北京迪信通商貿股份有限公司
Beijing Digital Telecom Co., Ltd.

(a joint stock limited company incorporated in the People's Republic of China with limited liability)
Stock Code: 06188

2025 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT



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ABOUT THIS REPORT

The report aims to provide a review and summary of the environmental, social and governance ("ESG") performance of Beijing Digital Telecom Co., Ltd. (the "Company" or "Digital Telecom") and its subsidiaries (collectively referred to as "the Group" or "we") in 2025. The content regarding corporate governance is recommended to be read together with the section headed "Corporate Governance Report" contained in the Company's Annual Report 2025 (the "2025 Annual Report").

SCOPE OF THE REPORT

Unless otherwise specified, the scope of disclosure of the report is consistent with that of an annual report, demonstrating the ESG performance of the Group's directly operated and managed businesses. The report covers a period from 1 January 2025 to 31 December 2025, with some contents that may be beyond this time frame.

BASIS OF PREPARATION

The report was prepared pursuant to the Environmental, Social and Governance Reporting Code (the "ESG Reporting Code") set out in Appendix C2 to the Listing Rules on The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") and based on the principles of materiality, quantitative, balance and consistency.

Materiality: We follow the ESG Reporting Code to conduct a materiality assessment, with procedures including: i) identifying relevant ESG issues; ii) assessing the materiality of the ESG issues; and iii) the board (the "Board") of directors (the "Directors") of the Company reviewing and confirming the assessment process and results. The ESG issues were reported based on the results of the materiality assessment, which was detailed in the section headed "Stakeholder Engagement" hereinafter.

Quantitative: In accordance with the ESG Reporting Code, quantitative methods were used to measure and disclose the applicable KPIs with reference to appropriate quantitative standards and practices. The measurement standards, methodologies, assumptions and/or calculation tools used for KPIs in the report, and sources of conversion factors used have been explained when appropriate. The environmental objectives were disclosed in the section headed "Promoting Green Operations" hereinafter.

Balance: The report provides an objective presentation of both positive and negative information to ensure an unbiased picture of the Company's performance during the reporting period.

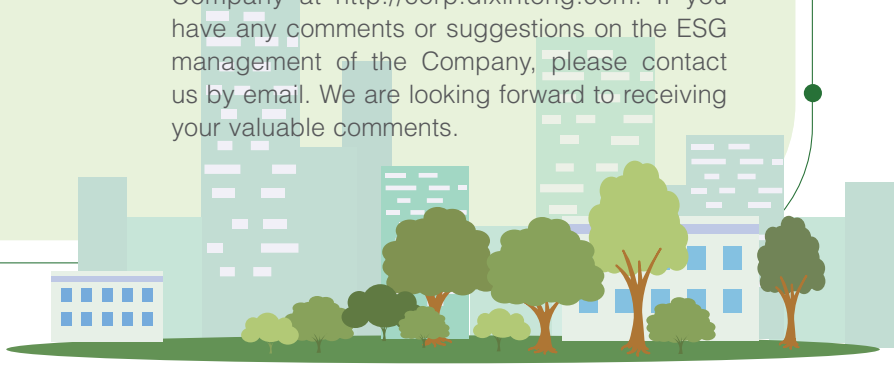
Consistency: The method used to prepare this annual report is consistent with that of the previous years. The changes that may allow meaningful year-to-year comparisons have been explained when appropriate.

DATA SOURCES AND RELIABILITY ASSURANCE

The data and cases in the report mainly come from statistical data and related documents. The Group undertakes that there are no false records, material omissions or misleading statements in the report and is responsible for the authenticity, accuracy and completeness of its content.

ACCESS AND RESPONSE TO THE REPORT

The report is published in both traditional Chinese and English. In the event of any discrepancy between the two versions, the traditional Chinese version shall prevail. The electronic version is available on the website of the Hong Kong Stock Exchange at www.hkexnews.hk and the website of the Company at http://corp.dixintong.com. If you have any comments or suggestions on the ESG management of the Company, please contact us by email. We are looking forward to receiving your valuable comments.



BOARD STATEMENT

The Board, with the assistance of the ESG working group, oversees and takes responsibility over ESG-related issues of the Group. The Board confirms the ESG governance structure; the A-level ESG working group is responsible for formulating ESG-related management systems, strategies and implementation plans, and reporting to the Board; the B-level ESG working group is responsible for the daily management of ESG matters, and the oversight and guidance of specific work; and the C-level ESG working group is responsible for conducting, implementing and executing various ESG matters. The Group has formulated the ESG management strategy, which is periodically reviewed by the Board to review and ensure its consistency with the Group's development strategy.

The Group attaches great importance to the possible impact of ESG-related risks and opportunities on the Company. The Board is responsible for overseeing the assessment of ESG-related risks and opportunities, and ensuring the implementation of effective ESG risk response measures and monitoring mechanisms. Materiality analysis was conducted on ESG issues of concern to stakeholders by the Group. The Board participated in the assessment, prioritisation and management of material ESG issues. The Group has set environmental objectives related to its business, which have been reviewed and discussed by the Board. The progress of the objectives will be reviewed regularly by the Board.

ESG-related issues have been fully disclosed in this report, which was reviewed and approved by the Board on 31 March 2026.

ABOUT DIGITAL TELECOM

The Company was established in 2001 and was officially listed on the Main Board of the Hong Kong Stock Exchange on 8 July 2014 (stock code: 06188) and became controlled by Zhuhai Huafa Group Co., Ltd.* (珠海華發集團有限公司) ("Huafa Group") in 2021. With more than 20 years of development, the Company possesses high-quality supply chain resources in the industry, and is an important social channel partner of China's top-notch cell phone manufacturers, trendy brands and three major carriers, and has also built an omni-channel technology new retail network in close cooperation with top-notch e-commerce companies.

As of 31 December 2025, the Company has over 100 subsidiaries and has opened over 670 independently operated outlets and franchised outlets in 18 provinces and 4 municipalities in China. Our offline outlets include comprehensive independent outlets, brand stores, UP+ stores[1], operating hall stores and supermarkets. Different outlets have different resource advantages. We have also integrated online resources to empower offline outlets through various major e-commerce platforms.

Since its establishment, the Group has been committed to providing consumers with a comprehensive range of services through its extensive offline sales channels and online sales platforms, including the sale of mobile phone hardware and accessories, value-added software services, personalised mobile phone services, and after-sales services. The Group has continuously strengthened the development of its governance system, laying a solid foundation for improving the management system of state-owned enterprises. To better adapt to the retail industry environment under the new internal and external circumstances, the Group has cultivated new drivers of growth while focusing on its core business through a multi-channel operating system and a multi-dimensional service model, actively developing new retail businesses and diversified merchandise sales to solidify its market competitiveness and brand influence. While consolidating its existing operations, the Group has achieved initial results in the exploration, transformation, and upgrading of its new energy business. The photovoltaic supply chain business has begun to take shape, and the residential photovoltaic agency business has successfully achieved regular operations across multiple provinces and cities.

1. *UP+ stores integrate multi-dimensional product categories including global technology optimisation, smart home experience, IOT-integrated supply chain and self-owned products to create smart and trendy consumption scenarios for customers.*



ABOUT DIGITAL TELECOM (continued)

Honors and awards

Honors and Awards	Awarding Parties
Beijing Digital Telecom Co., Ltd.	
Customer Service Satisfaction Unit in the Consumer Electronics Industry	China Electronics Chamber of Commerce
Shushui Gongsha Award	Honor Device Co. Ltd
Tongzhou Award	OPPO Guangdong Mobile Communication Co., Ltd.
Henan Digital Telecom Company（迪信通河南公司）	
Top 10 Channel Partner Award	China Mobile Group Device Co., Ltd., Henan Branch
Sichuan Digital Telecom Company（迪信通四川公司）	
Visionary Award	Huawei Device Co., Ltd.
Chongqing Digital Telecom Company（迪信通重慶公司）	
Branch Agent Excellence Award – Grand Prize	China Telecommunications Corporation, Chongqing Branch
Tianyi Terminal 2025 Excellent Cooperation Award（天翼終端2025年度優秀合作獎）	China Telecommunications Corporation, Chongqing Branch
Shanxi Digital Telecom Company（迪信通山西公司）	
Combat Pioneer Award	Huawei Device Co., Ltd.

ABOUT DIGITAL TELECOM *(continued)*

"Shushui Gongsha Award" by Honor



"Tongzhou Award" by OPPO



"Customer Service Satisfaction Unit" by China Electronics Chamber of Commerce





ABOUT DIGITAL TELECOM (continued)

Special topic: Striving diligently to make steady progress, operating in compliance, and deepening the green energy layout with high-quality development

Digital Telecom closely follows the national "Dual Carbon" strategy and is firmly committed to the residential photovoltaic new energy sector. In 2025, amid profound changes in industry policies and market conditions, we adhered to the principle of "responding to change with constancy, making steady progress." This approach not only enabled solid growth in our business scale but also marked a crucial step in exploring a path of high-quality development. We have continued to deepen strategic cooperation with industry leaders, expanding our operations to cover eight provinces and municipalities: Shanxi, Hubei, Jiangsu, Anhui, Yunnan, Henan, Beijing, and Shaanxi. In particular, in Dai County, Shanxi Province, we successfully established a complete business process model that has become a benchmark for nationwide replication.

Over the past year, the industry has entered into a new cycle characterised by full grid parity and accelerated market-based transactions. Digital Telecom has gained deep insight that, against the backdrop of adjustments to the "full guaranteed purchase" policy and the deepening reform of market-based electricity pricing, the model of simply pursuing installed capacity growth faces challenges. Instead, refined operations and revenue stability have become core priorities. Therefore, we have proactively adjusted our strategy, focusing not only on expanding our core agency business but also on "accelerating grid connections, improving efficiency, and managing risks" to ensure stable returns from every investment.

Looking ahead, Digital Telecom will fully leverage the core advantages of its state-owned enterprise credit endorsement, nationwide network layout, and group industrial chain synergies. While continuing to maintain and deepen its residential photovoltaic agency business, we are actively expanding into upstream and downstream segments of the industrial chain as well as related derivative services. We will empower management with technology, create value through collaboration, and contribute solid strength to the development of a new energy system and the creation of a new chapter in green development.



01

CONSOLIDATING THE FOUNDATION THROUGH COMPLIANCE, ACHIEVING STEADY AND SUSTAINABLE DEVELOPMENT



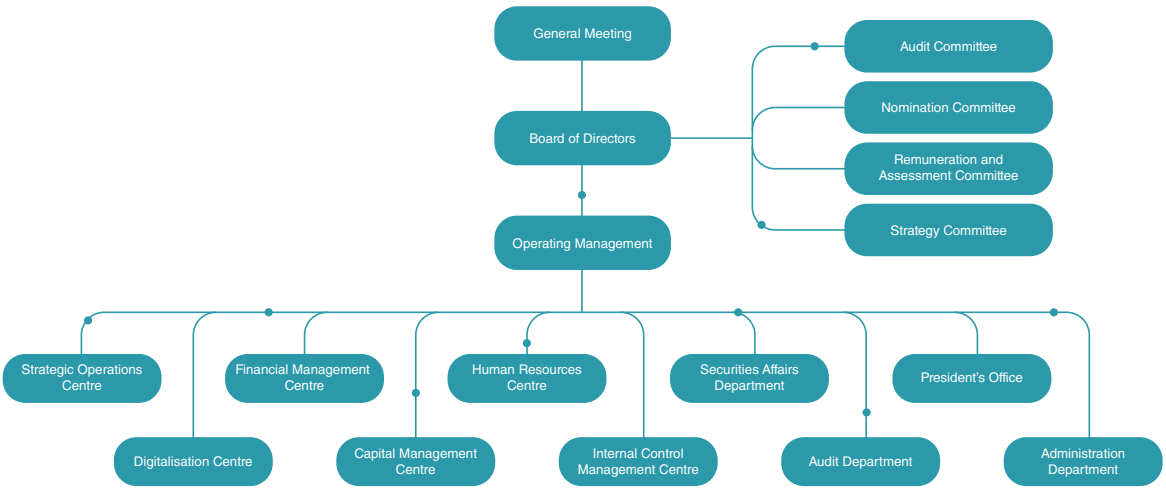
1. CONSOLIDATING THE FOUNDATION THROUGH COMPLIANCE, ACHIEVING STEADY AND SUSTAINABLE DEVELOPMENT

The Group is committed to continuously improving its corporate governance and ESG management standards. By strengthening risk identification and management, optimising the internal control system, practising the ESG development philosophy, and effectively safeguarding the legitimate rights and interests of stakeholders, the Group aims to achieve its strategic goal of long-term sustainable development.

1.1 Corporate governance

The Company strictly abides by the requirements of the Company Law of the People's Republic of China, the Rules for the Shareholders' Meetings of Listed Companies, and the Articles of Association, standardizes the corporate governance structure and improves governance systems and mechanisms to achieve standardised operations.

The Company has established a governance structure that is coordinated and operated by the General Meeting, the Board and the operating management, forming a governance mechanism with transparent rights and responsibilities, coordinated operation, and effective checks and balances. The Board is the Company's highest leadership body and consists of 9 Directors, including 4 executive Directors, 2 non-executive Directors and 3 independent non-executive Directors, with female Directors accounting for 33.3%. The Board has four board committees, namely the Audit Committee, the Nomination Committee, the Remuneration and Assessment Committee and the Strategy Committee. Each board committee performs its own duties and responsibilities to assist the Board in promoting the stable development of the Group.



Corporate Governance Structure

The Board of the Company has a total of 9 members, including 3 independent non-executive Directors, accounting for 33.3%; and 3 female Directors, accounting for 33.3%.

The Company had held 2 general meetings and 4 Board meetings in 2025. For more information on corporate governance, please refer to the 2025 Annual Report.

1. CONSOLIDATING THE FOUNDATION THROUGH COMPLIANCE, ACHIEVING STEADY AND SUSTAINABLE DEVELOPMENT *(continued)*

1.2 Risk management and internal controls

The Company attaches great importance to compliance operations, actively manages various risks in the operation process, and constantly optimizes internal control systems. The Board has authorised the Audit Committee to be responsible for continuously supervising the Company's risk management and internal control systems, and conducting annual assessments and reviews on the effectiveness of the internal control systems, covering areas of finance monitoring, operation monitoring and compliance monitoring.

Under the Company's risk management and internal control structure, the Company's management is responsible for designing, implementing and maintaining the risk management and internal control systems to ensure that i) appropriate policies and procedures have been designed and established to safeguard the Company's assets to avoid improper use or disposal; ii) complying with relevant laws, rules or regulations; and iii) maintaining reliable financial and accounting records in accordance with relevant audit standards and regulatory reporting requirements.

