development. We will also provide online training courses to provide greater convenience for employees. Our training options are independent and there are no restrictions on subject types. For employees who wish to pursue postgraduate studies, we offer the opportunity for them to attend postgraduate courses while on the job.

OUR PEOPLE

Career Development

The Group has formulated labour contract to be entered into with each employee in accordance with the applicable labour laws. The Group also offers remuneration package to the employees including salary, bonus and other benefits and allowances such as the "Social Security and Housing Provident Fund" (社保及住房公積金) and birthday party.

The performance of the Group's employees will be reviewed annually for promotion appraisals, salary review and determination of annual bonus. The Group believes that the current appraisal system provides an effective communication platform between the employees and the managerial staff of the Group, which is beneficial in realising the Group's expectation to select talents and retain existing employees through individual performance assessment.

Rewards and Discipline

To encourage employees to improve work performance with less severe mistakes, the Group has established a reward and punishment system and formulated all the relevant conditions in the "Employees' Handbook". There are three types of reward for the recognition of employees with good performance:

- Award (嘉獎) - The application for "rewards" is nominated by the person in charge of the department (completing the reward and punishment processing form), submitted to the human resources department for investigation and confirmation, and then reported to the human resources director for approval;
- Small merit (小功) - The application is nominated by the head of the department (completing the reward and punishment processing form), submitted to the human resources department for investigation and confirmation, and then reported to the general manager for approval; and
- Great merit (大功) - The application shall be nominated by the head of the department (completing the reward and punishment processing form), submitted to the human resources department for investigation and confirmed by each department for collegial consideration, and finally reported to the general manager for approval.

Discipline for employees with misconduct is divided into (i) warning, (ii) minor demerit, (iii) major demerit, and (iv) dismissal (termination of labour contract). Employees will be immediately dismissed if they have committed serious misconduct, such as serious dereliction of duty or malpractice for personal gain, causing major damage to the interests of the company, investigated for criminal responsibility according to law, corruption and bribery, etc.

OUR PEOPLE

Learning and Development

To keep the employees abreast of new knowledge and skills, the Group provides training programmes, such as workshops and seminars on health and safety at workplace. We believe that the provision of opportunities to continuing education and advanced training can increase the competency and efficiency of the staff, as well as work safety and loyalty. The Group has formulated various guidelines such as (i) internal trainer management (內訓師管理辦法), (ii) employee training credit system management (員工培訓學分制管理辦法), (iii) employee training management system (員工培訓管理制度), and (iv) new employee training and assessment management (新員工培訓及考核管理辦法).

For the new employees to be more familiar with the culture and work practices, all new employees of the Group will have to go through a probation period before the commencement of the formal employment. Upon expiry of the probation period, the relevant supervisors will decide if the new employee can be employed on a permanent basis taking into consideration his or her work attitude, work quality and whether the skill sets are suitable for the position. In addition to on-job training, the Group also organises induction trainings for new employees according to their job categories, including factory-level safety training to provide occupational safety knowledge, occupational health knowledge, environmental management system knowledge and promote environmental protection awareness. In order to improve the management efficiency, the Group has also provided trainings to the senior management on a wide range of topics, which include (i) national safety measures, policies and regulations; (ii) safety management and production; (iii) risk management and precautionary measures; (iv) occupational risk and measures; (v) advanced safety management case studies; contingency plan and case studies, etc.





Safety Production Training

OUR PEOPLE

During the FY2025, most of our management and employees[*] from Chesir and CQV have received training and have been offered 56,399.5[17] training hours in total. The details are as follows:

Percentage of Trained Employees[18,19]	2025
By Gender	
Male	**676 (103.0%)**
Female	**253 (100.0%)**
By Employment Category	
Senior Management	**25 (104.2%)**
Middle Management	**99 (102.1%)**
General Staff	**805 (102.2%)**
Overall	**929 (102.2%)**

Average Training Hours[20,21]	2025 Hours per Employee
By Gender	
Male	**65.6**
Female	**47.7**
By Employment Category	
Senior Management	**42.8**
Middle Management	**54.2**
General Staff	**62.1**
Overall	**60.7**

Note: [*] Included the number of turnover staff since they also attended training during the FY2025, therefore percentage of trained employees might exceed 100%.

17 Moreover, the Group's non-executive directors each received 15 hours of training during FY2025.
18 Double counting due to two employees working concurrently in companies in Mainland China and Hong Kong.
19 Percentage of trained employees = Total number of employees received training during the Reporting Period / Total number of employees.
20 Double counting due to two employees working concurrently in companies in Mainland China and Hong Kong.
21 Average training hours = Total training hours during the Reporting Period / Total number of trained employees.

OUR PEOPLE

Prohibition of Child and Forced Labour

The Group is determined to be a responsible employer, and, in this connection, the Group has implemented good employment practice and promoted ethical and human rights at the workplace. The Group only hires lawful employees and will not hire any person who do not meet the minimum working age as specified under applicable laws and regulations. During the recruitment process, candidates must submit photocopies of their identity cards and subsequently present originals for verification purposes.

The Group has in place an internal policy and "Employees' Handbook" which prohibits any form of child labour and set out the process of resignation and dismissal of employees in order to safeguard the Group's and employees' rights and eliminate the possibilities of forced labour. The Human Resources department will review the employment practice regularly to prevent the possibility of child and forced labour. If any child or forced labour cases have been discovered, the child labour will be dismissed from work immediately. The Group will strictly follow the local labour laws and regulations to handle such cases.

Moreover, the Group's subsidiary SUSONITY's "Human Rights Charter" defines the due diligence process through which the risks regarding child and forced labour are identified and addressed using both internal and external risk assessments with internal processes governed by our "Social and Labour Standards Policy".

In addition, the Group is an official and active member of the Responsible Mica Initiative (RMI), a global movement aiming to achieve the goal of being child labour free (CLF). We participate in annual RMI meetings to comply with international CLF norms. In order to fully implement CLF, we have selected a certification body in India to regularly inspect, verify and audit the CLF compliance status of our Indian raw material suppliers.

