# Xin Point Holdings Limited
# 信邦控股有限公司

(Incorporated in the Cayman Islands with limited liability)
Stock Code : 1571



ENVIRONMENTAL, SOCIAL
AND GIVERNANCE REPORT

# 2025



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# Section I – About This Report

## 1.1 Introduction to the Group

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

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

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

## 1.2 Introduction to the Report

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

### *Reporting Period*

The ESG Report details the activities, challenges and measures taken by the Group in respect of environmental, social and governance for the year ended 31 December 2025 (the "**Reporting Period**").

# Section I – About This Report

### *Reporting Scope*

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

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

### *Reporting Framework and Principles*

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

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

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

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

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

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

### *Forward-Looking Statements*

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

### *Contact Us*

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

Address: Keen Point Industrial Park, Xikeng, Huihuan Town, Huicheng District, Huizhou, Guangdong Province
Telephone: 0086-752-2652600
Fax: 0086-752-2652333
Email: ESG@xinpoint.com
Company website: www.xinpoint.com

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

### *Board Approval*

The Report was approved by the Board on 26 March 2026.

# Section II - Sustainable Development Approach

## 2.1 The Group's Strategies

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

| Name of Subsidiaries | Certificates Obtained |
|---|---|
| Huizhou Xin Point Surface Decoration Co., Ltd. | ISO 14001 Certificate, IATF 16949 Certificate |
| Huizhou Keen Point Precision Plastic Co., Ltd. | ISO 14001 Certificate, ISO 27001 Certificate, ISO 45001 Certificate, IATF 16949 Certificate |
| Huizhou Keen Point Surface Decoration Co., Ltd. | ISO 14001 Certificate, IATF 16949 Certificate |
| Huizhou Xin Point Precision Components Co., Ltd. | IATF 16949 Certificate |
| Wuxi Keen Point Automotive Precision Mould Co., Ltd. | ISO 9001 Certificate, IATF 16949 Certificate |
| Changzhou Xinsheng Automobile Components Co., Ltd. | ISO 14001 Certificate, ISO 9001 Certificate, IATF 16949 Certificate |
| Xin Point Mexico Co., Ltd. | ISO 14001 Certificate |

**Achievements and Highlights (including but not limited to)**












## Section II - Sustainable Development Approach

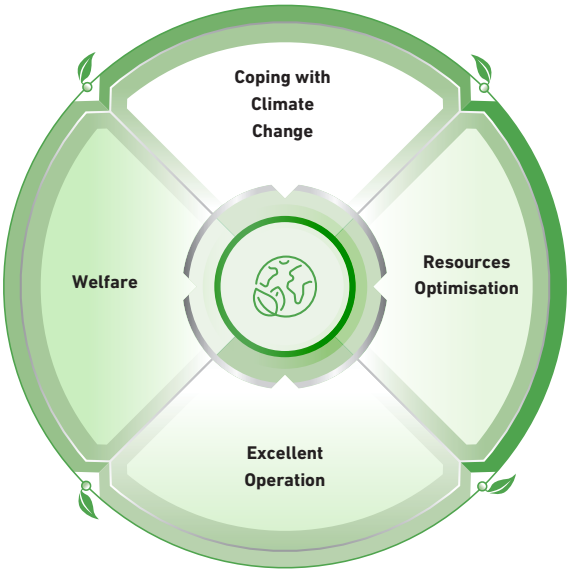
The Group believes that through a good sustainable development governance structure, target setting and implementation of relevant measures, the Group will continue to raise the ESG awareness of its employees, promote behavioural change and gradually integrate the concept of sustainable development into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