During the reporting period, the Audit Committee has reviewed the effectiveness of the Company's risk management and internal control systems. The Audit Committee did not identify any significant issues that adversely affected the effectiveness and adequacy of the Company's risk management and internal control systems.

For more information on the risk management and internal control, please refer to the 2025 Annual Report.



1. CONSOLIDATING THE FOUNDATION THROUGH COMPLIANCE, ACHIEVING STEADY AND SUSTAINABLE DEVELOPMENT *(continued)*

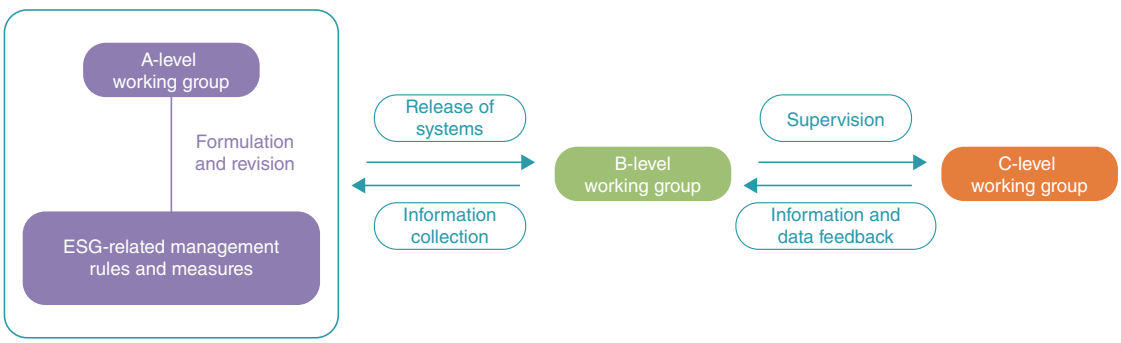
1.3 ESG governance

The Group has established a multi-level and cross-departmental ESG governance structure covering all subsidiaries, and continues to optimize it. The Board takes full responsibility over ESG issues and holds at least one ESG communication meeting each year to discuss material ESG issues. A three-level ESG working group has been set up to assist the Board in supervising and managing ESG-related matters of the Group, and is responsible for the coordination and promotion of ESG work to ensure the effective execution and improvement of ESG-related policies and systems. The working group includes:

- A-level working group: It is responsible for formulating, optimising or updating ESG-related management rules and specific measures, evaluating the effectiveness of implementation of ESG works and sorting out data, and reporting to the Board or its committees. The A-level working group consists of the persons-in-charge in the headquarters of the Group, namely Human Resources Centre, Strategic Operation Centre, Supply Chain Centre, Internal Control Management Centre and Financial Management Centre. Among them, the person-in-charge of the Human Resources Centre is responsible for labour issue governance, the persons-in-charge of Strategic Operation Centre, Supply Chain Centre, and Internal Control Management Centre are jointly responsible for governance of supply chain, product and environmental resource, and Human Resources Centre and Financial Management Centre are jointly responsible for governance of community investment;

- B-level working group: It is responsible for collecting relevant environmental and social data periodically, and overseeing and guiding the work of C-level working group. The B-level working group comprises 20 general managers of different regional subsidiaries; and

- C-level working group: It is responsible for implementing the specific ESG work and giving feedback in time. The C-level working group comprises 1-3 responsible persons designated by the general manager of each subsidiary.



ESG Management Workflow

1. CONSOLIDATING THE FOUNDATION THROUGH COMPLIANCE, ACHIEVING STEADY AND SUSTAINABLE DEVELOPMENT *(continued)*

ESG strategy

The Group adheres to the core ESG principle of "taking into account both environmental and social responsibilities in corporate development" and has systematically established and continuously optimised its ESG implementation strategy. We fully integrate ESG concepts into our business operations and governance system, with a focus on key areas such as green operations, employee development, supply chain management, customer service, and community engagement. Through holistic ESG practices, the Group is committed to promoting coordinated development between the enterprise, society, and the environment, and to achieving our sustainability goals.

- Promoting green packaging to achieve the Group's business goals while reducing environmental impact
- Caring for employees and supporting their development
- Establishing trustworthy partnerships with suppliers to jointly create corporate social value
- Strictly controlling product quality, providing services with "heart" way, and protecting consumer rights and interests
- Actively understanding the needs of surrounding communities, and advocating and practising the spirit of public welfare and dedication



1. CONSOLIDATING THE FOUNDATION THROUGH COMPLIANCE, ACHIEVING STEADY AND SUSTAINABLE DEVELOPMENT *(continued)*

ESG works and United Nations Sustainable Development Goals

The Group actively responds to the Sustainable Development Goals (SDGs) of the United Nations, and, taking into account industry characteristics and the actual conditions of the enterprise, fully integrates environmental, social, and economic benefits into its management and operation systems. It continuously advances operational practices such as green and low-carbon development, resource conservation, employee care, community engagement, and supply chain sustainability. We value the demands and opinions of our stakeholders, identify key SDG priorities through systematic assessment, and deepen actions across the following critical areas. By working together with all parties, we strive to contribute to the achievement of the SDGs.

UN SDGs	ESG strategy direction	Our actions
 	Consolidating the Foundation through Compliance, Achieving Steady and Sustainable Development	Establishing a comprehensive corporate governance and ESG governance structure, ensuring clear authority and responsibility, coordinated operations, and effective checks and balances within the governance mechanism; Advocating for diversity in the composition of the Board of Directors, ensuring that members possess diverse backgrounds and full competency to support the efficient operation of the Board; and Building and enhancing risk management mechanisms and internal control systems to systematically prevent and address corporate operational risks.

1. CONSOLIDATING THE FOUNDATION THROUGH COMPLIANCE, ACHIEVING STEADY AND SUSTAINABLE DEVELOPMENT *(continued)*

UN SDGs	ESG strategy direction	Our actions
 	Building Quality Foundation, and Anchoring Business on Responsibility	Conducting responsible sales and operational activities, establishing a sound product quality monitoring system, and making every effort to ensure the quality, health, and safety of products sold; Adhering to a user-centric approach, actively listening to and respond to consumer demands, and effectively safeguarding consumers' legitimate rights and interests; Establishing and improving the supplier management system, systematically identifying and continuously managing ESG-related risks within the supply chain; Strictly complying with advertising and labeling regulations, and strengthening intellectual property protection awareness and measures; and Placing high importance on information security and user privacy, continuously enhancing internal information systems, and strengthening publicity, education, and control measures to effectively protect consumer data security and privacy rights.



1. CONSOLIDATING THE FOUNDATION THROUGH COMPLIANCE, ACHIEVING STEADY AND SUSTAINABLE DEVELOPMENT *(continued)*

UN SDGs	ESG strategy direction	Our actions
  	Gathering Talent, Nurturing Excellence, and Practicing People-Centred Values	Continuously expanding into new business areas, actively attracting and recruiting outstanding talent from diverse sources, and striving to create more high-quality employment opportunities for society; Continuously improving the human resources management system, consistently safeguarding employees' legitimate rights and interests, and providing competitive compensation and benefits; striving to create a fair, inclusive, diverse, healthy, and growth-oriented work environment and development platform; Strengthening employee health management and workplace safety protection, with genuine attention to maintaining employees' physical and mental well-being; and Providing systematic support and high-quality resources for employees' career advancement, personal development, and continuous learning.

1. CONSOLIDATING THE FOUNDATION THROUGH COMPLIANCE, ACHIEVING STEADY AND SUSTAINABLE DEVELOPMENT *(continued)*

UN SDGs	ESG strategy direction	Our actions
	Empowering through Green Initiatives, Building an Ecological Future Together	Promoting the concept of green offices, strengthening low-carbon and environmental protection awareness, reducing waste generation during operations, and minimising environmental impact; Enhancing resource utilisation efficiency, reducing resource consumption, and effectively decreasing greenhouse gas emissions; Strengthening environmental awareness among all employees, intensifying low-carbon publicity efforts, and encouraging green commuting and green office practices; and Proactively assessing climate change-related risks and opportunities, establishing and reviewing environmental goals, and implementing effective measures to address climate change.
	Upholding Integrity, Fostering a Culture of Probity, and Driving Enterprise Growth with Righteousness	Cultivating a corporate culture of integrity and honesty, and adhering to principles of compliant operations and ethical conduct; and Regularly conducting anti-corruption self-inspections and reviews, improving reporting and handling mechanisms for complaints; implementing a transparent procurement system, and strengthening supplier review and management.



1. CONSOLIDATING THE FOUNDATION THROUGH COMPLIANCE, ACHIEVING STEADY AND SUSTAINABLE DEVELOPMENT *(continued)*

UN SDGs	ESG strategy direction	Our actions
 	Uniting with Shared Aspirations, and Building a Thriving Community Together	Leveraging a nationwide network of stores to actively build positive, mutually beneficial relationships with local communities, participating in and supporting community public welfare initiatives, carrying out volunteer services, and organising material donations and financial assistance.

1.4 Stakeholder engagement

The Group attaches great importance to the communication and interaction with stakeholders, is committed to building an open and transparent communication mechanism, and listens to the suggestions of all parties through diversified communication channels, so as to timely respond to relevant requests with precise feedback that meets their expectations. We are well aware that stakeholders' concerns and feedback are not only an important basis for corporate operations and strategic decision-making, but also a core driving force for us to continuously optimize and improve our performance in the area of ESG. By deepening the interaction with our stakeholders, we are able to better assess the effectiveness of our ESG practice and dynamically optimize strategic deployment, laying a solid foundation for the long-term sustainable development for the Company.

During the year, the Group continued to maintain regular communication with stakeholders such as shareholders and investors, suppliers, consumers, community representatives, employees, the government and regulators.

1. CONSOLIDATING THE FOUNDATION THROUGH COMPLIANCE, ACHIEVING STEADY AND SUSTAINABLE DEVELOPMENT *(continued)*

Stakeholder Communication

Key stakeholders	Description of stakeholders	Main concerns	Major communication and feedback channels
Shareholders and investors	Natural persons or legal entities which invest in the Group	Product quality Service quality Data security Integrity building Intellectual property protection	Shareholders' general meetings Annual and interim reports and announcements Public email Investor relations page
Suppliers	Enterprises or their branches which directly supply mobile phones, accessories and other products and provide related services to the Group	Supply chain management Service quality Integrity building	Procurement activities Supplier service system Strategic cooperation negotiations
Consumers	Members of society who purchase, use goods or receive services from the Group's online platform or retail stores	Product quality Service quality Supply chain management Advertising compliance Intellectual property protection	Consumer satisfaction surveys Rewards to consumers Daily operations/ communication Service complaint and response mechanism
Community representatives	Members of the community where the Group's offices and stores are located	Community contribution Emission management Use of resources	Community activities Charity activities Social support programmes Daily operations/ communication
Employees	Employees hired under various forms of employment contracts with the Group, including regular employees, part-time employees and interns	Protection of employees' rights and interests Employee training and development Employee's safety and occupational health Service quality Integrity building	Employee opinion surveys Internal communication meetings among employees Internal announcements Employee feedback system Labour union



1. CONSOLIDATING THE FOUNDATION THROUGH COMPLIANCE, ACHIEVING STEADY AND SUSTAINABLE DEVELOPMENT *(continued)*

Key stakeholders	Description of stakeholders	Main concerns	Major communication and feedback channels
The government and regulators	Government authorities or regulators who supervise the operations of the Group	Protection of employees' rights and interests Data security Product quality Service quality Integrity building Intellectual property protection Advertising compliance	Information disclosure Correspondence On-site visits Relevant meetings

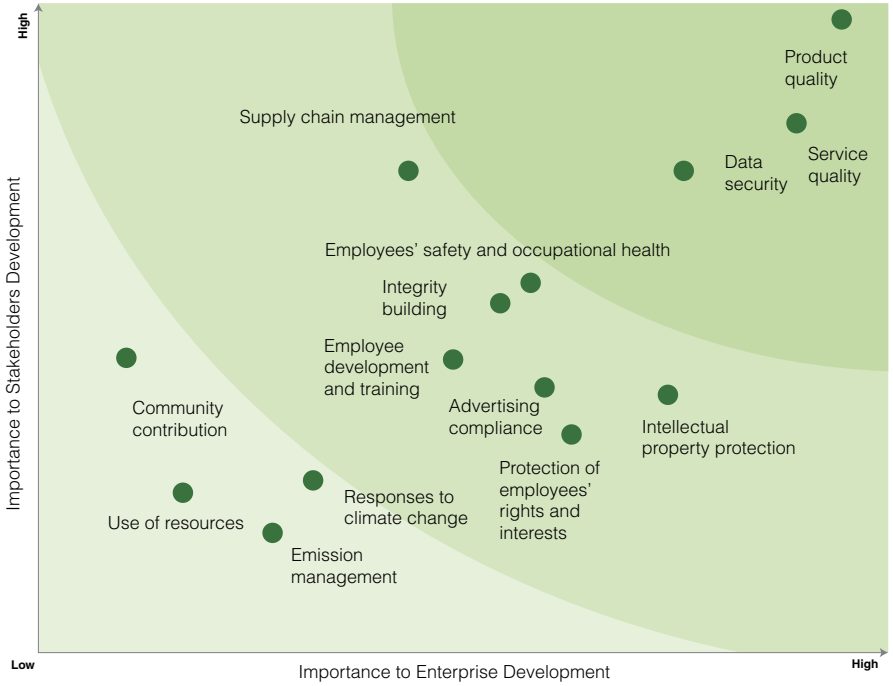
Materiality assessment

Based on our communication with stakeholders and the characteristics of our business development, the Group identified 14 material ESG issues and used them as important factors for report preparation and information disclosure. Our main work steps and contents are as follows:

Main steps	Contents
Identifying ESG issues related to the Group's business	Based on the current business characteristics of the Group and the future business development direction, the Group identified major relevant ESG issues.
Assessing and analysing the importance of issues	The Group invited key stakeholders to assess the importance of ESG issues through online questionnaires, etc.; and The Group's management team assessed and analysed the importance of each issue with reference to practices and communication with stakeholders.
Reporting material ESG issues	The Group identified material ESG issues based on stakeholder's analysis and used them as the reference for the preparation of the report and the Group's future work direction.

1. CONSOLIDATING THE FOUNDATION THROUGH COMPLIANCE, ACHIEVING STEADY AND SUSTAINABLE DEVELOPMENT *(continued)*

Based on the analysis, we identified and confirmed the key issues at the present stage, among these, the highly material issues include product quality, service quality, and data security; general material issues, covering the protection of employees' rights and interests, supply chain management, intellectual property protection, advertising compliance, employee development and training, employees' safety and occupational health, and integrity building; and relatively immaterial issues, including use of resources, community contribution, responses to climate change and emission management. The above issues will be discussed and described in detail in this report.