The Group complies the laws and regulations in all material aspects of employment and strictly abides (i) the Labour Law of the PRC (《中華人民共和國勞動法》), (ii) the Labour Contract Law of the PRC (《中華人民共和國勞動合同法》), (iii) Special protection regulations for juvenile workers of the PRC (《中華人民共和國未成年工特殊保護規定》), (iv) the Employment of Children Regulations of Hong Kong, (v) the Employment Ordinance of Hong Kong, (vi) the Labour Standard Act of Korea, (vii) German Child Labour Protection Ordinance (KindArbSchV), and (viii) German Supply Chain Due Diligence Act (LkSG). During the FY2025, the Group did not have any significant non-compliance case relating to child labour and forced labour.

OUR SUPPLY CHAIN

SUPPLY CHAIN MANAGEMENT

The Group is committed to building lasting and constructive relationships with partners in its supply chain. To maintain and ensure the quality of the Group's services, the Group's Supply Chain Management Policy specifies the objective to achieve a fair, transparent and competitive procurement process, which requires all employees to observe the highest standards of business integrity and to comply with relevant laws and regulations.

The Group has organised an investigation team, to identify all environmental and social risk factors related to daily production and operation process, warehouse and transportation in the supply chain, and analyse the risk value of each factor according to the "Supply Chain Management System" (供應鏈管理制度). The supply chain centre and safety and environmental protection centre are responsible for the risk identification and control of internal warehouses. Risk identification and control of external suppliers and service suppliers are investigated annually by the expert group organized by the supply chain centre. The supply chain management centre worked with the quality management centre, manufacturing centre, technology centre, financial management centre, and other departments to review and report to the general manager for approval.

In addition, we have formulated the "Supplier Corporate Social Responsibility Code of Conduct" (供應商企業社會責任行為準則) to focus on reviewing suppliers' corporate social responsibility and ESG performance, and strictly requiring suppliers to conduct business in an ethical manner, operate with integrity and compete fairly.

Since 2018, CQV has been improving transparency in its supply chain by building safety and environmental management systems in India's natural mica mines according to international standards through Responsible Mica Initiative (RMI) activities.

Moreover, SUSONITY's "Supply Chain Management Policy" is implemented through a multi-layered governance framework. The overarching structure and responsibilities for supply-chain due diligence are defined in its "Human Rights Charter", which sets out our risk-identification, assessment and mitigation processes in line with international human rights and labour standards. This framework is further specified in our "Raw Material Sourcing Charter", which translates the due-diligence requirements into material-specific expectations, including risk-based sourcing criteria and controls for high-risk raw materials. Supplier-level requirements are governed by our "Supplier Code of Conduct", which outlines mandatory standards on human rights, labour conditions, environmental protection and ethical business behaviour. It defines the obligations of suppliers, expectations for transparency, and the mechanisms for corrective actions in case of non-compliance.

OUR SUPPLY CHAIN

SUPPLIER ENGAGEMENT

The Group adheres great importance to the collaboration with suppliers and believes deeply that the establishment of a cooperation relationship with suppliers would enhance the Group's workflow and product quality. The Group conducts comprehensive evaluations of suppliers regularly. In addition to reviewing factors such as brand and product quality, suppliers' environmental and social responsibility performance is one of the primary considerations in establishing strategic relationships. In considering building partnership, the Group will prioritise companies holding ISO14001 environmental management system certification. The Group conducts regular on-site inspections to check and review the performance of suppliers.

The Group has established a set of standard procedures for the selection of new suppliers or service providers. The procurement department of the Group will conduct qualification assessments and the criteria include: (A) whether there is environmental pollution risk in the production and service process, the ability of environmental protection management, and if there is any relevant qualification certificate; (B) whether the products or services provided have social risks, such as whether they are monopolistic; (C) whether more environmentally friendly products and services are used in the production process; and (D) production and supply capability. Suppliers or service providers that meet the requirements will fill in the "Supplier Sample Testing Application Form" (供方樣品檢驗申請表) and send their samples to the quality management centre. Once the potential supplier or service provider got qualified, the procurement department will fill in the "Supplier's Product Trial Application Form" (供方產品試用申請表) and submit it to the quality management centre, manufacturing management centre, and technology centre for joint approval, and the product will have 3-month probation period. After the probation period, the procurement department together with the manufacturing management centre, technology centre, quality management centre, and financial centre will re-evaluate the supplier and add them into the "List of Qualified Suppliers" (合格供方名單). The suppliers in the list will be reviewed and updated in a timely manner.

Supplier Profile

During FY2025, the Group has a total of 273 suppliers, in which 142 of the suppliers are located in Asia, 93 of them are located in the Europe and Middle East, 36 of them are located in the United States and 2 of them in South America.

OUR SUPPLY CHAIN

SUPPLIER CONTROL AND MONITORING

In order to achieve better project performance, the Group's subsidiary Chesir reviews on an annual basis the quality of suppliers based on factors such as (i) sufficiency of the plant; (ii) sufficiency of manpower; (iii) progress; (iv) workmanship; (v) response to instructions; (vi) financial status; (vii) environmental and social performance and (viii) planning and management. Comments and remarks are given if any improper practices and unsatisfied performance is observed for further improvement.

The procurement department is responsible for liaising with suppliers and manufacturers and conducting on-site inspections regularly. The inspection scope includes manufacturing status, quality control, key procedure control, operation status of manufacturing and testing equipment, environmental governance, social risk governance, usage of environmentally friendly products and services, labour quality, etc. The inspectors keep records in accordance with the above criteria, and they will be used as an important basis for evaluating qualified suppliers.

At the beginning of each year, the procurement department together with the quality management centre, production planning centre, technology centre, financial management centre, and other relevant departments will evaluate the performance of qualified suppliers. The Group will assess the products or quality management system of the suppliers when necessary, suggest assessment opinions, and complete the "Supplier Assessment Record Form" (供方評審紀錄表).

The procurement department of Chesir is responsible for formulating "Performance Profile of Qualified Suppliers" (合格供方業績檔案), to regularly count and record the unqualified raw and auxiliary materials found in regular inventory inspection. The inspector will provide a written warning to those suppliers with poor performance and require them to submit written guarantees and plans for improvement. For those who have been warned but without obvious improvement, the procurement management centre will issue a notice of disqualification, and after reporting to the management representative for approval.the supplier will be notified to stop supplying and removed from the "List of Qualified Suppliers" (合格供方名單). Once disqualified, the suppliers or service providers will not be reconsidered within a year. They will need to be re-evaluated according to the above-mentioned procedures if they wish to re-join after a year.