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

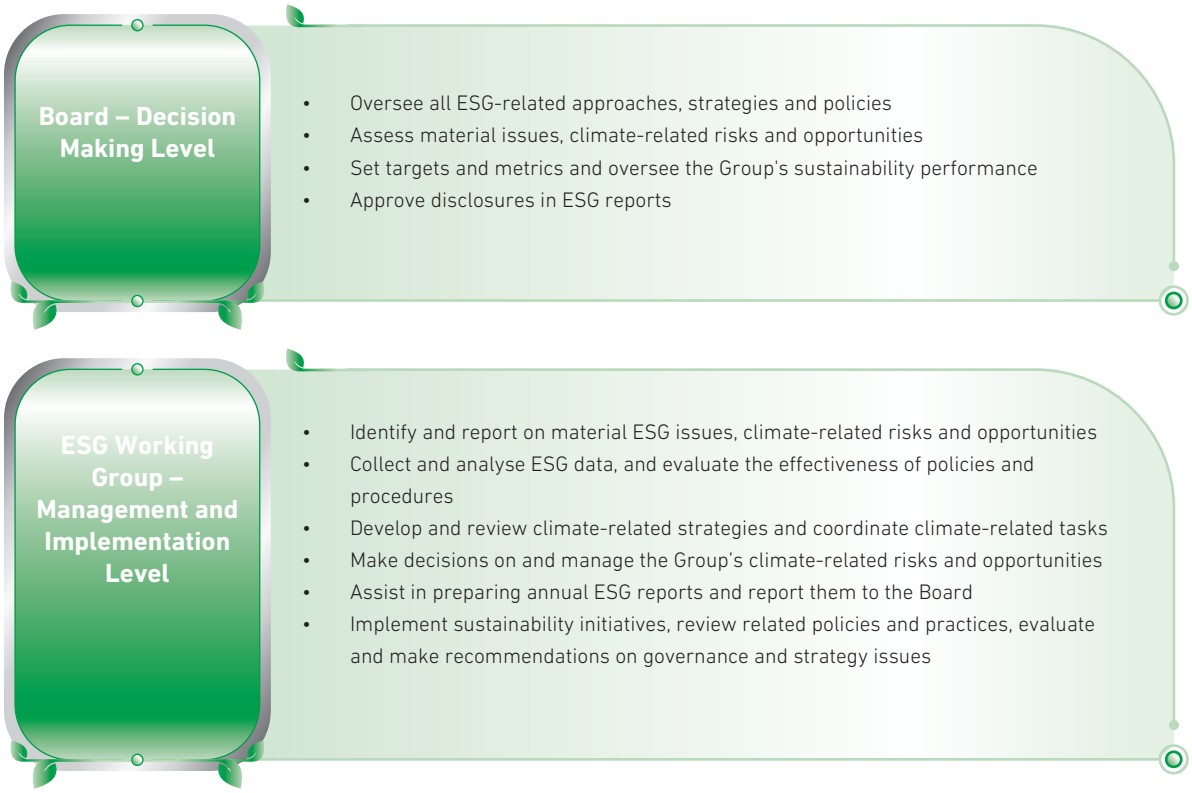
**Resources Optimisation:** optimising the use and management of natural resources

**Excellent Operation:** promoting best practices in all types of business transactions

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



## 2.2 Board and Governance Structure




### *Board Statement*

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

# Section II - Sustainable Development Approach

### *Board*

The Board has overall responsibility and reviews the Group's progress towards its sustainable development goals, and also assesses key themes such as climate-related risks and opportunities, customer experience and employee sentiment, ensuring that ESG factors (including climate-related risks) are fully integrated into key decisions such as major investments, mergers and acquisitions, and financing, as well as the Company's overall risk management framework. The Board is regularly updated with specific information on ESG matters, including energy policy, stakeholder rights and employee well-being. Board members receive ESG-related training as part of their induction and ongoing development and seek further opportunities to build their skills and experience in this area.