Digital Telecom's Materiality Matrix



02

QUALITY ESTABLISHING A BUSINESS WITH RESPONSIBILITY BUILDING FOUNDATION



2. QUALITY ESTABLISHING A BUSINESS WITH RESPONSIBILITY BUILDING FOUNDATION

The Group has always taken ensuring product quality and enhancing service standards as the cornerstone of corporate sustainable development, and consumer experience as the core position in its business operation. While working on providing high-quality products and services, we uphold the principle of responsible procurement, strictly implement compliance management of advertising signs, protect consumer information safety and personal privacy, and strive to fulfill corporate product responsibility.

2.1 Strict control over goods quality

The Group strictly complies with the relevant laws and regulations and industry standards, including the Law of the People's Republic of China on the Protection of Consumer Rights and Interests and the Product Quality Law of the People's Republic of China. It continuously improves the internal management system and supervision system to conduct all-round control over product quality. We strictly manage the qualifications of suppliers and explicitly sign contracts on product quality assurance with them in cooperation to ensure that the products we sell meet national standards in terms of their safety and quality, and are committed to providing consumers with high-quality and reliable shopping experience.

The Group has formulated the Policy for Return and Exchange Without any Reason Within 7 Days, setting out clear commitments and requiring our outlets to strictly implement them. At the same time, we have established complaint and feedback channels to consumers to effectively protect the legal rights and interests of consumers and constantly improve the comfortable shopping experience.

Fast return and exchange within 7 days	Any consumer who purchases a mobile handset (excluding Apple-branded products, carrier-specific products, and products requiring activation) from the Group's sales channels but finds its price, model, function and colour unsatisfactory is entitled to return or exchange it without inspection within seven days upon purchase if there is no man-made failure to the mobile handset.
Free repair and maintenance	If a non-human failure occurs in the mobile handset purchased by a consumer during the warranty period, the Group will provide free repair and maintenance services. The consumer can make an appointment for repair and maintenance registration on the official website or in the outlet in person .
Transportation allowance	If a consumer has to return to an outlet and handle the issues due to product quality or service problems, the Group shall compensate the consumer with RMB30 for transportation costs.
Reward for service complaints	We encourage consumers to voice their complaints through calling the hotline if they are not satisfied with our sales service process by offering a complaint reward of RMB300 to consumers, who propose effective advice, after their complaints are verified.



2. QUALITY ESTABLISHING A BUSINESS WITH RESPONSIBILITY BUILDING FOUNDATION *(continued)*

The Policy for Return and Exchange Without any Reason Within 7 days stipulates that if there is complaint when a consumer meets the requirements but the outlet refuses to enforce the policy, once verified, the corresponding subsidiary will be penalised by the Group.

In addition, the Group has established a comprehensive product recall system. If it is found and ascertained that a product being sold has severe safety concerns or may pose a major threat to consumers' health, the Group would immediately cooperate with suppliers to initiate the recall procedure and fully remove the products of the same batch or model to effectively prevent and control potential risks and losses.

None of the Group's products sold was subject to recalls for safety and health reasons in 2025.

2.2 Improving service experience

The Group, which upholds the philosophy of "creating value for consumers from the heart" and establishes the core value of "kindness brings goodness", is committed to providing consumers with a comfortable service environment, continuously optimising service quality, actively listening to consumer voice, and providing consumers with high-quality services and experiences so as to raise consumers' satisfaction.

Optimising the shopping environment

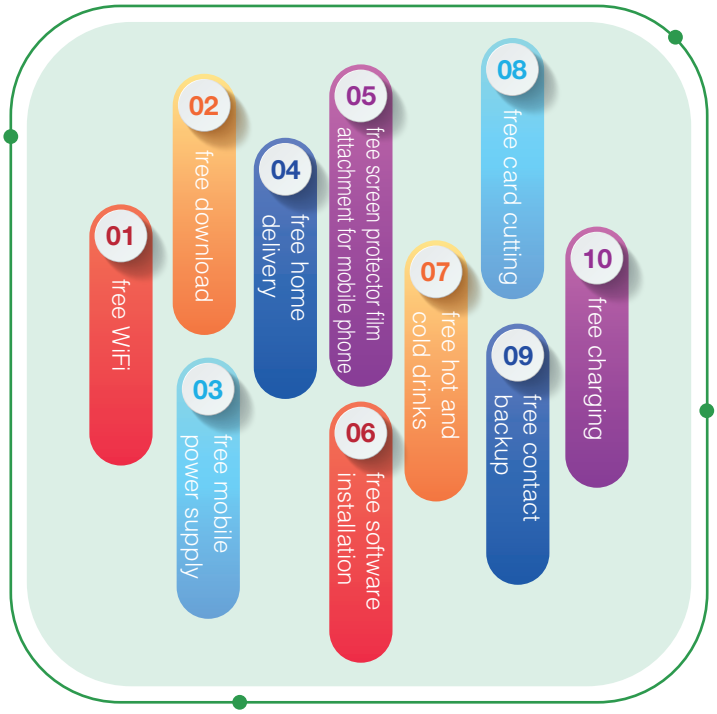
The Group has implemented the Rules for Store Decoration for Beijing Digital Telecom Co., Ltd. and continuously improves the relevant contents to ensure the environmental standards and fire safety of all outlets strictly comply with the requirements of national regulations. On this basis, we strictly control the decoration materials of our outlets and engage third-party inspection organisations to conduct indoor environmental inspection, committing to providing consumers with a healthy and comfortable shopping environment and constantly improving their shopping experience.

Raising service standards

The Group has been actively upholding "Wholehearted" service concept, and by providing ten types of free "in-store services" for consumers – including free charging, card cutting, screen protector film attachment, WiFi and contact backup, as well as the supply of free hot and cold beverages and home delivery services, we are committed to building a service system that runs through the whole cycle of product pre-sale, in-sale and after-sale, and continuously improving service qualities and standards.

2. QUALITY ESTABLISHING A BUSINESS WITH RESPONSIBILITY BUILDING FOUNDATION *(continued)*

Top Ten Enjoy on Arrival Services



To continuously enhance the consumer experience, the Group is committed to strengthening employee service capabilities. This is achieved through regular specialised training and the establishment of a dedicated service course section on the internal information-sharing platform, allowing employees to easily access and review materials at any time. Meanwhile, the Group has created a working group chat of "Full-hearted Loyalty" service covering all employees, which delivers daily updates on service processes and standards, continuously reinforcing front-line and management staff's sense of identity and mission regarding "Full-hearted Loyalty" and contributing to the improvement of outlet service quality. To date, the "Full-hearted Loyalty" service has been implemented for ten years, effectively promoting the overall enhancement of service awareness and professional competence among management at all levels and front-line employees.

The Group continued to optimise the layout of its offline outlets, improve the outlet service process, and provide a three-month broken screen guarantee service to consumers who purchased machines in some outlets. At the same time, relying on the advantages of widespread distribution of offline outlets, we actively cooperated with online shopping platforms, jointly implementing city-wide delivery with Douyin platform in our offline outlets. Some outlets can deliver products within one hour after placing orders, further shortening the waiting time of consumers and improving their shopping experience.



2. QUALITY ESTABLISHING A BUSINESS WITH RESPONSIBILITY BUILDING FOUNDATION *(continued)*

In order to enhance the professional skills of sales, outlets and customer service personnel, we continuously provide front-line employees with targeted training on the features, key selling points, and service standards of newly-launched products, and conduct spot checks and assessments of relevant personnel in outlets across the country to effectively ensure that consumers have a better service experience.

Responding to consumer demands

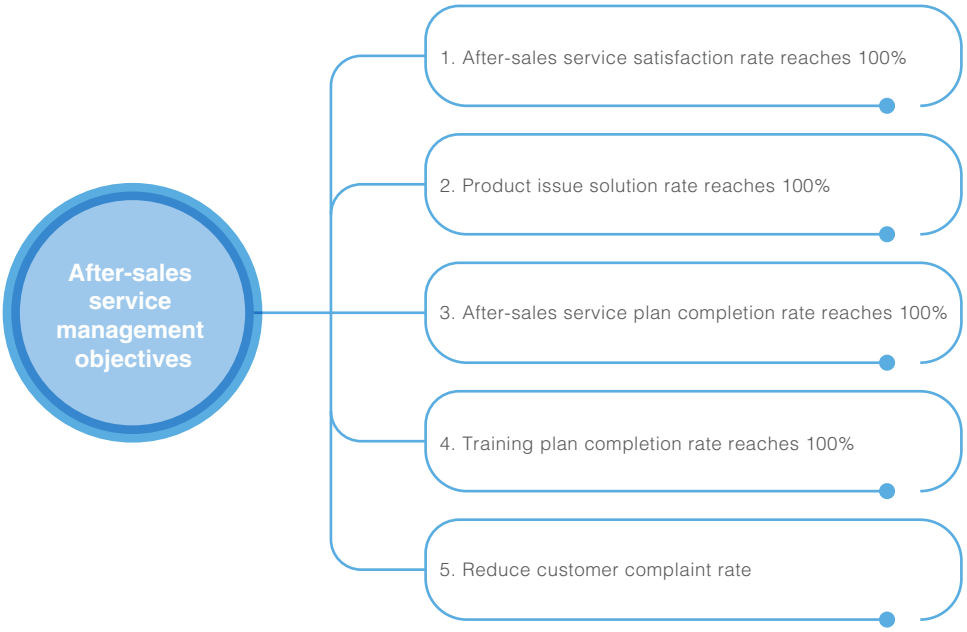
The Group has always placed great emphasis on communication with consumers. We have established diverse and accessible feedback channels, listen attentively to consumer concerns, respond to them in a timely manner, and actively incorporate reasonable suggestions to continuously improve our service standards. Through both online and offline channels, we have built a communication and complaint handling system. In strict accordance with the Law on Protection of Consumer Rights and Interests, we have also developed internal policies such as the Digital Telecom's Management of Complaint Services, the Three Red Line Management System for Full-hearted Loyalty Service and the New 400-Week Improvement Rules and Feedback for Complaints to continuously refine and standardize the complaint response and handling mechanisms, ensuring that consumer rights are effectively protected.

Complaint channels:

- Brick-and-mortar outlets accept consumer visits and complaints;
- Headquarters' service hotline +86-400-700-8800；and
- Official website (including Xiaodishuoshuo and Xiaodishequ), official Weibo account, official WeChat account, Baidu (including Tieba and Baidu Knows), China Association for Quality Promotion (CAQP) and other platforms.

2. QUALITY ESTABLISHING A BUSINESS WITH RESPONSIBILITY BUILDING FOUNDATION *(continued)*

The Group has put forward the principles of "first inquiry responsibility, active cooperation, emotional stability, commitment fulfilment", and established specific procedures for handling consumer complaints from different channels, in order to handle complaints in a timely and effective manner. After-sales customer service handling objectives are as follows:



The Group required receptionists to classify complaints according to the reasons, such as quality problems, service problems and business problems, and contact consumers within two hours after receiving the complaint to learn about the details of the complaint and their demands, appease consumers and make a commitment to resolution within a time frame. The Group required that relevant persons-in-charge are required to handle the complaint within 24 hours and reply to the call centre of the headquarters about the handling results. If it is difficult to handle a complaint, relevant person can report to the headquarters and obtain the consent of consumers to handle the complaint within 72 hours.



2. QUALITY ESTABLISHING A BUSINESS WITH RESPONSIBILITY BUILDING FOUNDATION *(continued)*

Category	Level	Response time	Resolution time	Remarks
Customer inquiry	General	Immediate	Within 1 hour	Resolved by customer service
Customer complaint	General	Immediate	Within 2 hours	Resolved by customer service
Customer complaint	Medium	Immediate	Within 24 hours	Resolved by after-sales supervisor
Customer complaint	Severe	Immediate	1 working day	Resolved by responsible director or branch deputy general manager
Customer complaint	Urgent	Immediate	Within 24 hours	Resolved by after-sales supervisor
Related after-sales	Full Tracking	Immediate	Within 2 hours	Handled by customer service representative, with full-process supervision by after-sales manager

Customer service rating and response time table

Subsidiaries shall submit a Complaint Handling Report to the call centre of the headquarters at the beginning of each month. The call centre of the headquarters shall conduct consumer follow-ups within 24 hours upon receipt of the report to verify the handling progress of complaints and confirm consumers' satisfaction with the handling results of complaints. Based on the results of monthly follow-ups, we sort out systematically the responses to consumer complaints at each channel, identify the main problems in the service process, and give feedback to the functional departments or subsidiaries. At the same time, we organise regular specific training on communication skills, continuously improve the services at all levels and ensure that consumers can always enjoy high-quality service experience.

2. QUALITY ESTABLISHING A BUSINESS WITH RESPONSIBILITY BUILDING FOUNDATION *(continued)*

The Group has incorporated the handling results of consumer complaints into the performance appraisal system of the headquarters and subsidiaries, covering the customer service complaint department of the headquarters, general manager of subsidiaries, receptionists, salesclerks and other persons at all levels, to further improve customer complaint management system and promote the effective implementation of relevant systems.

Moreover, the Group set up a live streaming customer service support mechanism and assigned full-time service personnel for online consultations. We dynamically adjusted and extended the attendance and duty plans of service personnel according to the analysis of the pattern of consultation time, and mobilised all members of the live streaming team to respond to consumer consultations in a timely manner during the peak period, so as to effectively meet consumer needs and continuously improve the consultation service experience.

In 2025, the headquarters' 400 call centre received a total of 12,781 calls from consumers regarding their feedback, and 39 complaints, of which 37 were valid complaints. The complaint settlement rate was 100%, and consumers' satisfaction reached 100%.

In 2025, the complaint settlement rate was 100%, and consumers' satisfaction reached 100%.



2. QUALITY ESTABLISHING A BUSINESS WITH RESPONSIBILITY BUILDING FOUNDATION *(continued)*

2.3 Responsible procurement

Adhering to the principle of responsible procurement, the Group has incorporated sustainability requirement into each part of supplier selection, review, procurement and cooperation, and highly paid attention to ESG risks in the supply chain, formulated and carried out strict management mechanisms, and is committed to working with suppliers to create a sustainable cooperative relationship and business environment, and promote a sustainable supply chain.