SUSONITY implements a supplier management system aligned with the United Nations Guiding Principles/OECD standards. It employs EcoVadis scorecards/improvement action plans, RMI smelter-level verification, and the Transparency-One traceability system to identify environmental and social risks. Based on the "Human Rights Charter", "Raw Materials Procurement Charter", and its "Supplier Code of Conduct", it collaborates with suppliers (including mica suppliers) to implement corrective actions while monitoring progress (including collaboration with suppliers on Scope 3 emissions under the Science Based Targets initiative).

OUR CUSTOMER

PRODUCT AND SERVICES QUALITY

Product Responsibility

As the market is rapidly changing and the demand is increasing, the Group will continue to focus on the development on high quality products, innovations and to pay attention to the customers' requirements. The Group has consistently refined its operation systems. The Group appreciates honesty, puts the customers' requirements as our top priority, acts in a proactive and responsible manner to maintain a mutually beneficial relationship with the customers. The Group strives to attain a deep understanding of the customers' requirements and try our very best to meet their needs and even exceed their expectations. While collaborating with the customers and the business partners, the Group grows and makes progress with them.

According to the "Process Control Procedure for Customer-Related Requirements" (與顧客有關要求的過程控制程式), the Sales Department of the Group receives all the drawings, data, samples, and other specific materials from the customer and send them to the Technical Department of the Group. The technical department will then be responsible for reviewing and collecting relevant laws and regulations (including the requirements and regulations issued by government agencies on product safety inspection), product standards/specifications, and customer-specified product safety requirements. The product safety requirements are also applicable to the procurement department, and pass on to relevant suppliers. When purchasing materials from a supplier, the procurement department should verify the purchasing data concerning product/process safety in accordance with the "Procurement Control Procedure" (採購控制程式), and clearly state the products provided by the supplier and related safety items in the purchasing contract, technical quality agreement, and material acceptance specification. The Group also proactively promotes the use of environmental-friendly products.

Moreover, SUSONITY's "Code of Conduct" defines the ethical principles for responsible product development, handling and communication. Employee competence is ensured through the training and qualification guideline, which provides the framework for evaluating product safety, regulatory requirements and application aspects. Regulatory monitoring and legal compliance are governed by specific document, which describes how SUSONITY tracks and implements chemical regulations, product-use requirements, trade-control obligations and sustainability-related standards.

Safety and Quality Management

As a responsible new material manufacturing enterprise, the Group has been accredited with the ISO 9001:2015, ISO 14001: 2015, and ISO 45001:2018 certificates and strictly monitor the quality and safety in the use of the products of the Group. The Group was awarded the honourable title of "Quality Control Benchmark", attributed by its "experience in the implementation of comprehensive quality control system". The Group will continue to strengthen the quality control ability.

The Group is committed to complying with the local laws and regulations on product safety and protecting consumers' health in the use of the Group's products. Following the requirements of ISO 9001:2015, ISO 14001: 2015, and ISO 45001:2018, the Group implements stringent internal codes and procedures for quality checks during the manufacturing process of pearlescent pigment products. Any non-conformity products must be handled properly with procedures such as proper labelling and recording.

OUR CUSTOMER

The Group manages and standardises the quality inspection of raw materials, semi-finished products, and finished products involved in various outputs and delivery links in manufacturing plants in accordance with the "Product Safety Management Manual" (產品安全性管理程式) to ensure that the quality is strictly monitored before being transported to the next production process. Once the product is found to be unqualified in safety, it will be isolated by the quality department and handled in accordance with the "Unqualified Product Control Procedure" (不合格品控制程式). If the product has been shipped, the sales department will notify the customers and immediately recall the defective product.

The Group strictly abides by national and local laws and regulations, including but not limited to the Product Quality Law of the PRC (中國產品質量法), Production Safety Law of the People's Republic of China (中國安全生產法) and other relevant European Union standards. During the FY2025, there was no official record of any material non-compliance or violation of relevant laws and regulations regarding product and service quality.

Product Return Policy

The Group maintains the usual high quality for its products and services, meanwhile, the Group will arrange for the return and compensation of products with quality issues in accordance with the terms written in the sales contracts. For any customers who are affected by quality issues, the Group will adopt a standard procedure, including product return, recall or provide compensation of products, in a consistent manner.

When the Group has received any complaint from customers, it will handle it according to the "Customer complaint handling procedure" (客訴問題處理常式). Firstly, the staff may be required to complete the "Quality Improvement Countermeasures Report" (品質改善對策報告書) and submit it to the quality engineer for conducting a preliminary analysis on the complaints. Then the responsible departments are identified, and a discussion group will be set up to analyse the reasons and provide the improvement measures. The quality engineer will then issue a rectification notice to the responsible departments, and the relevant departments will notify the quality department once the improvement measures are implemented. The quality engineer is responsible for the subsequent verification. If there remains any outstanding issue or problem, the discussion group will work together again. Otherwise, the result will be recorded in the "Quality Improvement Countermeasures Report" (品質改善對策報告書), scanned and passed to the salesman to reply the customer.

During FY2025, the Group has no sold or shipped products that were subject to recalls for safety and health reasons. During FY2025, SUSONITY has received 205 cases of complaint, while some complaints has been revoked or deemed invalid due to lack of justification.

PRODUCT ADVERTISING/LABELLING

To ensure that our products and services advertising information are accurate and to avoid misleading our consumers, the Group strictly abides by the related laws and regulations, including but not limited to Law of the PRC on the Protection of Consumer Rights and Interests (《中國消費者合法權益保護法》), Advertising Law of the PRC (《中國廣告法》), Measures for Penalties against Infringement upon Consumers' Rights (《欺詐消費者行為處罰辦法》), Interests and Anti-Unfair Competition Law of the PRC (《中國反不正當競爭法》), Fair Labelling and Advertising Act of Korea (《標識廣告法》), EU Unfair Commercial Practices Directive (Directive 2005/29/EC), and EU Consumer Information Directive – (Directive 2011/83/EU).