### *ESG Working Group*

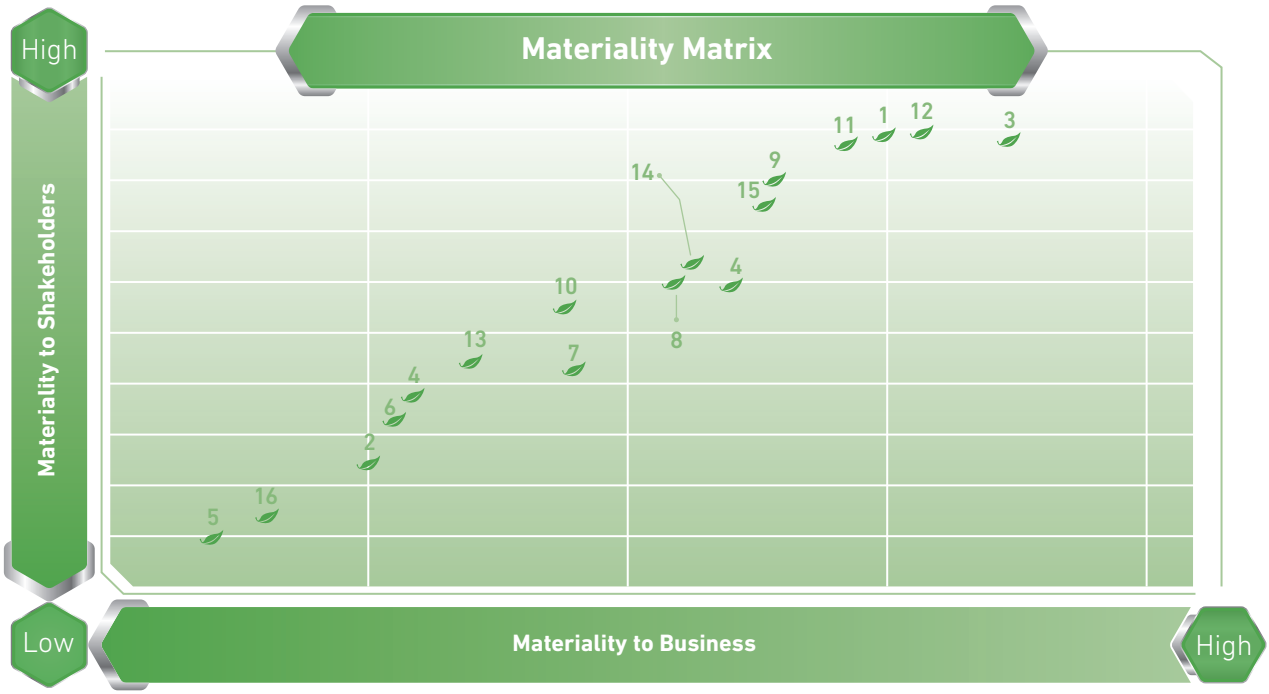
During the Reporting Period, the Group further improved its sustainable development governance structure by establishing an ESG Working Group (the "Working Group") under the Board, chaired by the Group's chief financial officer, with the heads of the Group's ESG departments as key members, with a view to better integrating sustainable development considerations into the Company's decision-making process. The Working Group meets annually to report to the Board, assists in identifying the Group's ESG and climate-related risks and opportunities, establishes mechanisms for risk identification, assessment, monitoring, and response, and evaluates the effectiveness of the Group's internal control mechanisms. The Working Group also reviews and evaluates the Group's performance in various areas, including the environment, health and safety, labour standards, and product liability. It regularly collects and analyses ESG data, and monitors progress toward goals. The Working Group reports to the Board at least once a year and makes recommendations as necessary. The Board will discuss important ESG issues as well as the Group's management strategy and approach with a view to continuously improving the Group's sustainable development performance.

## 2.3 Stakeholder Engagement

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

| | |
|---|---|
| Shareholders/investors | • Annual general meetings and other general meetings<br>• Annual and interim reports<br>• Circulars, announcements and press releases<br>• The Group's "Investor Relations" webpage |
| Employees | • Internal network<br>• Employee training<br>• Employee interviews<br>• Employee satisfaction surveys<br>• Social media |
| Suppliers | • Qualification reviews<br>• On-site inspections<br>• Interviews |
| Customers | • Telephone communication<br>• Customer service hotline<br>• Product tracking system |
| Governmental institutions | • Interviews<br>• Emails and circulars<br>• Payment of tax in full on time |
| Media and the public | • Press releases<br>• Press conferences<br>• The Group's "News Centre" webpage |
| Communities | • The Group's website<br>• Media interviews<br>• Social media platform<br>• Community benefit projects |

## 2.4 Materiality Assessment




### Coping with Climate Change

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

### Resources Optimisation

- 4. Management of the usage of energy

### Excellent Operation

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

### Welfare

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

# Section III - Coping With Climate Change

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

## 3.1 Climate-related Disclosures

### *Governance*

When determining the Group's strategic direction, the Board takes into account a wide range of climate-related risks and opportunities and ensures that these factors are fully integrated into its oversight of strategies, major transactions, and policies. The Group fully integrates ESG considerations and stakeholder expectations into its decision-making processes by regularly assessing whether proposed transactions, control, and mitigation measures align with the Group's climate commitments. The Board balances short-term financial impacts with long-term operational resilience to make informed and forward-looking decisions that support sustainable performance.