Supplier selection

The Group has formulated and implemented the Supplier Management System, and continued to improve supplier selection standards and procedures as well as the hierarchical review mechanism, in a bid to evaluate suppliers from the product quality, materials safety, reasonableness of prices, environmental and social performance and other dimensions, which has strictly standardised selection conditions. We created a "whitelist" system for suppliers to tighten requirements on environmental compliance, protection of labour rights and interests, anti-corruption and other management aspects, and made it clear that only suppliers that have been approved by the risk committee can be included into the "whitelist". The Group strictly reviews the relevant qualification certificates of qualified suppliers and signs cooperation agreements with them, which clearly stipulates procurement process, product quality standards, dispute resolution mechanism, etc.

As a retailer, we mainly select leading manufacturers of mobile handsets and accessories as contracted suppliers. When selecting commodity suppliers, on the basis of strict implementation of the procurement approval process, we focus on the environmental protection and safety performance of materials used to make mobile handsets and accessories, and require suppliers to operate in compliance with national and regional laws and regulations, and have relevant supply qualification certificates. When selecting equipment and service providers, we take environmental performance into the assessment system, and give priority to purchasing equipment, facilities and office supplies that consume less energy and are more environmentally-friendly, such as energy-saving lamps and low-power computers on the premise that there is no great difference in the quality and services. We proactively communicate with suppliers and urge them to use environmentally-friendly products and services.

2. QUALITY ESTABLISHING A BUSINESS WITH RESPONSIBILITY BUILDING FOUNDATION *(continued)*

Supplier management and audit

A supplier audit system has been laid down by the Group to audit and evaluate suppliers on a regular basis, in a bid to identify and pay attention to the environmental and social risks of suppliers, and judge the quality of their products and service effects. We conduct performance evaluation on the product quality, environmental benefit, integrity in the workplace, labour management and any other aspects to follow environmental and social risks of the supplier. We establish long-term cooperation with suppliers with excellent performance, and phase out suppliers that are unable to meet sustainable development needs over the long term. All our suppliers (1,507 in total) were audited and evaluated in 2025. At present, the suppliers who have established cooperative relationships with us have fully met the Group's supplier selection and audit requirements.

All suppliers were audited and evaluated in 2025.

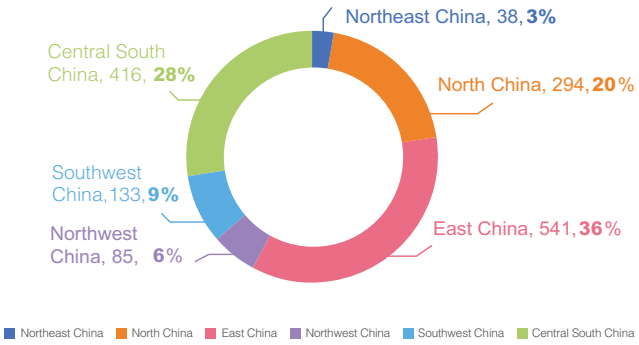
Moreover, based on digital technology, the Group has built a highly integrated supply chain management system to achieve the real-time monitoring of the sales and inventory data of outlets, providing support for the formulation of procurement plans and optimisation of inventory allocation, and thus greatly improving the operational efficiency.

In 2025, we communicated with suppliers from time to time, conveyed the latest updates on procurement policies and related requirements in time, and cooperated with suppliers to create a sustainable supply chain. At present, we have forged a win-win strategic partnership with three major operators and domestic leading mobile handset brands.



Communication Activities with Suppliers

2. QUALITY ESTABLISHING A BUSINESS WITH RESPONSIBILITY BUILDING FOUNDATION *(continued)*



Number of Major Suppliers of the Group in 2025

2.4 Advertising and labelling management

In strict compliance with the relevant laws and regulations including the Advertising Law of the People's Republic of China, the Trademark Law of the People's Republic of China, the Group adheres to the principle of responsible marketing, systematically identifies potential compliance risks in the process of advertising and labelling, and continuously strengthens supervision and normalises management and use standards, to resolutely prohibit all false and untrue advertising activities.

According to the actual business needs, the Group has formulated strict management regulations to ensure that the use of promotional copies and various corporate logos in major marketing campaigns is legal and compliant. We have adopted a uniform template of the Letter of Trademark Licensing, and described in the template the authorised name and registration number of the licensed trademark, licensing period, the geographic territory, scope of use, etc., to regulate the use of advertisements and logos in offline outlets, and to clarify the authorisation to avoid unclear authorisation. In order to raise awareness of compliance and avoid infringement, we regularly conduct training on trademark protection for the brand management department of the headquarters and subsidiaries located in areas where counterfeiting of the Group's trademarks frequently occurs, guiding employees at all levels to use logos in compliance with regulations, and legally and effectively deal with trademark infringement. In case of the infringement of the Group's trademarks, we will promptly keep the evidence of the infringement and choose to report to the industry and commerce authorities or file a lawsuit in the people's court according to the level of the infringement. In 2025, we kept an eye on the use of advertisements and trademarks in publicly available information, and continued to follow up on possible infringements and defend our rights in a timely manner, while managing trademarks that would be approaching expiration to ensure the legal ownership of the trademarks.

2. QUALITY ESTABLISHING A BUSINESS WITH RESPONSIBILITY BUILDING FOUNDATION *(continued)*

In strict compliance with relevant laws and regulations including the Patent Law of the People's Republic of China and the Measures for the Administration of Intellectual Property Certification, the Group formulated and continuously improved the Digital Telecom's Measures for the Administration of Intellectual Property Rights, to protect its own intellectual property. The Group regularly organises training sessions on intellectual property rights for front-line employees and the headquarters' functional departments, in a bid to strengthen employees' awareness of legal protection of intellectual property rights, avoid potential infringement risks and ensure operational compliance.

2.5 Information and cyber security

The Group has followed relevant laws and regulations including the Cybersecurity Law of the People's Republic of China and the Personal Information Protection Law of the People's Republic of China, and continuously improved its internal information security management system, formulated and continued to optimise relevant systems such as the System Operation Specification, Management Measures for the System User Account Rights, the Management Specification for the Position of Information Technology Specialist, Management Specification for the System Function of Subsidiaries, etc., further clarified the function scope of the system management, management responsibilities and the mechanism of work synergy, and required all subsidiaries to equip with professional information technology specialists and achieve collaborative management via the information system, in a bid to ensure compliance in carrying out the management work of the Group's system function and create a safe and reliable information environment.

In 2025, in order to continuously optimise the data security management system and improve data security management and control capabilities, we have newly issued the Data Security Management Standards, which sets out detailed specifications and requirements for data collection, transmission, storage, processing, exchange and sharing, etc., to ensure that the probability of data security risks can be effectively reduced.



2. QUALITY ESTABLISHING A BUSINESS WITH RESPONSIBILITY BUILDING FOUNDATION *(continued)*

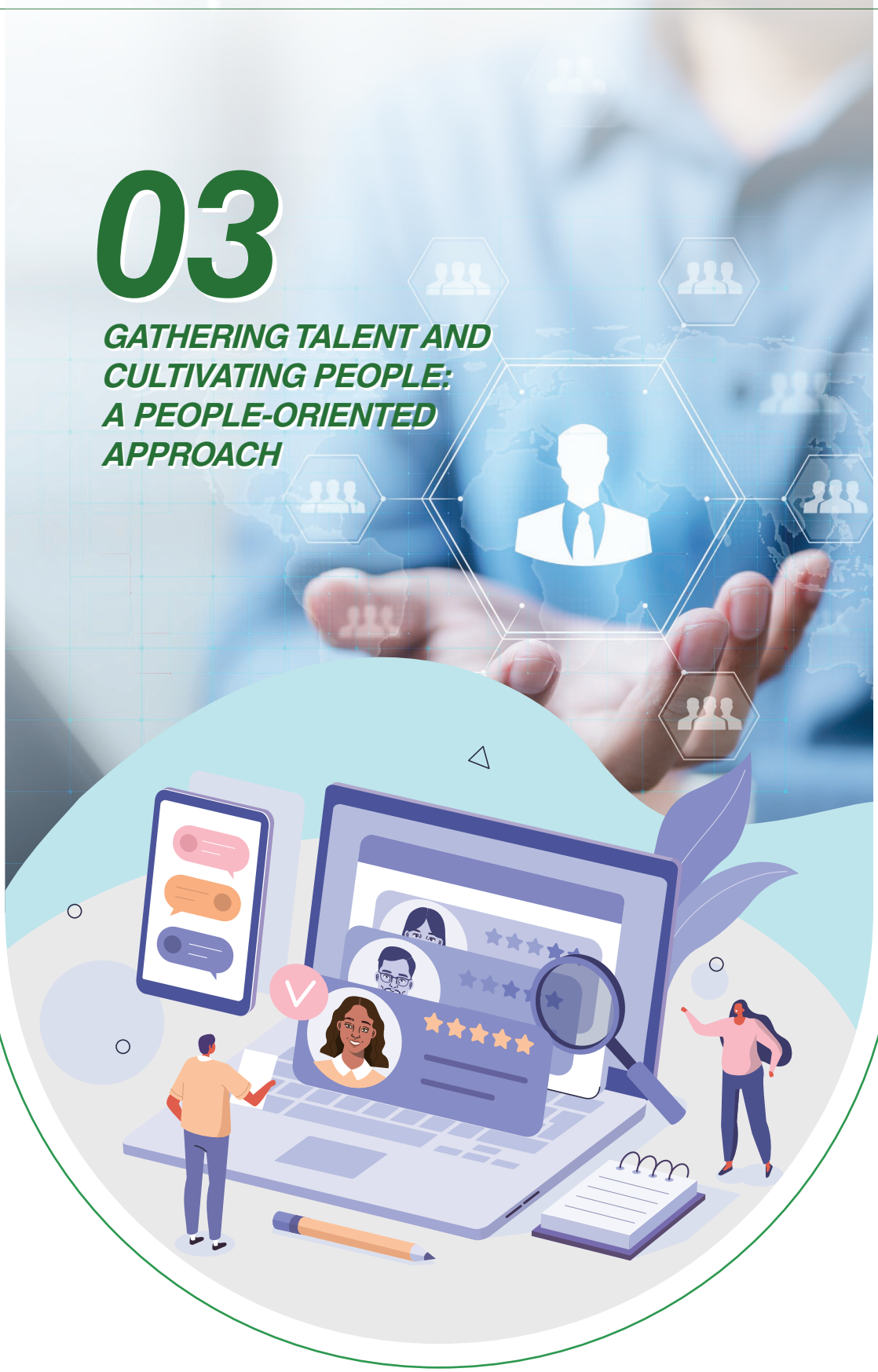
We also actively take protective measures in various scenarios to enhance the protection of consumers' private information:

- We enter into tripartite confidentiality agreements with consumers in the product sales process and strictly implement them.
- In internal operations, we establish an internal member information system to implement effective management of consumer privacy and data, and continue to enhance our information technology capabilities in the field of cyber security, including setting up high-level technical firewalls, strictly monitoring data flow process, and setting access and use permissions for employees at different levels to avoid leakage and abuse of consumer data.
- In employee training, we emphasise the awareness of information and privacy protection, organise the study of relevant policies, systems and implementation rules, and require employees not to disclose consumer information to any third-party without valid permission.

No major consumer information leakage occurred within the Group in 2025.

03

GATHERING TALENT AND CULTIVATING PEOPLE: A PEOPLE-ORIENTED APPROACH



3. GATHERING TALENT AND CULTIVATING PEOPLE: A PEOPLE-ORIENTED APPROACH

The Group adheres to the core philosophy of being "people-oriented" and is committed to attracting and retaining outstanding talent. While effectively safeguarding employees' legitimate rights and interests, the Group places great emphasis on their occupational health and safety. Furthermore, by considering different job types and employees' career development needs, it designs and implements targeted training systems to promote the joint growth and collaborative development of employees and the enterprise.

3.1 Attaching importance to outstanding talent introduction

To enhance corporate competitiveness, based on the needs of traditional business operations and the development of new business models, the Group utilises diverse recruitment channels, adopts a fair, open, and transparent recruitment strategy, and actively introduces experienced business and management talent from the industry while focusing on the cultivation and development of emerging talent, continuously strengthening its talent foundation.

In the talent acquisition process, the Group strictly complies with relevant laws and regulations such as the Labour Law of the People's Republic of China and the Labour Contract Law of the People's Republic of China, and timely updates and improves its Recruitment Management System. The Group values transparency and fairness in the recruitment process, demonstrates attention and respect during interviews and assessments, and provides clear job descriptions and compensation information. For fresh graduates and management trainees, the Group creates clear advancement pathways and training systems, establishes a competitive compensation structure, and creates favorable conditions for talent reserves and selection.

Furthermore, the Group actively fulfills its corporate social responsibility by providing job opportunities for disadvantaged groups and helping to address their employment issues.

As of 31 December 2025, the Group had a total of 2,615 employees.

KPIs: Employee Hiring and Turnover Rates

Indicators		2025	2024
Number of employees by gender (person)	Male	1,037	1,148
	Female	1,578	1,585
Number of employees by age group (person)	Under 30 years old	706	957
	30 to under 40 years old	1,026	1,093
	40 to under 50 years old	682	547
	50 years old and above	201	136

3. GATHERING TALENT AND CULTIVATING PEOPLE: A PEOPLE-ORIENTED APPROACH *(continued)*

Indicators		2025	2024
Total number of employees by employment type (person)	Labour contract system	2,366	2,479
	Labour dispatch system	249	254
Total number of employees by education level (person)	Associate degree and below	2,056	2,186
	Bachelor's degree	511	492
	Master's degree and above	48	55
Number of employees by rank (person)	Senior management	10	11
	Middle management	79	89
	General staff	2,526	2,633
Number of employees by geographical region (person)	East China	622	705
	South China	126	87
	Central China	440	546
	North China	687	711
	Northwest China	128	137
	Southwest China	331	328
	Northeast China	281	219
Employee turnover rate by gender (%)	Male Employees	15%	13%
	Female Employees	16%	14%
Employee turnover rate by age group (%)	Under 30 years old	22%	12%
	30 to under 40 years old	16%	13%
	40 to under 50 years old	9%	14%
	50 years old and above	6%	19%
Employee turnover rate by geographical region (%)	East China	13%	12%
	South China	27%	15%
	Central China	17%	12%
	North China	16%	13%
	Northwest China	13%	11%
	Southwest China	18%	13%
	Northeast China	15%	16%

1. *Senior management refers to employees at vice president level and above, and middle management refers to employees at general manager, deputy general manager, director and deputy director level;*

2. *There were four female senior management employees in 2025, accounting for 40%.*



3. GATHERING TALENT AND CULTIVATING PEOPLE: A PEOPLE-ORIENTED APPROACH *(continued)*

3.2 Protecting Employee Rights and Interests

The Group strictly complies with the relevant national and local laws and regulations, including the Labour Law of the People's Republic of China, the Labour Contract Law of the People's Republic of China, the Special Rules on the Labour Protection of Female Employees, the Regulations on Paid Annual Leave of Employees and the Provisions on Minimum Wages, and closely follows the trend of policy updates to fully safeguard the rights and interests of its employees. In 2025, in conjunction with the Group's development objectives and strategic planning, we further improved and optimised the human resources management system and mechanism in terms of goal and performance management, cadre management and talent reserve training, and human resources informatisation construction, so as to further ensure the compliance and efficiency of employment. At the same time, we optimised the systems and processes related to attendance and leave, onboarding and offboarding, remuneration and benefits, etc., to effectively protect the legitimate rights and interests of employees.