OUR CUSTOMER

The Group understands the customers' rights and is committed to providing accurate product and service information for customers in connection with their purchase or consumption decision. The Group has established the "Product identification, traceability control procedures" (產品標識、追溯控制程式) and the "Product and Service Advertisement Review Management System" (產品和服務廣告審查管理制度). In the FY2025, the Group participated in a number of international trade fairs to further expand the global market. At the same time, the Group strictly requires its employees to carefully review the advertising materials for the purpose of making sure that there is no incorrect or misleading information in the advertisements published by the Group. The Group is committed to providing sufficient and accurate information and product label to customers, and considers that it is an extended responsibility of product safety management.

Moreover, SUSONTIY's approach to products and services advertising is governed by the ethical principles in its "Code of Conduct", which require all product-related communication to be accurate, transparent and not misleading. Regulatory and sustainability-related claims are controlled through an internal database that manages approval workflows, version control and evidence documentation. Access to this system is role-based and requires specific training; all processes are described in an SOP. This validated database forms the basis for marketing statements and customer communication, and is being expanded to include additional sustainability-related claims. Scientific or technical claims are validated separately through defined processes within our R&D departments. These processes ensure that any scientific assertions are supported by appropriate data, testing results or expert evaluations before they may be used in external communication.

INTELLECTUAL PROPERTY PROTECTION, AND DATA PROTECTION AND PRIVACY

The Group has been awarded as a "National Intellectual Property Superior Enterprise" (國家知識產權優勢企業) by National Intellectual Property Bureau (國家知識產權局) since 2017. The Group was awarded "the first batch of excellent workstations for intellectual property rights protection assistance in Guangxi", affirming our contributions and outstanding achievements in intellectual property innovation, intellectual property system construction and operation, intellectual property protection, and intellectual property rights protection assistance. We will continue to improve the level of intellectual property management to solidly promote and escort the innovative development of enterprises. In addition, the invention patent of "a pearlescent pigment for water-based ink and its preparation method and dispersion device" was successfully granted by the State Intellectual Property Office. This invention helps the Company achieve new momentum for cost reduction, efficiency improvement and high-quality development. According to the "Requirements for Enterprise Intellectual Property Compliance Management Systems" (GB/T29490-2023), the Group's intellectual property management system documents should comply with relevant effective laws and regulations, through data search, communication, sampling inquiry and other ways, the supervision team conducted a comprehensive and detailed review to the Group's intellectual property management system operation. No nonconformities were found, the audit was successfully passed, and the certification certificate was maintained. As a national intellectual property superior enterprise, the Group has taken necessary measures to strictly protect our intellectual property rights, data and privacy.

The Group also fully understands the importance of maintaining commercial confidentiality and will handle it with special care. This is not only one of the key elements of our sustainable management, but also for our customers and other stakeholders. To this end, we have implemented system data security measures, physical data security measures (such as monitoring facilities), access control facility management, and business site access procedures. We also provide data security training to all employees to emphasize that data security is the core of our business operation.

OUR CUSTOMER

The Group strictly abides by national and local laws and regulations, including but not limited to the Patent Law of the PRC, Copyright Law of the PRC, Trademark Law of the PRC, Trademark Act of Korea, Patent Act, EU Directive on Copyright in the Digital Single Market – Directive (EU) 2019/790, EU Regulation on the European Union Trade Mark (EUTMR) – Regulation (EU) 2017/1001 and other laws and regulations. In order to protect the information of customers and the Group (including information related to intellectual property rights), the Group has formulated its own "Information System Management Measures" (資訊系統管理辦法) for the Group to ensure that offices and sites equipment (such as laptops) are properly kept. All the documents and electronic materials of the Group, including materials for training, are not allowed to circulate outside without authorization. All business information, financial information, personnel information, bidding information, contract documents, customer information, research and statistical information, technical documents, planning and marketing plans, management documents, meeting content, that have not been publicly disclosed are all considered corporate secrets.

The Group's employees are responsible for their confidentiality. All rights and interests obtained by employees who are on duty, such as commercial and technical information, inventions, and research results belong to the Group and are not allowed to copy, imitate, reprint, extract, or distribute without any written authorization. The Group is committed to protecting the customers' data and privacy. Unless the customer's consent is obtained, the collected customer information will not be used for promotional purposes.

During the FY2025, there was no material non-compliance or violation in intellectual property, product quality and safety, advertising, labelling, and privacy.

BUSINESS ETHICS

ANTI-CORRUPTION

The Group is committed to conducting its business with honesty and integrity and applying the highest standards on the establishment of transparent and open corporate governance frameworks. The Group would not accept any unethical acts.

The Group's policy of "Anti-bribery, anti-corruption, anti-fraud and whistleblowing management system" (公司反賄賂反腐敗反舞弊與舉報管理制度), "Ethic Code", and SUSONITY's "Code of Conduct" and "Anti-Corruption and Anti-Money Laundering Standard" are aimed to ensure that the Group prohibits corruption, bribery, extortion, fraud and money laundering, and upholds integrity throughout its business operations. The policy covers staff orientation and the Employees' Handbook. A whistleblowing system is established for staff and other relevant parties to report misconduct cases. Every reported case will be handled in confidentiality and followed through in accordance with related policies and procedures, so as to protect the whistleblower.

This system is specifically established in order to strengthen corporate governance and internal control, prevent fraud, standardize anti-fraud work behaviour, and safeguard the legitimate rights and interests of the company and shareholders, in accordance with the "Basic Norms and Supporting Guidelines for Enterprise Internal Control" (企業內部控制基本規範及配套指引), the "Company Code", and relevant laws and regulations and other relevant documents, associating with the actual situation of the company. The purpose of anti-bribery, anti-corruption and anti-fraud work is to regulate the professional behaviour of all employees of the Company, especially Directors, supervisors, middle and senior managers, and employees in key positions, to establish a clean, diligent and dedicated work style, and abide by relevant laws and regulations, professional ethics and the Company's internal management system, thereby preventing the occurrence of behaviours that damage the interests of the Company and shareholders.

The Group strictly adheres to the laws and regulations relating to business honesty, bribery and money launderings in the regions where it operates, such as Prevention of Bribery Ordinance (Cap. 201) in Hong Kong, the PRC Anti-Unfair Competition Law (《中華人民共和國反不正當競爭法》), the PRC Criminal Law (《中華人民共和國刑法》), Korea's Kim Young-ran Act (《金英蘭法》), Germany Criminal Code (StGB), and German Money Laundering Act (GwG). Employees of the Group are also required to strictly comply with the above laws and regulations, and such requirement is a term under the Group's standard employment contract that legal non-compliance will constitute a ground of termination of employment.