The Group has established a comprehensive performance management system, which forms a closed-loop management in terms of objective setting, communication and feedback, appraisal management and application of appraisal results, linked assessment results to employee performance bonuses, and regularly commended employees who have performed well in various work, so as to effectively enhance the self-motivation of employees while promoting the Company to achieve its business goals. In 2025, we formulated a responsibility system for branch general managers' operations to clarify the operational management responsibilities of key cadres, reviewed the performance of key position cadres, adjusted certain key positions, and enhanced the capabilities of business unit leaders. We also established a performance management mechanism for branch financial controllers and improved the assessment dimensions.



Gold Salespeople Award Recognition

3. GATHERING TALENT AND CULTIVATING PEOPLE: A PEOPLE-ORIENTED APPROACH *(continued)*

The Group signs formal labour contracts with recruited employees according to law, providing them with basic protections such as social insurance and housing provident funds, and ensures compensation levels exceed the local minimum wage standards in all regions. We are committed to fostering a diverse and inclusive workplace, resolutely opposing any form of discrimination based on race, gender, origin, age, education, religious beliefs, physical condition, etc., and effectively safeguarding employees' legitimate rights and interests.

The Group maintains a "zero-tolerance" stance towards hiring child labour or employing forced labour. During the recruitment process, we strictly verify applicants' identification documents to ensure that all hires have reached the legal working age and are participating voluntarily. Should any instances of child labour or forced labour be discovered, we will immediately contact relevant authorities and external agencies to handle the matter according to law, and communicate with the employee and their legal guardians to make appropriate subsequent arrangements.

The Group strictly monitors employee working hours. An attendance clock-in/out system has been fully implemented to ensure that employee working hours comply with national legal requirements. Responsible managers are tasked with reasonably allocating team workload to ensure employee working hours remain within compliant limits.

The Group has established effective employee communication channels and is committed to fostering a positive and harmonious work atmosphere. Employees can provide feedback and suggestions to management through various online and offline channels, including suggestion boxes, email, and enterprise WeChat. Additionally, the Group's management regularly organises employee forums where employees at all levels can voluntarily participate and engage in face-to-face communication with management. Management attentively listens to employee voices and provides timely responses and feedback.

In 2025, the Group had no violations of laws and regulations related to labour or infringement of the rights and interests of employees that had a significant impact on itself, nor was it being punished in respect of the protection of the rights and interests of employees.



3. GATHERING TALENT AND CULTIVATING PEOPLE: A PEOPLE-ORIENTED APPROACH (continued)

3.3 Iterative Upgrading of Training and Development Models

The Group has established a systematic training management system, updating training content and formats promptly in response to market demands and changes in the social environment to help employees achieve personal and professional development. To further facilitate the implementation of the Group's strategy and deeply integrate employee growth with business development, in 2025, the Group continued to comprehensively strengthen and systematically upgrade its training management system, focusing on the essence of retail and frontline practical needs. Adhering to the core principle of practical experience and taking employee career development as the main thread, we focused on enhancing sales capabilities in the new retail environment, improving standardised management capabilities, and strengthening talent pipeline development, based on consolidating the existing system. Through designs that are more precise and closer to business scenarios, we aim to promote the accumulation of organisational experience and the release of talent potential, providing solid and sustainable talent support for achieving the Group's strategic goals.

The Group's current main training programs include:

New Employee Training

To help new employees integrate efficiently into the organisation and systematically build professional competencies and skills, the Group has established a cultivation system integrating "developmental assessment, blended learning, and coaching feedback." During the new employee induction phase, we design multi-dimensional training courses covering topics such as business model interpretation, corporate culture orientation, compliance awareness enhancement, and career development planning, helping new employees systematically build an understanding of the corporate environment and operational system, and accelerating their transition from campus to workplace. Additionally, the Group organises experience-sharing sessions annually for outstanding previous batch campus recruits, aiming to build an ecosystem for mutual talent support and progress, continuously optimising the long-term talent development mechanism.

"Spark" Management Trainee Program

In July 2025, we launched the 2025 Management Trainee specialised development program. This program aims to systematically select and cultivate future business core staff and management reserves, employing a blended cultivation model combining "centralised training, rotational practice, project tackling, and coaching." The cultivation plan is divided into three stages: Foundation Building, Practical Refinement, and Development. The Foundation Building stage focuses on establishing identification with the company's philosophy and professional spirit through orientation activities, cultural system learning, executive meetings, store internships, and red culture studies. The Practical Refinement stage assigns management trainees specific business improvement projects or small-scale project management tasks to refine their problem-solving and innovation skills through practical application. The Development stage involves continued attention after role placement, inclusion in the reserve talent pool, and providing advanced management and professional training to achieve sustained follow-up development.

3. GATHERING TALENT AND CULTIVATING PEOPLE: A PEOPLE-ORIENTED APPROACH *(continued)*

Case: "Di · Spark" Management Trainee Program

As an integral part of the Group's talent reserve system, the "Di · Spark Plan" is dedicated to cultivating a group of young reserve talents who identify with the Company's culture, possess solid business knowledge, and have the courage to take responsibility, injecting sustained, fresh vitality into the Group's sustainable development.



"Di · Spark" Management Trainee Program

Management Practical Training

Targeting managers at different levels, we design tailored development programs based on their specific characteristics and needs to effectively enhance leadership skills. For middle and senior management, we organise industry trend seminars, strategic planning meetings, and benchmarking studies to enhance business insight and strategic planning capabilities. For new/potential middle and senior managers, we focus on goal decomposition, cross-departmental collaboration, process monitoring, and talent development, utilising a workshop format where participants "bring real problems and leave with solutions." For frontline managers, the focus is on practical skills such as daily store operations management, team motivation, sales data analysis, and business reviews.

3. GATHERING TALENT AND CULTIVATING PEOPLE: A PEOPLE-ORIENTED APPROACH *(continued)*

Sales Force Development Program

To continuously build a professional and efficient sales team, the Group is fully implementing the "Sales Force Development Program," continuously strengthening frontline operational capabilities through systematic training mechanisms and agile empowerment systems. This program is practice-oriented, focusing on three dimensions: process standardisation, knowledge synchronisation, and experience sharing, aiming to transform outstanding individual cases into collective team knowledge, ensuring that sales strategies are implemented in sync with business changes, ultimately driving the joint improvement of overall performance and service quality.

- Standardised Sales Process Review and Practice: Monthly updates of typical cases, organising scenario simulations and script practice for stores nationwide through morning and weekly meetings.

- Instant Training for New Products/Business: Establishing a rapid response training communication mechanism of "Headquarters-Region-Store" within 24 hours for business changes like immediate retail and new product launches, ensuring information and skills reach the frontline simultaneously.

- Sales Competitions and Experience Extraction: Organising quarterly sales skills competitions, inviting sales champions to conduct nationwide experience-sharing tours, converting excellent practices into reproducible training materials.

3. GATHERING TALENT AND CULTIVATING PEOPLE: A PEOPLE-ORIENTED APPROACH *(continued)*

Internal Knowledge and Skills Sharing Platform Development

To build a systematic and sustainable internal empowerment system, the Group actively promotes the development of a knowledge and skills sharing platform, focusing on transforming individual experience into organisational wisdom. By combining digital tools with normalised mechanisms, we aim to create an organisational atmosphere that encourages learning and collective growth.

- Expansion of "Gold Internal Trainer" Team: Actively selecting outstanding frontline employees and managers to become internal trainers, providing them with course development and presentation skills training to transform personal experience into organisational assets.

- "Micro-Course Competition and Case Library": Encouraging employees to record short video micro-courses on topics such as sales techniques, customer service, and store management, enriching the online learning resource library for all employees to access anytime, anywhere.

- Regular "Experience Sharing Sessions": Periodically organising thematic sharing sessions via online live streaming or offline salons for key personnel from various business lines to facilitate cross-regional and cross-departmental knowledge flow.





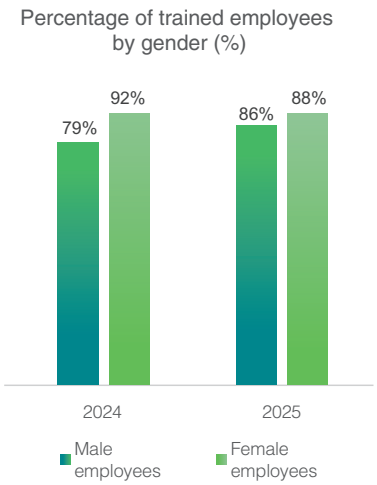
Employee Training Session

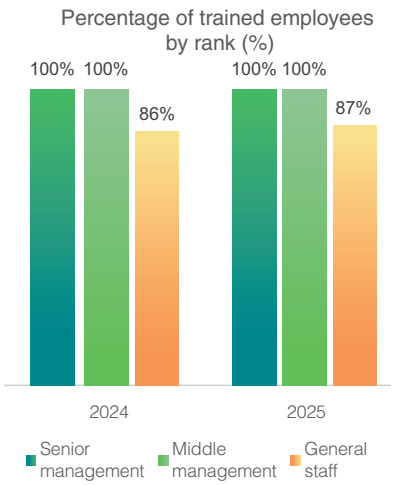
In 2025, the Group provided 40 training programs, with a total of 2,275 employees participating in training activities, accounting for 87% of all employees. The average training hours per employee was 44 hours.

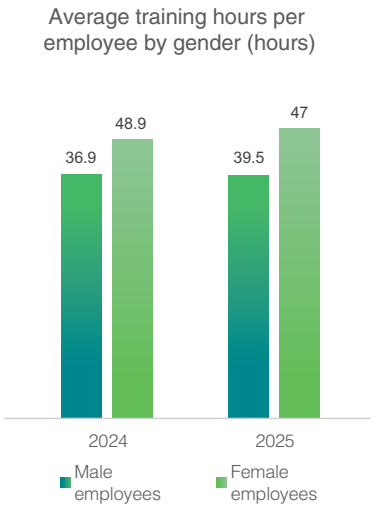


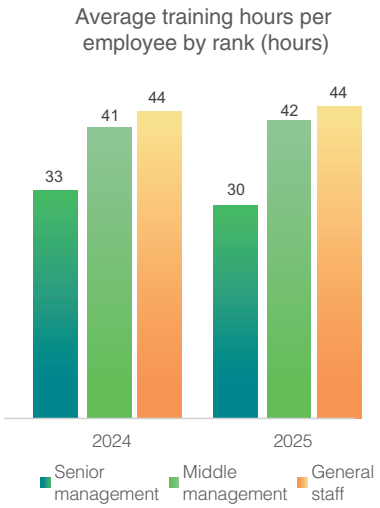
3. GATHERING TALENT AND CULTIVATING PEOPLE: A PEOPLE-ORIENTED APPROACH *(continued)*

KPIs: Employee Training









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3. GATHERING TALENT AND CULTIVATING PEOPLE: A PEOPLE-ORIENTED APPROACH *(continued)*

3.4 Focus on physical and mental health

The Group places great importance on employee health and safety, strictly complying with relevant occupational health and safety laws and regulations such as the Labour Law of the People's Republic of China, the Fire Control Law of the People's Republic of China, the Law of the People's Republic of China on the Prevention and Control of Occupational Diseases, and the Regulations on Work-related Injury Insurance. It formulates and implements effective employee health and safety management systems, dedicating itself to creating a safe and comfortable working environment for all employees, advocating for a healthy and balanced working style, and ensuring the physical and mental development of its workforce.

Health management

The Group has established a comprehensive work injury protection system, providing medical insurance and work injury accident insurance for all employees. It organises annual health check-ups for all staff and periodically invites experts in relevant fields to conduct occupational health knowledge lectures and training, helping employees promptly identify, pay attention to, and manage personal health issues. Additionally, the Group values employee mental health, assisting employees in relieving work stress and cultivating a positive and healthy mindset through regular activities like outdoor team-building and psychological salons.

The Group pays close attention to the potential impact of building materials in the workplace on employee health. In accordance with relevant laws and regulations such as the Provisions on Occupational Health Management in Workplaces, the Group has formulated and implemented the Store Decoration System of Beijing Digital Telecom Co., Ltd., which standardises the selection criteria for store decoration materials to ensure all materials comply with relevant national specifications and safety standards, effectively safeguarding employee health.

Furthermore, should an employee require hospitalisation for any reason, the Group will promptly send a representative to express sympathy and care.



3. GATHERING TALENT AND CULTIVATING PEOPLE: A PEOPLE-ORIENTED APPROACH *(continued)*

Safety protection

The Group continued to improve the regulations on the safety and management of working environment, such as the One Red Line, Trouble Shooting, Ordering and Elimination Responsibility System of Beijing Digital Telecom Co., Ltd. and Safety Production Archives Management System of Beijing Digital Telecom Co., Ltd., consistently enhancing the Digital Telecom work safety responsibility system, strengthening the standardisation of work safety practices. It also signs safety responsibility letters with employees, explicitly integrating work safety responsibilities into everyone's job scope. To help employees familiarise themselves with relevant internal systems, we provide detailed operational guidelines to ensure the effective implementation of safety protection measures.

The Group periodically collaborates with property management units to conduct safety hazard inspections, promptly identifying and eliminating safety risks in the work environment to prevent work-related injuries at the source. We also issue fire safety notices or travel safety reminders to all employees based on weather or seasonal changes, reminding them to strengthen safety precautions.

Considering the specific characteristics of different business operations and job types, we conduct targeted safety knowledge and skills training and simulation drills for employees to enhance their safety awareness. Simultaneously, the Group periodically organises fire safety training to educate employees on general fire safety knowledge and basic emergency rescue techniques, effectively enhancing their emergency response and handling capabilities.

In the event of a work-related injury, we ensured the injured receive timely treatment through quick and effective response mechanism.

The number and rate of work-related fatalities of employees occurred in the Company remained zero from 2022 to 2025. There were no work-related injury and lost days due to work injury in 2025.

3. GATHERING TALENT AND CULTIVATING PEOPLE: A PEOPLE-ORIENTED APPROACH *(continued)*

Work-life balance

The Group, which attaches great importance to the sense of happiness and belonging of its employees, is committed to creating a warm atmosphere in workplace for its employees through a variety of employee care activities.

In daily operations, we consistently implement employee care initiatives, effectively conveying the company's attention and care for each employee through a diverse benefits system and thoughtful organisational activities. We not only offer universal benefits such as holiday greetings and internal discounts, but also provide free dormitories for employees in need, striving to create a convenient and reassuring work and living environment. In 2025, the Group continued to organise various cultural activities, including holiday celebrations and employee sports days, aimed at enriching employees' spiritual lives, promoting emotional connections among colleagues, and further enhancing team cohesion and cooperation. These humanised care initiatives enable employees to share in the company's development achievements and feel the warmth of the corporate family while striving for their goals.



Employee Sports Day Event



Women's Day Activity



Team Building Activity

04

GREEN EMPOWERMENT, ECOLOGICAL CO-CONSTRUCTION



4. GREEN EMPOWERMENT, ECOLOGICAL CO-CONSTRUCTION

The Group actively responds to the national Dual-Carbon strategy, integrates concepts of energy conservation, emission reduction and low-carbon development into the entire process of its corporate operation, strictly fulfils its environmental responsibility, responds to the climate change by green operation and supports to construct a green home with practical actions.

4.1 Enhancing emission management

The Group strictly complies with the relevant national and local laws and regulations, including the Environmental Protection Law of the People's Republic of China, the Law of the People's Republic of China on Environmental Impact Assessment, the Law of the People's Republic of China on Prevention and Control of Pollution from Environmental Noise, and the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes. Efforts were stepped up on the management of pollutant discharge to reduce the negative impact of the Group's operation on the ecological environment. In 2025, there was no administrative penalty imposed on or litigation against the Group arising from environmental pollution.

The Group's greenhouse gas emissions are mainly generated from energy consumption in the course of daily operations, such as the combustion of petrol and consumption of purchased electricity. In order to reduce emissions, the Group carries out diverse energy conservation measures in office areas and outlets, including switching off lights in time, using energy-saving lamps, and optimising the use of air conditioners. Meanwhile, in response to the national Dual Carbon Goals, the Group has reduced the number of vehicles and phased out old vehicles with high energy consumption. Some outlets changed the delivery by drivers to delivery by logistics companies, which reduced the use of vehicles. The Group formulated the Vehicle Management System of Digital Telecom, which clearly stipulated the management on use of newly purchased vehicles, and further helped to reduce carbon emissions by optimising the vehicle utilisation efficiency, reducing non-essential travel and promoting low-carbon and environment-friendly vehicles. In addition, we also encourage employees to plan their travel plans in advance, give priority to green travel modes such as high-speed railway, and jointly promote the practice of green travel concepts.

4. GREEN EMPOWERMENT, ECOLOGICAL CO-CONSTRUCTION *(continued)*

Solid waste generated by the Group in its daily operations mainly includes household waste, waste paper, and used office consumables. To reduce waste at the source, we actively promote the concept of a green office, continuously advancing the application of paperless offices and OA electronic systems, effectively reducing paper consumption. Prominent reminder signs are placed near printers in office areas to remind employees to carefully check documents before printing to avoid waste due to printing errors, and double-sided printing is prioritised to further save paper. Furthermore, we strengthen online publicity and promotion efforts to reduce the use of printed leaflets, while actively promoting waste paper recycling and reuse to enhance paper utilisation efficiency.

For non-hazardous domestic waste and waste paper generated in daily operations, we uniformly entrust professional third-party recyclers for processing to ensure resource recycling. For potentially hazardous waste such as used toner cartridges and ink cartridges, they are disposed of by cooperating printer manufacturers using specialised, environmentally safe methods to prevent environmental pollution.

In terms of waste sorting management, the Group has established a strict internal assessment system, set up a dedicated task force for waste sorting, designated responsible persons and communicators for each unit, formulated detailed implementation plans, and promoted household waste sorting knowledge to all employees. In workplaces, we place separate collection containers based on waste type and arrange cleaning staff to be responsible for subsequent sorting, collection, and compliant disposal, ensuring the entire process meets environmental requirements.

We have also established a sound management mechanism for noise pollution that may arise during operations. During promotional activities, stores are encouraged to reduce the use of sound amplification equipment and switch to low-noise alternatives like electronic screens, ensuring noise emissions are compliant and minimising impact on neighboring businesses and residents.



Environmental Awareness Poster

4. GREEN EMPOWERMENT, ECOLOGICAL CO-CONSTRUCTION *(continued)*

Waste recycling

The Group's impact on the environment and natural resources is mainly from the consumption of electricity, water, and printing paper and packaging materials in office buildings and outlets. In addition to continuously strengthening the management of energy and resource, we actively promote the separate collection and standardised disposal of e-waste, takeout boxes, waste packages and drinking water bottles and other wastes in order to reduce their potential impact on the ecological environment.

We proactively expanded recycling business, launching trade-in services at offline outlets to recycle used electronic products, and deepening cooperation with professional third-party recyclers. Currently, our recycling service covers all provincial and municipal subsidiaries of Digital Telecom, which not only provides convenience for consumers, but also contributes to the improvement of the ecological environment and effectively boosts the development of the circular economy.

KPIs: Emissions[1]

Indicators	2025	2024
Non-hazardous waste (tonnes)[2]	50.07	51.53
Per capita non-hazardous waste generation (tonnes/person)	0.02	0.02
Hazardous waste (tonnes)[3]	0.24	0.23
Per capita hazardous waste generation (tonnes/person)	0.00009	0.00008
Waste toner cartridges	0.23	0.22
Waste fluorescent tubes	0.01	0.01

1. *The environmental data provided in this section covers the Group's headquarters, offices of the subsidiaries, the warehouse and outlets in some regions;*

2. *All non-hazardous wastes, mainly including waste paper, waste office stationery and food waste generated in the office area, are handed over to waste collection service providers for disposal; and*

3. *Hazardous wastes, mainly including waste toner cartridges, waste ink cartridges and waste fluorescent lamps, are handed over to qualified third-party recyclers for disposal.*



4. GREEN EMPOWERMENT, ECOLOGICAL CO-CONSTRUCTION *(continued)*

4.2 Optimising resource utilisation

In strict compliance with the relevant laws and regulations, including the Energy Conservation Law of the People's Republic of China, the Group actively promotes the concept of a green office and carries out a series of measures to save energy and reduce consumption, in a bid to continuously increase the efficiency of resource utilisation.

Electricity management

In order to conserve electricity and improve the efficiency of electricity use, the Group has formulated a series of management measures, giving priority to purchase and use of energy-efficient equipment, and strengthening energy-saving guidance for employees, promoting the rational use of resources, and continuously optimising the level of energy management. In the process of office decoration and equipment renewal, we fully adopt energy-saving lamps, and strengthen the supervision on employees' electricity consumption behavior in daily operations and require employees to diligently implement our energy conservation measures, such as turning off lights, air conditioners, computers and other equipment in time when leaving the office and reducing standby time of electronic equipment. Apart from that, in order to improve employees' energy saving awareness, signs of energy conservation and emission reduction have been posted in major office areas and the places where there is large electronic equipment, to guide and help employees to develop good energy conservation habits through visual prompts.



Electricity Saving and Energy Saving Poster

4. GREEN EMPOWERMENT, ECOLOGICAL CO-CONSTRUCTION *(continued)*

Water Management

To conserve water resources, the Group strengthens the daily maintenance and management of water-using equipment, regularly inspects faucets and other fixtures to prevent water waste due to leaks. Simultaneously, we strive to enhance employee water-saving awareness by posting water conservation reminders near water usage points, encouraging all staff to adopt a green lifestyle.

KPIs: Energy and Resource Usage

Indicators[1]	2025	2024
Total energy consumption (MWh)[2]	2,724.25	2,016.81
Energy consumption intensity (MWh/sq. m)	0.20	0.15
Energy consumption intensity (MWh/person)	1.04	0.74
Direct energy consumption (MWh)	964.87	951.92
Petrol (MWh)	893.50	885.14
Diesel (MWh)	71.37	66.78
Indirect energy consumption (MWh)	1,759.39	1,064.90
Electricity (MWh)	1,759.39	1,064.90
Water consumption (tonnes)[3]	4,593.11	6,060.75
Per capita water consumption (tonnes/person)	1.76	2.22
Use of paper for printing (tonnes)	8.26	7.52
Packaging materials (tonnes)[4]	15.15	28.16
Use of wrapping materials per 10,000 mobile handsets sold (tonnes/10,000 units)[5]	0.04	0.06

1. *The environmental data provided in this section covers the Group's headquarters, offices of the subsidiaries, the warehouse and outlets in some regions;*

2. *The energy consumption data are calculated according to the consumption amount of electricity and fuel and the relevant conversion factors in the General Principles for Calculation of Total Production Energy Consumption (GB/T 2589-2020)《綜合能耗計算通則(GB/T 2589–2020)》, the national standard of the People's Republic of China;*

3. *The water used by the Group is mainly municipal tap water and purchased bottled drinking water, and there is no issue in sourcing water that is fit for purpose;*

4. *Due to the nature of our business, the packaging materials mainly include paper bags, plastic bags and non-woven bags given away to consumers during the process of sales of mobile handsets, excluding the packaging materials used to wrap products provided by manufacturers. Data about packaging materials cover all subsidiaries; and*

5. *The consumption of packaging materials per 10,000 mobile handsets sold refers to the packaging materials consumed by the sales of 10,000 mobile handsets.*



4. GREEN EMPOWERMENT, ECOLOGICAL CO-CONSTRUCTION *(continued)*

4.3 Responses to climate change

Climate change is one of the most severe challenges facing the world today, exerting a profound impact on the operation and development of enterprises. As a responsible corporate citizen, Digital Telecom deeply recognises the importance of addressing climate change and actively takes actions to reduce greenhouse gas emissions, improve resource efficiency, while seizing the business opportunities brought by climate change to promote sustainable development of the enterprise.

Governance

The Group has established a comprehensive ESG governance structure. The Board of Directors is responsible for the overall oversight of the Group's management of climate-related risks and opportunities, with specific duties including: approving the Group's climate-related strategies and targets, ensuring their alignment with the overall business strategy; convening at least one ESG meeting annually to review progress on climate-related work and the achievement of targets; assessing the impact of climate-related risks and opportunities on the business, and guiding management in formulating corresponding response measures; supervising the setting and implementation progress of climate-related targets; and reviewing and approving the disclosure of climate-related topics in the annual ESG report. The Board has established a three-tier ESG responsibility working group to assist it in supervising and managing the Group's climate-related matters:

Tier A ESG working group: Responsible for the day-to-day management and execution of climate-related matters, with specific duties including: formulating and improving climate-related management systems and specific measures; identifying and assessing climate-related risks and opportunities, and reporting to the Board to ensure that climate-related risks and opportunities are taken into account in decision-making; and developing and driving the implementation of greenhouse gas emission reduction targets and action plans;

Tier B ESG working group: Responsible for collecting climate-related information and data, and supervising the Tier C working group in implementing climate-related measures.

Tier C ESG working group: Responsible for executing specific climate-related work, implementing energy-saving and emission-reduction measures, and providing feedback on implementation.

Members of the Board possess diverse professional backgrounds, including expertise in corporate management, finance, law, and industry, enabling them to effectively understand and oversee climate-related risks and opportunities. The Group regularly provides climate-related training for directors and management, covering topics such as the latest policies and regulations, industry best practices, and the impact of climate change on the enterprise, in order to enhance their professional knowledge and decision-making capabilities in climate-related fields.

4. GREEN EMPOWERMENT, ECOLOGICAL CO-CONSTRUCTION *(continued)*

Strategy

The Group continuously monitors the potential impact of climate-related risks on its business and financial performance, as well as the associated opportunities. We have conducted comprehensive work to identify, analyse, and evaluate climate-related risks and opportunities, covering the Group's core business operations and key segments along its upstream and downstream value chain.

The table below outlines the primary climate-related risks, opportunities, and corresponding response strategies we have identified. Under reasonably expected assumptions regarding the policy environment, economic conditions, natural factors, and technological landscape, and taking into account major uncertainties in areas such as the natural environment, policy, market, and technology, the Group has assessed the adaptability of its strategy and business model to both physical and transition climate risks over the short, medium, and long term. This assessment references the Shared Socioeconomic Pathways (SSP) scenarios from the Intergovernmental Panel on Climate Change Sixth Assessment Report (IPCC AR6) and the scenarios developed by the Network for Greening the Financial System (NGFS), which are aligned with international climate agreements.

Types of risk and descriptions			Risk exposure under different scenario assumptions						Response strategies	Current and anticipated financial impact
			High-emission scenario portfolio			Low-emission scenario portfolio				
			2030	2050	2060	2030	2050	2060		
Physical risks	Acute risks (short-term[2])	**Business operations** Extreme weather events such as heavy rain and flooding, extreme heat, typhoons, ice, snow and freezing rain, and sandstorms may result in the temporary closure of stores, damage to equipment, damage to goods in warehouses, or personal injury.	Low	Low	Low	Low	Low	Low	To effectively manage climate-related physical risks, the Group has fully integrated such considerations into its store site selection, design, and investment decision-making processes. Concurrently, it has established the Management System for Graded Control of Work Safety Risks, the Work Safety Education and Training System, and emergency response plans specifically addressing extreme weather conditions. The work safety committee issues timely warning notifications prior to the occurrence of extreme weather events such as typhoons and heavy rainfall, guiding stores to implement preventive measures. The Group also regularly organises emergency drills for hazardous weather conditions and flood prevention drills to enhance its practical response capabilities. Furthermore, by purchasing appropriate commercial insurance, the Group further mitigates and transfers potential risk losses.	In terms of current financial impact, in response to extreme weather events such as typhoons that may affect Zhuhai, the Company purchased flood prevention supplies in 2025, incurring related expenses of approximately RMB4,000, which are associated with the "Administrative Expenses" line item in the 2025 annual report. In terms of anticipated financial impact, over the next three years, the Company plans to invest approximately several hundred thousand yuan in a series of disaster prevention and mitigation measures, such as purchasing sandbags, carrying out renovation and maintenance of air conditioning equipment, and installing windproof and anti-shatter film, to enhance its defensive capabilities against extreme weather disasters.