In the course of development, the Group has always insisted on integrity as the base point of corporate development and integrated integrity into the construction and development of the Group. It creates an honest and upright ecology, maintains clean internal and external relations, and builds a loyal and transparent management team. In view of it, the Group promotes the long-term development of honest and upright private enterprises, enhances the Group's management quality, ability to innovate and core competitiveness, and ultimately help the harmonious and healthy development of enterprises.

The Group also expects its suppliers and business partners to abide by the relevant local anti-corruption laws. To uphold the Group's business ethics, we have completed annual anti-corruption training for all the Directors, senior management and general staff of the Group for the FY2025. Training content included anti-corruption laws and regulations, occupational integrity ethics education, as well as anti-corruption and anti-money laundering standards. During the FY2025, the Group was not aware of any warning, notice complaint or notification from governmental authorities on non-compliance cases such as bid-rigging and corruption litigation in this regard.

OUR SOCIETY

COMMUNITY INVESTMENT

We believe that community support is important to the Group's long-term success. We consistently strive to engage the community to understand their needs. The Group is committed to contributing to programmes that support healthy, resilient and sustainable community development, making contributions to society and supporting initiatives that benefit the communities in pursuit of a better tomorrow.

Our Contribution

The Group has always been actively engaged in public welfare activities to help the poor and individuals in need, upholding social responsibilities, and continuously contributing resources to the society. In FY2025, the Group donated approximately RMB 3,000,000, KRW 15,200,000 and Euro 250,000, in forms of monetary, resources and poverty alleviation funds, including HKD 1,000,000 donation to the Support Fund for Wang Fuk Court in Tai Po.

The Group actively bears social responsibilities, making multiple donations and contributions, actively participated in environmental protection, poverty alleviation, elderly respect, local talent nurturing, promotion of local sports development and other public welfare undertakings, provided job vacancies for locals in need, and contributed to the continuous development of public welfare undertakings. Through practical actions, we contribute back to society and demonstrate a strong sense of social responsibility and commitment.




荣誉证书

广西七色珠光材料股份有限公司：

贵单位积极参与“环卫工人爱心早餐”公益活动，捐赠价值5000元的凉茶、八宝粥。感谢贵单位对柳州市慈善事业的关心和支持。

柳州市总工会　柳州市城市管理局　柳州市慈善总会

2025年5月

OUR SOCIETY

In 2025, CQV partnered with the Korea Association of the United Nations Global Compact to participate in a "run-and-clean" event for marine environmental protection at Eurwang-ri Beach in Incheon. This meaningful initiative aimed to create a cleaner coastline. Volunteers conducted beach cleanup operations, discovering large quantities of sharp metal wires and plastic fireworks debris on-site. This highlighted how beach litter not only endangers humans but also poses a severe threat to marine life. All recyclable waste was safely transported to designated local government facilities for processing. During the subsequent exchange session, participants enthusiastically shared diverse ideas for future volunteer activities, sustaining the spirit of warm mutual support. The Company also organized an environmental cleanup event where corporate volunteers collected litter and recycled waste around the Cheongnyangsan Trail in Anseong, carrying out a profoundly meaningful environmental purification activity. They not only cleared various household wastes such as plastic bottles, food packaging paper, and cigarette butts, but also simultaneously cleaned up miscellaneous items carelessly discarded by hikers. Working together, they restored Cheongnyangsan to a clearer and cleaner natural space.

SUSONITY is committed to improving living conditions for families near India's natural mica mining regions. As our educational initiatives in Jharkhand, we financially support three schools (serving nearly 500 students) and five vocational training centres. At a fourth school operated by another mica supplier, we provided scholarships for 200 students. Beyond educational assistance, we also strive to enhance access to healthcare resources. We fully funded a medical centre operated by IGEP, serving approximately 20,000 local residents.

At the 2nd Sino-European Corporate ESG Best Practice Conference, the Group was honoured the "Best Case in Technological Innovation" award for its outstanding achievements in technology innovation driving green development and sustainable governance system construction. The award not only signifies a high recognition of the Group's outstanding achievements in the field of environmental, social and corporate governance (ESG), but also serves as an affirmation of the Group's significant contribution to promoting social and environmental sustainability. The Group won the "Best Case in Social Responsibility Award" at the high-profile 1st Sino-European Corporate ESG Best Practice Conference in Frankfurt, highlighting the Group's outstanding achievements in social responsibility practices such as caring for employees, supporting social development, and actively participating in public welfare and charity. The Group has long been committed to the sustainable development strategy and actively fulfils its social responsibilities. The Group deeply embeds ESG concepts in every aspect of corporate culture and operations, and continuously improves product quality and service quality through innovative technology and management models, reducing the negative impact on the environment, and significantly enhances social value. While achieving green development through scientific and technological innovation, the Group actively participates in social welfare and shoulders its corporate social responsibility. By donating funds and materials, the Group participated in public welfare projects such as poverty alleviation and educational financial aid, demonstrating the enterprise's strong sense of social responsibility and courage.

OUR SOCIETY

The Group has been awarded Grade A in Huazheng Index ESG Rating throughout the whole FY2025, with an overall score of 87.1 in the latest issuance, a 0.5-mark improvement compared to last year's year-end score of 86.6. The Group was ranked the second among nine chemical product companies listed in Hong Kong.

The Group is also dedicated to strengthening connections, promoting school-enterprise cooperation, striving for mutually beneficial outcomes. This year, faculty and students from Zhejiang University School of Management visited China Hongzun Technology, a subsidiary of Global New Material International, for an exchange program. They held specialized discussions on corporate globalization practices, global strategic deployment, and career planning. Through a "tour + sharing + Q&A" format, the event enabled students to gain systematic insights into the global operations and talent needs of a leading new materials enterprise at the front lines of the industry. The delegation toured production facilities, process demonstrations, and product application zones, examining the company's initiatives in synthetic mica manufacturing, application development, and smart production. Students actively engaged throughout the tour, posing questions and sparking lively discussions on topics including "core process routes", "quality control standards", and "collaboration models with overseas bases in Germany, South Korea, and other regions". This event served as an in-depth exchange centred on overseas experience sharing, globalization strategy discussions and career guidance, representing a proactive exploration of mutual engagement between academia and industry. The Group will continue to open its frontline scenarios in new materials and globalization practices, deepening collaboration with universities including Zhejiang University, aiming to establish higher-level university-enterprise collaboration platforms in research projects, talent cultivation, and internship programs, enabling more young students to find their place and contribute their strength as Chinese enterprises advance globally.





ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING CODE INDEX

Subject Areas, Aspects, General Disclosures and Key Performance Indicators (KPIs)		Section/Statement
A. Environmental		
Aspect A1 Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Our Environment – Environmental Compliance
KPI A1.1	The types of emissions and respective emissions data.	Our Environment – Air Emissions
KPI A1.2	[Repealed 1 January 2025]	/
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Our Environment – Emissions and Waste Generation – Waste Generation
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Our Environment – Emissions and Waste Generation – Waste Generation
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	Our Environment – Sustainability Overview and Management Objectives
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.	Our Environment – Emissions and Waste Generation – Waste Generation

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Subject Areas, Aspects, General Disclosures and Key Performance Indicators (KPIs)		Section/Statement
A. Environmental		
Aspect A2 Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Our Environment Compliance – Environmental
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Our Environment – Natural Resources – Energy Efficiency
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Our Environment – Natural Resources – Water Consumption and Efficiency
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Our Environment – Natural Resources – Energy Efficiency
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.	Our Environment – Natural Resources – Water Consumption and Efficiency
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Our Environment – Natural Resources – Paper and Packaging Materials
Aspect A3 The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	Our Environment – Natural Resources
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Our Environment - Environmental Impacts from our Operations and Mitigation Measures
Aspect A4 Climate Change		
General Disclosure	[Repealed 1 January 2025]	/
KPI A4.1	[Repealed 1 January 2025]	/

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING CODE INDEX

Subject Areas, Aspects, General Disclosures and Key Performance Indicators (KPIs)		Section/Statement
B. Social		
Employment and Labour Practices		
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.	Our People – Employment Management Policies and Systems, Employee Retention
KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	Our People – Employment Management Policies and Systems
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Our People - Employee Retention
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.	Our People – Health and Safety
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Our People – Health and Safety
KPI B2.2	Lost days due to work injury.	Our People – Health and Safety
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Our People – Health and Safety
Aspect B3 Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Our People – Staff Education and Development
KPI B3.1	The percentage of employees trained by gender and employee category.	Our People – Staff Education and Development
KPI B3.2	The average training hours completed per employee by gender and employee category.	Our People – Staff Education and Development

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING CODE INDEX

Subject Areas, Aspects, General Disclosures and Key Performance Indicators (KPIs)		Section/Statement
B. Social		
Employment and Labour Practices		
Aspect B4 Labour Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Our People – Prohibition of Child and Forced Labour
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Our People – Prohibition of Child and Forced Labour
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Our People – Prohibition of Child and Forced Labour
Operating Practices		
Aspect B5 Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Our Supply Chain – Supply Chain Management
KPI B5.1	Number of suppliers by geographical region.	Our Supply Chain – Supply Chain Management
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Our Supply Chain – Supply Chain Management
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Our Supply Chain – Supply Chain Management
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Our Supply Chain – Supply Chain Management

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING CODE INDEX

Subject Areas, Aspects, General Disclosures and Key Performance Indicators (KPIs)		Section/Statement
B. Social		
Operating Practices		
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.	Our Customer – Product and Service Quality
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not relevant to the Group's business
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Our Customer – Product and Service Quality
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Our Customer – Intellectual Property Protection, Data Protection and Privacy
KPI B6.4	Description of quality assurance process and recall procedures.	Our Customer – Product and Service Quality
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Our Customer – Intellectual Property Protection and Data Protection and Privacy

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Subject Areas, Aspects, General Disclosures and Key Performance Indicators (KPIs)		Section/Statement
B. Social		
Operating Practices		
Aspect A7 Anti-corruption		
General Disclosure	Information on (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Business Ethics
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.	Business Ethics
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Business Ethics
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Business Ethics
Community		
Aspect B8 Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Our Society – Community Investment
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Our Society – Community Investment
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Our Society – Community Investment

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Part D: Climate-related Disclosures Climate-related Disclosures		Section/Statement
(I) Governance		
19	An issuer shall disclose information about:	
19 (a)	The governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities. Specifically, the issuer shall identify that body(s) or individual(s) and disclose information about:	
19 (a) (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.	Governance Structure
19 (a) (ii)	How and how often the body(s) or individual(s) is informed about climate-related risks and opportunities.	Governance Structure
19 (a) (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.	Governance Structure
19 (a) (iv)	How the body(s) or individual(s) oversees the setting of, and monitors progress towards, targets related to climate-related risks and opportunities (see paragraphs 37 to 40), including whether and how related performance metrics are included in remuneration policies (see paragraph 35).	Governance Structure
19 (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:	
19 (b) (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.	Governance Structure
19 (b) (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.	Governance Structure

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Part D: Climate-related Disclosures Climate-related Disclosures		Section/Statement
(II) Strategy		
Climate-related risks and opportunities		
20	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:	
20 (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-related Risks and Opportunities
20 (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-related Risks and Opportunities
20 (c)	Specify, for each climate-related risk and opportunity the issuer 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.	Climate-related Risks and Opportunities; Climate-related Scenario Analysis
20 (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-related Risks and Opportunities

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Part D: Climate-related Disclosures Climate-related Disclosures		Section/Statement
(II) Strategy		
Business model and value chain		
21	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:	
21 (a)	A description of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain.	Climate-related Risks and Opportunities Determination of Scope of Value Chain: Reasonable Information Relief is adopted. The Group will keep refining its method in determining the scope of value chain in its climate risk assessment
21 (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-related Risks and Opportunities Determination of Scope of Value Chain: Reasonable Information Relief is adopted. The Group will keep refining its method in determining the scope of value chain in its climate risk assessment