2. *Taking into account the Company's core business plans and external reference information, we have set the time horizons for the impacts of climate-related risks as follows: within one year after the end of the Reporting Period (short term), between one and five years after the end of the Reporting Period (medium term), and more than five years after the end of the Reporting Period (long term).*



4. GREEN EMPOWERMENT, ECOLOGICAL CO-CONSTRUCTION (continued)

Types of risk and descriptions			Risk exposure under different scenario assumptions						Response strategies	Current and anticipated financial impact
			High-emission scenario portfolio			Low-emission scenario portfolio				
			2030	2050	2060	2030	2050	2060		
Transition risks	Policy and legal risks (short-term, medium-term, long-term)	**Upstream and downstream of the value chain** In accordance with relevant ESG regulatory requirements, the Company needs to refine its climate-related disclosures, enhance transparency, and further strengthen their ESG-related mechanisms. In addition, the Company may need to engage third-party organisations to carry out disclosures or data verification to ensure the accuracy of the data and the reliability of the reports.	Low	Low	Medium	Low	Low	Low	To enhance its level of sustainable development governance and proactively address climate change, the Company will voluntarily disclose its established climate risk and opportunity management strategies, environmental goals, and specific actions, while continuously strengthening communication and engagement with stakeholders.	In terms of current financial impact, in order to meet ESG regulatory compliance requirements, the Company engaged a third-party consultancy in 2025, with the associated expenditure totalling approximately RMB170,000, which is recognised under the "Administrative expenses" in the 2025 annual report. In terms of anticipated financial impact, if the Company's climate response actions and outcomes fail to meet the expectations of relevant stakeholders, the Company's compliance costs may increase, potentially leading to a decline in revenue.
Key climate-related risks and response strategies										

4. GREEN EMPOWERMENT, ECOLOGICAL CO-CONSTRUCTION *(continued)*

Types of opportunities and descriptions		Risk exposure under different scenario assumptions						Response strategies	Current and anticipated financial impact
		High-emission scenario portfolio			Low-emission scenario portfolio				
		2030	2050	2060	2030	2050	2060		
Products and services (short-term, medium-term, long-term)	Business operations With China's announcement of its goals to "achieve carbon peaking by 2030 and carbon neutrality by 2060", in alignment with the national "dual carbon" objectives, Digital Telecom can expand its revenue streams by investing in the photovoltaic business.	Low	Low	Medium	Medium	High	High	The Group fully leverages its core strengths, including the credit endorsement of a state-owned enterprise, a nationwide network presence, and the synergies within the Group's industrial chain. While steadfastly deepening its household photovoltaic agency business, it is actively expanding into upstream and downstream segments of the industrial chain as well as related derivative services.	In terms of current financial impact, in 2025, the Company's revenue from photovoltaic equipment sales amounted to RMB672.643 million. For details, please refer to the notes on "Revenue, other income and gains" in the financial statements of the 2025 annual report. In terms of expected financial impact, the continued development of the photovoltaic business in the future will help to sustainably increase the Company's revenue.
Key climate-related opportunities and response strategies									

The analysis results indicate that the Group's business model possesses a certain degree of climate resilience. During the Reporting Period, the aforementioned climate-related risks did not have a material impact on the Group's financial position, financial performance or cash flows, and are not expected to have a material impact on the carrying amounts of its assets and liabilities in the next reporting period. By actively expanding its new energy business, enhancing operational efficiency, and strengthening risk management, the Group is able to effectively address challenges under different climate scenarios while seizing related opportunities. Certain parts of the above content constitute forward-looking statements and do not constitute guarantees, forecasts, or predictions of future conditions. In this process, the Group has taken into account numerous uncertainties, including economic, regulatory, market, geopolitical, and climate-related factors. These uncertainties are subject to limitations in data sources and assessment methodologies, and may also be influenced by other unobserved uncertainties and subjective judgment. Going forward, the Group will continue to monitor relevant risks and opportunities, and will update the scenario analysis results should significant changes occur in its business model or scenario assumptions. Furthermore, given the aforementioned uncertainties, and after comprehensively considering the feasibility of individually identifying the expected financial impact, the viability of disclosing a consolidated financial impact by aggregating climate-related risks and opportunities with other climate-related risks and opportunities, as well as the Group's current capabilities and resources, the Group has decided to provisionally disclose the expected financial impact of sustainability-related risks and opportunities, including climate change, in a qualitative manner.



4. GREEN EMPOWERMENT, ECOLOGICAL CO-CONSTRUCTION *(continued)*

Risk management

The Group continuously monitors the potential impact of climate-related risks on its business and financial performance, as well as the associated opportunities. We have conducted comprehensive work to identify, analyse, and evaluate climate-related risks and opportunities, covering the Group's core business operations and key segments along its upstream and downstream value chain. For the identified climate-related risks and opportunities, we prioritise them by comprehensively considering their likelihood of occurrence and the extent of their impact on business and financial performance, and formulate targeted response measures.

For further details, please refer to the "Risk Management and Internal Control" and "Materiality Analysis" sections of this report.

Metrics and targets

Climate-related risk metrics: The primary climate-related physical risks faced by the Group are acute risks such as typhoons, heavy rainfall, and flooding. The Company's stores are widely distributed across 18 provinces and 4 municipalities directly under the central government, and this geographical diversification effectively mitigates the impact of climate events in any single region on overall operations. It is expected that the impact of climate-related physical risks on the Group's current and future business activities will represent a small proportion of total revenue.

Climate-related opportunity metrics: Climate change is driving the energy transition, presenting significant opportunities for the Group to expand its household photovoltaic business. Actively responding to the national "dual carbon" strategy, we are vigorously developing our new energy business, having launched household photovoltaic operations in eight provinces and cities including Shanxi, Hubei, and Jiangsu, thereby contributing to the clean energy transition. As of the end of the Reporting Period, the Group's revenue from photovoltaic equipment sales amounted to RMB672.643 million, accounting for 4.07% of the Group's total revenue in 2025.

Capital deployment: The Group's capital expenditures related to climate-related risks and opportunities primarily include the procurement of energy-efficient equipment, eco-friendly renovations of stores, and the expansion of the household photovoltaic business.

4. GREEN EMPOWERMENT, ECOLOGICAL CO-CONSTRUCTION *(continued)*

To thoroughly implement the concept of energy conservation and emission reduction, enhance resource efficiency, and support the achievement of energy-saving and carbon-reduction goals as well as continuous improvement of the ecological environment, we have established clear environmental targets and will continue to track and monitor the progress of these targets.

Energy conservation and emission reduction targets:	Achievement of targets:
• Office electronic equipment that meets the level-1 energy consumption requirements will be purchased; and • LED lamps will be used.	• All environmental targets had been met in 2025; and • The Group will make continuous efforts on energy and water conservation, emission reduction and waste reduction in 2026.
Water conservation targets:	
• Water-saving faucets will be used on water consumption equipment in the office area.	
Waste reduction targets:	
• Employees will be urged to classify all domestic wastes; • We will increase paper usage efficiency and reduce paper consumption year by year; and • Hazardous wastes will be placed in designated areas to achieve 100% recycling and disposal of plastic packages, printing consumables and other wastes.	

The Group actively responds to the national "Dual Carbon" goals and steadily advances climate-related target management. Currently, setting specific and quantifiable short-term emission reduction targets remains challenging. However, we have established a clear direction and are committed to strictly following China's "Dual Carbon" pathway to set and achieve climate-related goals. At this stage, the Group uses greenhouse gas emission intensity as the core tracking indicator, covering all operational areas of the Group. We plan to seek third-party verification of greenhouse gas data in the future and establish an annual target review mechanism supervised by ESG responsibility working groups at all levels. Progress will be continuously monitored based on indicators such as emission data and energy efficiency improvements, and targets will be adjusted in a timely manner according to national policies, technological advancements, or changes in business operations to ensure alignment with the national carbon neutrality strategy.



4. GREEN EMPOWERMENT, ECOLOGICAL CO-CONSTRUCTION *(continued)*

KPIs: Emissions[1]

Indicators	2025	2024
Total greenhouse gas emissions (Scope 1 and Scope 2) (tonne of CO_2 equivalent) [2]	1,197.85	840.67
Greenhouse gas emissions intensity (tonne of CO_2 equivalent/sq. m.)	0.09	0.06
Greenhouse gas emissions intensity (tonne of CO_2 equivalent/person)	0.46	0.31
Direct emissions (Scope 1) (tonne of CO_2 equivalent)	248.02	244.64
Petrol	228.68	226.54
Diesel	19.34	18.10
Indirect emissions (Scope 2) (tonne of CO_2 equivalent)	949.83	596.03
Purchased electricity	949.83	596.03
Indirect emissions (Scope 3) – Category 7: Employee commuting (tonne of CO_2 equivalent)	758.35	/

1. *The environmental data provided in this section covers the Group's headquarters, offices of the subsidiaries, the warehouse and outlets in some regions; and*

2. *The Group measures and discloses its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: Corporate Accounting and Reporting Standard (2004) (GHG Protocol). Greenhouse gas inventory covers carbon dioxide, methane and nitrous oxide, which are mainly derived from the use of purchased electricity, petrol and diesel. Greenhouse gas emissions are calculated in accordance with the 2023 Electricity Carbon Dioxide Emission Factors (《2023年电力二氧化碳排放因子》) published by Ministry of Ecology and Environment of China and 2019 Refinement to the 2006 IPCC Guidelines for National Greenhouse Gas Inventories (《2006年IPCC國家溫室氣體清單指南2019年修訂版》) published by the Intergovernmental Panel on Climate Change (IPCC) of the United Nations and are presented based on carbon dioxide equivalent.*

05

UPHOLDING INTEGRITY, FLOURISHING WITH RECTITUDE



5. UPHOLDING INTEGRITY, FLOURISHING WITH RECTITUDE

The Group has always taken integrity as one of the core elements of its stable operation, and sticks to its compliance bottom line and resolutely puts an end to any violation of professional ethics and business ethics, committing to build a honest, fair and transparent commercial environment.

Based on our actual operation situation, we have formulated relevant management system for preventive, control and punitive purposes, such as the Compliance Management System, the Integrity and Self-Discipline Management System, the Integrity System, the Anti-bribery Regulations, the Anti-Corruption Policy, the Procedures and Measures for Dealing with Fraud and Digital Telecom's System for Procurement Monitoring, in accordance with national and local laws and regulations, including the Anti-unfair Competition Law of the People's Republic of China and the Interim Provisions on Banning Commercial Bribery. We established a compliance governance structure of a compliance management working committee as monitor and an internal management centre as a leading department, and have a zero tolerance approach to all forms of bribery and corruption, and have defined all types of irregularities and established mechanisms for reporting, investigation, review, etc., specifying that embezzlement, commercial bribery and unauthorised disclosure of business secrets are prohibited, so as to promote the legal operation. The Group has clarified and adopted specific reward and punishment measures and other codes of conduct on integrity, and urged all employees to work with integrity to enhance all employees' professional ethics relating to integrity.

In order to prevent breach of commercial ethics such as corruption, bribery, extortion, fraud and money laundering, the Group has established a sound internal audit and risk control system, and has set up an internal audit team comprising employees from the financial, audit and legal departments. The internal audit team is responsible for the annual anti-corruption audit of each subsidiary to ensure their contract management and financial revenue and expenditure are in compliance with the internal control policies of the Group. If any irregularity is identified, the internal audit team will carry out an ad hoc inspection and record the investigation process and findings. It will also make recommendations on the optimisation of the internal control system and report to the senior management. The management is responsible for assessing the effectiveness of anti-corruption measures and the perfection of the internal control system, and making decisions for improvement. The financial department of the Group's headquarters regularly checks the cash outflow of subsidiaries and reviews and follows up doubtful transactions in a timely manner. For the relatively sensitive positions in the procurement department, we have implemented a differentiated job rotation system to prevent potential corruption in business operations. In addition, if necessary, we will introduce external third-party professionals to participate in compliance audit investigations to ensure that the investigation results are objective and fair. In 2025, the chairwoman of the Board, middle and senior management and employees of the Group signed the Compliance Commitment Letter to express a zero-tolerance attitude towards illegal activities.

In 2025, neither the Group nor its employees were involved in any material violations related to corruption, bribery, fraud, or money laundering, and there were no litigation cases concerning corruption.

5. UPHOLDING INTEGRITY, FLOURISHING WITH RECTITUDE *(continued)*

The Group has implemented a strict supplier cooperation process in order to build an honest and clean partnership. Prior to the establishment of new partnerships, the business department must perform a due diligence on the background of suppliers to ensure that their quoted price is in line with the prevailing market price. Unless being properly authorised, purchasers are not permitted to place any order through their personal account, nor are they permitted to request for any advance payments from a supplier. In addition, all procurement contracts entered into by the Group and its suppliers contain explicit terms of applicable laws and regulations on anti-bribery and anti-money laundering. The Group refined the terms of transparent and open procurement and commitment to integrity in the contracts, in which it defined the form of commercial bribery and classified a breach of terms as a breach of contract.

Publicity and training

The Group publicises integrity in morning meetings at the headquarters level and regularly reports at regular management meetings, in order to strengthen the construction of its integrity system and improve the professional ethics of employees. We provide training on laws and policies related to business ethics such as anti-corruption, anti-fraud and anti-money laundering semi-annually for all employees and the Directors. The training is about recent influential anti-corruption cases within the industry, interpretation of relevant anti-corruption laws and regulations, and the promotion of the Group's anti-corruption policies. The purpose is to constantly enhance the legal compliance awareness of employees and the Directors. In 2025, we provided training for directors and senior management on relevant legal updates, focusing on the revised Corporate Governance Code and related Listing Rules provisions, the further expansion of the paperless listing mechanism, and guidance on climate information disclosure under the Environmental, Social and Governance (ESG) framework, along with case studies and practical applications to ensure that the Company maintains an efficient and scientific board system, and supports senior management in maintaining a high level of legal compliance throughout the decision-making and implementation processes.

Whistleblowing and handling

The Group is committed to establishing a convenient and efficient communication platform to systematically collect information on potential internal control risks, enabling the timely identification and handling of violations related to corruption, fraud, and other illegal or non-compliant conduct. If employees identify any actual or suspected violations of Group policies or laws and regulations, they may report them through the channels and procedures stipulated in the whistleblowing policy. Currently, the Group's anonymous reporting channels include telephone, email, the official WeChat account, and the "anonymous reporting platform," among others, ensuring that employees, partners, and consumers can conveniently raise issues or provide suggestions while maintaining privacy and security. Upon receipt of a report, the Group will promptly establish a special investigation team responsible for conducting follow-up verification and will handle the relevant individuals strictly in accordance with laws and regulations. The above mechanisms provide all parties with open and effective feedback channels and have significantly improved the efficiency of report handling.



06

TOGETHER WE DREAM, TOGETHER WE FLOURISH



6. TOGETHER WE DREAM, TOGETHER WE FLOURISH

The Group actively fulfills its responsibilities as a corporate citizen, continuously engaging in charitable initiatives and striving to enhance social well-being while working with all stakeholders to build sustainable communities. In 2025, we actively responded to the expectations of the government, employees, and the public regarding the development of a better living environment. Through diverse forms of community engagement, we made tangible contributions to social value.

Volunteering to Help Neighbors, Warming the Community with Care

In 2025, Digital Telecom (Guangdong) participated in the "Volunteer Guangdong: Youth Take the Lead – Dadong Street 2025 Lei Feng Spirit Volunteer Service Fair." Together with various organisations in Dadong Subdistrict, the Company set up a service booth, providing diverse and convenient volunteer services to community residents. Leveraging its business advantages, the Company specially offered services such as free mobile phone screen protector application, telecommunications business consultation, and policy promotion on trade-in programs, effectively addressing residents' practical needs in daily communication and digital life. These initiatives brought convenience and tangible benefits directly to the residents, embodying the spirit of Lei Feng through concrete actions, demonstrating the Company's commitment to social responsibility, and contributing to a harmonious and friendly community atmosphere.



On-site at the Lei Feng Spirit Volunteer Service Fair

6. TOGETHER WE DREAM, TOGETHER WE FLOURISH *(continued)*

Supporting the College Entrance Exam, Providing Warmhearted Assistance

During the annual college entrance examination (Gaokao) period, the Group sets up care stations simultaneously at nearly 1,000 stores nationwide, launching a three-day special service campaign that integrates online and offline efforts. Complimentary supplies such as bottled water and handheld fans are provided to fully support test-takers and their accompanying families. At the same time, we offer exclusive discounts for exam participants – simply by presenting their admission ticket, students can enjoy purchase deductions on mobile devices. Through these concrete actions, we convey our care and heartfelt wishes to students during this important time.



Heartfelt Support for Gaokao

APPENDIX



APPENDIX

THE HONG KONG STOCK EXCHANGE'S CONTENT INDEX OF ESG REPORTING CODE

Mandatory Disclosure Requirements

Mandatory Disclosure Requirements		Relevant Section in the Report
Governance Structure	A statement from the Board containing the following elements: (1) a disclosure of the Board's oversight of ESG issues; (2) the Board's ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer's businesses); and (3) how the Board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses.	Board Statement
Reporting Principles	A description of, or an explanation on, the application of the following Reporting Principles in the preparation of the ESG report: **Materiality:** The ESG report should disclose: (i) the process to identify and the criteria for the selection of material ESG factors; (ii) if a stakeholder engagement is conducted, a description of significant stakeholders identified, and the process and results of the issuer's stakeholder engagement. **Quantitative:** Information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable) should be disclosed. **Consistency:** The issuer should disclose in the ESG report any changes to the methods or KPIs used, or any other relevant factors affecting a meaningful comparison.	About this Report
Reporting Boundary	A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change.	About this Report

APPENDIX (continued)

"Comply or explain" provisions

Area	Issue	Disclosure Requirements	Relevant Section in the Report
Environmental	A1 Emissions	General Disclosure: Information on: (1) the policies; and (2) 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 nonhazardous waste.	4.1 Strengthening Emission Management
		A1.1 The types of emissions and respective emissions data.	4.1 Strengthening Emission Management
		A1.3 Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	4.1 Strengthening Emission Management
		A1.4 Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	4.1 Strengthening Emission Management
		A1.5 Description of emission target(s) set and steps taken to achieve them.	4.1 Strengthening Emission Management 4.3 Responses to Climate Change
		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.	4.1 Strengthening Emission Management 4.3 Responses to Climate Change



APPENDIX (continued)

Area	Issue	Disclosure Requirements	Relevant Section in the Report
	A2 Use of Resources	General Disclosure: Policies on the efficient use of resources, including energy, water and other raw materials.	4.2 Optimising Resource Utilisation
		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).	4.2 Optimising Resource Utilisation
		A2.2 Water consumption in total and intensity (e.g. per unit of production volume, per facility).	4.2 Optimising Resource Utilisation
		A2.3 Description of energy use efficiency target(s) set and steps taken to achieve them.	4.2 Optimising Resource Utilisation 4.3 Responses to Climate Change
		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.	4.2 Optimising Resource Utilisation 4.3 Responses to Climate Change
		A2.5 Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	4.2 Optimising Resource Utilisation
	A3 The Environment and Natural Resources	General Disclosure: Policies on minimising the issuer's significant impacts on the environment and natural resources.	4.1 Strengthening Emission Management
		A3.1 Description of the significant impacts of business activities on the environment and natural resources and the actions taken to manage them.	4.1 Strengthening Emission Management

APPENDIX (continued)

Area	Issue	Disclosure Requirements	Relevant Section in the Report
Social	B1 Employment	General Disclosure: Information on:	3.1 Attaching Importance to Outstanding Talent Introduction
		(1) the policies; and	
		(2) 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.	3.2 Protection of Employees' Rights and Interests
		B1.1 Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	3.1 Attaching Importance to Outstanding Talent Introduction
		B1.2 Employee turnover rate by gender, age group and geographical region.	3.1 Attaching Importance to Outstanding Talent Introduction
	B2 Health and Safety	General Disclosure: Information on:	3.4 Focus on Physical and Mental Health
		(1) the policies; and	
		(2) 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.	
		B2.1 Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	3.4 Focus on Physical and Mental Health
		B2.2 Lost days due to work injury.	3.4 Focus on Physical and Mental Health
		B2.3 Description of occupational health and safety measures adopted, and how they are implemented and monitored.	3.4 Focus on Physical and Mental Health



APPENDIX (continued)

Area	Issue	Disclosure Requirements	Relevant Section in the Report
	B3 Development and Training	General Disclosure: Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	3.3 Upgrading the Training Model
		B3.1 The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	3.3 Upgrading the Training Model
		B3.2 The average training hours completed per employee by gender and employee category.	3.3 Upgrading the Training Model
	B4 Labour Standards	General Disclosure: Information on: (1) the policies; and (2) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	3.2 Protection of Employees' Rights and Interests
		B4.1 Description of measures to review employment practices to avoid child and forced labour.	3.2 Protection of Employees' Rights and Interests
		B4.2 Description of steps taken to eliminate such practices when discovered.	3.2 Protection of Employees' Rights and Interests

APPENDIX (continued)

Area	Issue	Disclosure Requirements	Relevant Section in the Report
	B5 Supply Chain Management	General Disclosure: Policies on managing environmental and social risks of the supply chain.	2.3 Responsible Procurement
		B5.1 Number of suppliers by geographical region.	2.3 Responsible Procurement
		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.	2.3 Responsible Procurement
		B5.3 Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	2.3 Responsible Procurement
		B5.4 Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	2.3 Responsible Procurement



APPENDIX (continued)

Area	Issue	Disclosure Requirements	Relevant Section in the Report
	B6 Product Responsibility	General Disclosure: Information on: (1) the policies; and (2) 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.	2.1 Strict Control over Goods Quality 2.2 Improving Service Experience 2.4 Advertising and Labelling Management 2.5 Information and Cyber Security
		B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons.	2.1 Strict Control over Goods Quality
		B6.2 Number of products and service related complaints received and how they are dealt with.	2.2 Improving Service Experience
		B6.3 Description of practices relating to observing and protecting intellectual property rights.	2.4 Advertising and Labelling Management
		B6.4 Description of quality assurance process and recall procedures.	2.1 Strict Control over Goods Quality
		B6.5 Description of consumer data protection and privacy policies, and how they are implemented and monitored.	2.5 Information and Cyber Security

APPENDIX (continued)

Area	Issue	Disclosure Requirements	Relevant Section in the Report
	B7 Anti-corruption	General Disclosure: Information on: (1) the policies; and (2) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	5. Adherence to Integrity in the Workplace
		B7.1 Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	5. Adherence to Integrity in the Workplace
		B7.2 Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	5. Adherence to Integrity in the Workplace
		B7.3 Description of anti-corruption training provided to Directors and staff.	5. Adherence to Integrity in the Workplace
	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.	6. Protecting the Beautiful Home
		B8.1 Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	6. Protecting the Beautiful Home
		B8.2 Resources contributed (e.g. money or time) to the focus area.	6. Protecting the Beautiful Home



APPENDIX (continued)

Climate-related Disclosures

Disclosure Requirements				Index
Governance	Governance	19.	An issuer shall disclose information about: 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. b. management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities.	Responses to Climate Change – Governance Climate-related considerations have not yet been incorporated into the remuneration policy.
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: 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; b. explain, for each climate-related risk the issuer has identified, whether the issuer considers the risk to be a climate-related physic al risk or climate-related transition risk; c. specify, for each climate-related risk and opportunity the issuer has identified, over which time horizons short, medium or long term the effects of each climate-related risk and opportunity could reasonably be expected to occur; and 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.	Responses to Climate Change – Strategy

APPENDIX (continued)

Disclosure Requirements			Index
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: a. a description of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain; and 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).	Responses to Climate Change – 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: 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; b. information about how the issuer is resourcing, and plans to resource, the activities disclosed in accordance with paragraph 22(a).	Responses to Climate Change – Governance The Group currently does not have a climate-related transition plan.
	23.	An issuer shall disclose information about the progress of plans disclosed in previous reporting periods in accordance with paragraph 22(a).	Responses to Climate Change – Strategy



APPENDIX (continued)

Disclosure Requirements		Index
Financial position, financial performance and cash flows	Current financial effect 24. An issuer shall disclose qualitative and quantitative information about: a. how climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period; and 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.	Responses to Climate Change – Strategy
	Anticipated financial effect 25. The issuer shall provide qualitative and quantitative disclosures about: 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; and b. how the issuer expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities.	Responses to Climate Change – Strategy

APPENDIX (continued)

Disclosure Requirements				Index
	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: a. the issuer's assessment of its climate resilience as at the reporting date; b. how and when the climate-related scenario analysis was carried out.	Responses to Climate Change – Strategy
Risk Management	Risk management	27.	An issuer shall disclose information about: a. the processes and related policies it uses to identify, assess, prioritise and monitor climate-related risks; b. the processes the issuer uses to identify, assess, prioritise and monitor climate-related opportunities (including information about whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related opportunities); and 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.	Responses to Climate Change – Risk management

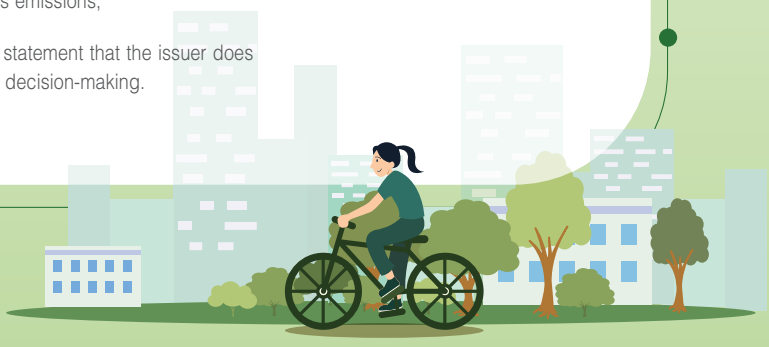


APPENDIX (continued)

Disclosure Requirements				Index
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_2 equivalent, classified as: a. Scope 1 greenhouse gas emissions; b. Scope 2 greenhouse gas emissions; and c. Scope 3 greenhouse gas emissions.	Responses to Climate Change – Metrics and targets
		29.	An issuer shall: 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; b. disclose the approach it uses to measure its greenhouse gas emissions; 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; and 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).	Responses to Climate Change – Metrics and targets

APPENDIX (continued)

Disclosure Requirements			Index
Climate-related transition risks	30.	An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related transition risks.	The Group has not provided an explanation of cross-sectoral indicators for climate-related transition risks in this report because relevant reasonable data was difficult to obtain as at the reporting date, and the cost or effort required to obtain such data would have exceeded what is necessary; therefore, the exemption for reasonable information under the ESG Reporting Code has been applied.
Climate-related physical risks	31.	An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related physical risks.	The Group has not provided quantitative information of cross-sectoral indicators for climate-related physical risks in this report because relevant reasonable data was difficult to obtain as at the reporting date, and the cost or effort required to obtain such data would have exceeded what is necessary; therefore, the exemption for reasonable information under the ESG Reporting Code has been applied.
Climate-related opportunities	32.	An issuer shall disclose the amount and percentage of assets or business activities aligned with climate-related opportunities.	Responses to Climate Change – Metrics and targets
Capital deployment	33.	An issuer shall disclose the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.	Responses to Climate Change – Metrics and targets
Internal carbon prices	34.	An issuer shall disclose: 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); and b. the price of each metric ton of greenhouse gas emissions the issuer uses to assess the costs of its greenhouse gas emissions; or an appropriate negative statement that the issuer does not apply a carbon price in decision-making.	The Group has not yet applied carbon pricing in its decision-making.



APPENDIX (continued)

Disclosure Requirements			Index
Remuneration	35.	An issuer shall disclose whether and how climate-related considerations are factored into remuneration policy, or an appropriate negative statement.	Climate-related considerations have not yet been incorporated into the remuneration policy.
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 characterise participation in an industry.	The Group currently has no industry-based metrics.
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: a. the metric used to set the target; b. the objective of the target (for example, mitigation, adaptation or conformance with science-based initiatives); 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); d. the period over which the target applies; e. the base period from which progress is measured; f. milestones or interim targets (if any); g. if the target is quantitative, whether the target is an absolute target or an intensity target; and h. how the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target.	Responses to Climate Change – Metrics and targets

APPENDIX (continued)

Disclosure Requirements			Index
	38.	An issuer shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target, including: a. whether the target and the methodology for setting the target have been validated by a third party; b. the issuer's processes for reviewing the target; c. The metrics used to monitor progress towards reaching the target; and d. any revisions to the target and an explanation for those revisions.	Responses to Climate Change – Metrics and targets
	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.	Responses to Climate Change – Metrics and targets
	40.	For each greenhouse gas emissions target disclosed in accordance with paragraphs 37 to 39, an issuer shall disclose: a. which greenhouse gases are covered by the target; b. whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target; 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; d. whether the target was derived using a sectoral decarburization approach; and e. the issuer's planned use of carbon credits to offset greenhouse gas emissions to achieve any net greenhouse gas emissions target.	Responses to Climate Change – Metrics and targets The Group has not adopted sectoral decarbonization approaches to derive its greenhouse gas emission targets, and currently does not plan to use carbon credits to offset greenhouse gas emissions for the purpose of achieving any net greenhouse gas emission targets.
Applicability of cross-industry metrics and industry-based metrics	41.	In preparing disclosures to meet the requirements in paragraphs 21 to 26 and 37 to 38, an issuer shall refer to and consider the applicability of (i) cross-industry metrics (see paragraphs 18 to 35) and (ii) industry-based metrics (see paragraph 36).	Responses to Climate Change – Strategy, metrics and targets





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