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Part D: Climate-related Disclosures Climate-related Disclosures		Section/Statement
(II) Strategy		
Strategy and decision-making		
22	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:	
22 (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:	Refer to the below
22 (a) (i)	Current and anticipated changes to the issuer's business model, including its resource allocation, to address climate-related risks and opportunities.	Climate-related Risks and Opportunities; Climate-related Financial Matters
22 (a) (ii)	Current and anticipated adaptation and mitigation efforts (whether direct or indirect).	Climate-related Risks and Opportunities
22 (a) (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.	The Group does not have a climate- related transition plan
22 (a) (iv)	How the issuer plans to achieve any climate-related targets (including any greenhouse gas emissions targets (if any)), described in accordance with paragraphs 37 to 40.	Metrics and Targets
22 (b)	Information about how the issuer is resourcing, and plans to resource, the activities disclosed in accordance with paragraph 22(a).	Governance Structure
23	An issuer shall disclose information about the progress of plans disclosed in previous reporting periods in accordance with paragraph 22(a).	N/A

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Part D: Climate-related Disclosures Climate-related Disclosures		Section/Statement
(II) Strategy		
Financial position, financial performance and cash flows		
Current financial effect		
24	An issuer shall disclose qualitative and quantitative information about:	
24 (a)	How climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period.	Climate-related Risks and Opportunities; Climate-related Financial Matters Quantification of Current Financial Effects: Capabilities Relief is adopted. Budget allocated to climate-related works during the Reporting Period is disclosed in this Report. For the details of climate- related current financial effects (other than those mentioned in Climate-related Financial Matters section), the Group has yet to disclose it quantitatively. We are working closely with our ESG expert to determine useful parameters for the disclosure of quantitative financial effect information in the future. Qualitative financial effect information is disclosed in this Report
24 (b)	The climate-related risks and opportunities identified in paragraph 24(a) for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements.	No significant risk of a material adjustment

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Part D: Climate-related Disclosures Climate-related Disclosures		Section/Statement
(II) Strategy		
Anticipated financial effect		
25	The issuer shall provide qualitative and quantitative disclosures about:	
25 (a)	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.	Climate-related Financial Matters
25 (b)	How the issuer expects its financial performance and cash flow to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities.	Climate-related Financial Matters Quantification of Anticipated Financial Effects: Capabilities Relief is adopted. Budget allocated to climate-related works in the next 5 years is disclosed in this Report. For the details of climate- related anticipated financial effects (other than those mentioned in Climate- related Financial Matters section), the Group has yet to disclose it quantitatively. We are working closely with our ESG expert to determine useful parameters for the disclosure of quantitative financial effect information in the future. Qualitative financial effect information is disclosed in this Report

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Part D: Climate-related Disclosures Climate-related Disclosures		Section/Statement
(II) Strategy		
Climate resilience		
26	An issuer shall disclose information that enables an understanding of the resilience of the issuer's strategy and business model to climate-related changes, developments and uncertainties, taking into consideration the issuer's identified climate-related risks and opportunities. An issuer shall use climate-related scenario analysis to assess its climate resilience using an approach that is commensurate with an issuer's circumstances. In providing quantitative information, the issuer may disclose a single amount or a range. Specifically, the issuer shall disclose:	
26 (a)	The issuer's assessment of its climate resilience as at the reporting date, which shall enable an understanding of:	
26 (a) (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.	Climate-related Risks and Opportunities; Climate-related Financial Matters; Climate-related Scenario Analysis
26 (a) (ii)	The significant areas of uncertainty considered in the issuer's assessment of its climate resilience.	
26 (a) (iii)	The issuer's capacity to adjust, or adapt its strategy and business model to climate change over the short, medium or long term.	

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Part D: Climate-related Disclosures Climate-related Disclosures		Section/Statement
(II) Strategy		
Climate resilience		
26 (b)	How and when the climate-related scenario analysis was carried out, including:	
26 (b) (i)	Information about the inputs used, including:	
26 (b) (i) (1)	Which climate-related scenarios the issuer used for the analysis and the sources of such scenarios.	Climate-related Scenario Analysis
26 (b) (i) (2)	Whether the analysis included a diverse range of climate-related scenarios.	
26 (b) (i) (3)	Whether the climate-related scenarios used for the analysis are associated with climate-related transition risks or climate-related physical risks.	
26 (b) (i) (4)	Whether the issuer used, among its scenarios, a climate-related scenario aligned with the latest international agreement on climate change.	
26 (b) (i) (5)	Why the issuer decided that its chosen climate-related scenarios are relevant to assessing its resilience to climate-related changes, developments or uncertainties.	
26 (b) (i) (6)	Time horizons the issuer used in the analysis.	
26 (b) (i) (7)	What scope of operations the issuer used in the analysis (for example, the operation locations and business units used in the analysis).	
26 (b) (ii)	The key assumptions the issuer made in the analysis.	
26 (b) (iii)	The reporting period in which the climate-related scenario analysis was carried out.	

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Part D: Climate-related Disclosures Climate-related Disclosures		Section/Statement
(III) Risk Management		
27	An issuer shall disclose information about:	
27 (a)	The processes and related policies it uses to identify, assess, prioritise and monitor climate-related risks, including information about:	Refer to the below
27 (a) (i)	The inputs and parameters the issuer uses (for example, information about data sources and the scope of operations covered in the processes).	Climate-related Scenario Analysis
27 (a) (ii)	Whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related risks.	Climate-related Scenario Analysis
27 (a) (iii)	How the issuer assesses the nature, likelihood and magnitude of the effects of those risks (for example, whether the issuer considers qualitative factors, quantitative thresholds or other criteria).	Climate-related Risks and Opportunities; Climate-related Scenario Analysis
27 (a) (iv)	Whether and how the issuer prioritises climate-related risks relative to other types of risks.	Climate-related Risks and Opportunities
27 (a) (v)	How the issuer monitors climate-related risks.	Governance Structure; Climate-related Risks and Opportunities
27 (a) (vi)	Whether and how the issuer has changed the processes it uses compared with the previous reporting period.	Climate-related Scenario Analysis
27 (a) (vi)	Whether and how the issuer has changed the processes it uses compared with the previous reporting period.	Climate-related Scenario Analysis
27(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).	Governance Structure; Climate-related Risks and Opportunities; Climate-related Scenario Analysis
27(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-related Risks and Opportunities

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Part D: Climate-related Disclosures Climate-related Disclosures		Section/Statement
(IV) Metrics and Targets		
Greenhouse gas emissions		
28	An issuer shall disclose its absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tons of CO equivalent, classified as:	
28 (a)	Scope 1 greenhouse gas emissions.	Metrics and Targets
28 (b)	Scope 2 greenhouse gas emissions.	
28 (c)	Scope 3 greenhouse gas emissions.	
29	An issuer shall:	
29 (a)	Measure its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) unless required by a jurisdictional authority or another exchange on which the issuer is listed to use a different method for measuring greenhouse gas emissions.	Metrics and Targets
29 (b)	Disclose the approach it uses to measure its greenhouse gas emissions including:	
29 (b) (i)	The measurement approach, inputs and assumptions the issuer uses to measure its greenhouse gas emissions.	Metrics and Targets
29 (b) (ii)	The reason why the issuer has chosen the measurement approach, inputs and assumptions it uses to measure its greenhouse gas emissions.	
29 (b) (iii)	Any changes the issuer made to the measurement approach, inputs and assumptions during the reporting period and the reasons for those changes.	

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Part D: Climate-related Disclosures Climate-related Disclosures		Section/Statement
(IV) Metrics and Targets		
29 (c)	For Scope 2 greenhouse gas emissions disclosed in accordance with paragraph 28(b), 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.	Metrics and Targets
29 (d)	For Scope 3 greenhouse gas emissions disclosed in accordance with paragraph 28(c), 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).	
Climate-related transition risks		
30	An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related transition risks.	Reasonable information relief is adopted in the Reporting Period. The Group is reviewing the climate-related financial effects and will provide quantifiable information including amount and % of assets or business activities vulnerable to risks in the future
31	An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related physical risks.	Reasonable information relief is adopted in the Reporting Period. The Group is reviewing the climate-related financial effects and will provide quantifiable information including amount and % of assets or business activities vulnerable to risks in the future

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Part D: Climate-related Disclosures Climate-related Disclosures		Section/Statement
(IV) Metrics and Targets		
Climate-related opportunities		
32	An issuer shall disclose the amount and percentage of assets or business activities aligned with climate-related opportunities.	Reasonable information relief is adopted in the Reporting Period. The Group is reviewing the climate-related financial effects and will provide quantifiable information including amount and % of assets or business activities aligned with opportunities in the future
Capital deployment		
33	An issuer shall disclose the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.	Climate-related Financial Matters
Internal carbon prices		
34	An issuer shall disclose:	
34 (a)	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).	The Group does not apply a carbon price in decision-making
34 (b)	The price of each metric tonne of greenhouse gas emissions the issuer uses to assess the costs of its greenhouse gas emissions.	
34(c)	Or an appropriate negative statement that the issuer does not apply a carbon price in decision-making.	
Remuneration		
35	An issuer shall disclose whether and how climate-related considerations are factored into remuneration policy, or an appropriate negative statement. This may form part of the disclosure under paragraph 19(a)(iv).	No climate-related considerations are factored into remuneration policy

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Part D: Climate-related Disclosures Climate-related Disclosures		Section/Statement
(IV) Metrics and Targets		
Industry-based metrics		
36	An issuer is encouraged to disclose industry-based metrics that are associated with one or more particular business models, activities or other common features that characterize participation in an industry. 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.	Disclosure of industry-based metrics has yet to be included
Climate-related targets		
37	An issuer shall disclose (a) the qualitative and quantitative climate-related targets the issuer has set to monitor progress towards achieving its strategic goals; and (b) any targets the issuer is required to meet by law or regulation, including any greenhouse gas emissions targets. For each target, the issuer shall disclose:	
37 (a)	The metric used to set the target.	Metrics and Targets; Target setting to be commenced in 2026 second quarter to third quarter
37 (b)	The objective of the target (for example, mitigation, adaptation or conformance with science-based initiatives).	
37 (c)	The part of the issuer to which the target applies (for example, whether the target applies to the issuer in its entirety or only a part of the issuer, such as a specific business unit or geographic region).	
37 (d)	The period over which the target applies;	
37 (e)	The base period from which progress is measured;	
37 (f)	Milestones or interim targets (if any);	
37 (g)	If the target is quantitative, whether the target is an absolute target or an intensity target.	
37 (h)	How the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target.	

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Part D: Climate-related Disclosures Climate-related Disclosures		Section/Statement
(IV) Metrics and Targets		
38	An issuer shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target, including:	
38 (a)	Whether the target and the methodology for setting the target has been validated by a third party.	The target has not been validated by a third party
38 (b)	The issuer's processes for reviewing the target.	Metrics and Targets
38 (c)	The metrics used to monitor progress towards reaching the target.	Metrics and Targets
38 (d)	Any revisions to the target and an explanation for those revisions.	No revisions to the target
39	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.	Target setting to be commenced in 2026 second quarter to third quarter
40	For each greenhouse gas emission targets disclosed in accordance with paragraphs 37 to 39, an issuer shall disclose:	
40 (a)	Which greenhouse gases are covered by the target.	Metrics and Targets
40 (b)	Whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target.	Metrics and Targets
40 (c)	Whether the target is a gross greenhouse gas emissions target or a net greenhouse gas emissions target. If the issuer discloses a net greenhouse gas emissions target, the issuer is also required to separately disclose its associated gross greenhouse gas emissions target.	Metrics and Targets
40 (d)	Whether the target was derived using a sectoral decarbonisation approach.	Sectoral decarbonisation approach was not used

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Part D: Climate-related Disclosures Climate-related Disclosures		Section/Statement
(IV) Metrics and Targets		
40 (e)	The issuer's planned use of carbon credits to offset greenhouse gas emissions to achieve any net greenhouse gas emissions target. In explaining its planned use of carbon credits, the issuer shall disclose:	The Group did not use carbon credits in the Reporting Period
40 (e) (i)	The extent to which, and how, achieving any net greenhouse gas emissions target relies on the use of carbon credits.	
40 (e) (ii)	Which third-party scheme(s) will verify or certify the carbon credits.	
40 (e) (iii)	The type of carbon credit, including whether the underlying offset will be nature-based or based on technology carbon removals, and whether the underlying offset is achieved through carbon reduction or removal.	
40 (e) (iv)	Any other factors necessary to enable an understanding of the credibility and integrity of the carbon credits the issuer plans to use (for example, assumptions regarding the permanence of the carbon offset).	