The Board further oversees the development of climate-related goals and ensures that they are based on reliable data, aligned with strategic priorities, and supported by clear implementation plans. The Board regularly reviews progress toward relevant goals and raises inquiries when gaps or delays arise. Although climate-related performance metrics have not yet been incorporated into our remuneration policy, the Group remains firmly committed to achieving its climate goals.

Internal control and review mechanisms have been integrated into the operations of each business unit, including regular climate-related risk assessments and cross-functional reviews of regulatory and market trends.

All Directors and senior management on the ESG Working Group have completed sustainability training. The Board is kept informed of the latest developments in ESG matters, including energy policies, regulatory updates, and evolving market best practices. ESG training has also been incorporated into the ongoing development plans for Directors and senior management.

# Section III - Coping With Climate Change

## *Strategy*

Responsibility is at the heart of everything we do, guiding how we manage our business, operate our facilities, and support our employees and the community. This philosophy shapes our corporate culture and defines our long-term goals.

We believe that sustainable growth can only be achieved by upholding high ethical standards, protecting the environment, and investing in the well-being of our employees. By placing responsibility at the heart of our business strategy, we are committed to creating lasting value and making a positive contribution to our stakeholders and the industry.

We have established a clear timeline to effectively drive strategy implementation and track progress throughout the process. Each phase is a carefully planned phase of action, allowing us to build momentum in a systematic and measurable way. By defining goals for each phase, we ensure that our efforts remain focused, coordinated, and aligned with our overall vision.

**Short term (1–5 years**): Our immediate priorities focus on improving operational efficiency, ensuring full compliance, and establishing a data and governance foundation to support our ESG strategy.

**Medium term (6–10 years**): During the medium-term phrase, we will make substantial progress toward our ESG goals and integrate sustainable development practices into all aspects of our operations. These goals are designed to deliver measurable improvements on key issues and align with the Company's strategic planning.

**Long term (10+ years)**: Our long-term vision focuses on transformative outcomes that contribute to broader social and environmental goals, including climate action and the transition to a circular economy. These aspirations enable us to take a leading role in shaping a sustainable future.

### *Managing Climate-related Risks and Opportunities*

Climate change presents both risks and opportunities. We take a balanced approach that considers both potential positive and negative impacts, striving to maximise value while minimising any adverse effects on our business.

***Physical Risks, Transition Risks, and Opportunities***

We classify climate-related impacts into three categories: physical risks, transition risks, and opportunities. These impacts have a reasonable likelihood of affecting our cash flows, access to financing, or cost of capital.

**Physical risks:** These include acute events such as extreme heat, heavy rainfall, storms, and other natural disasters, which may disrupt our supply chains and infrastructure. They also include long-term changes such as sea-level rise and shifts in climate patterns, which may affect the long-term sustainability of our business operations.

**Transition risks:** These stem from the global shift toward a low-carbon economy, which involves stricter regulatory requirements in areas such as environmental protection, carbon emissions, and waste generation. Advances in technology, along with the market's shifting preference for green enterprises, may require us to adjust our business models and operating methods. Such changes may increase the risk of non-compliance, which in turn could give rise to legal, technological, market, and reputational risks.

**Opportunities:** The transition to low-carbon business models can present opportunities for us. As consumers' ESG awareness continues to grow, market preferences are increasingly shifting toward companies that operate responsibly, gradually reshaping the market landscape. Measures to improve energy efficiency and reduce waste not only lower operating costs in the short term but also help optimise and streamline operational processes in the medium term. Emerging low-carbon markets are expected to mature over the next three to ten years, creating new opportunities for growth and innovation. By proactively disclosing our ESG performance and taking concrete actions, we can enhance our corporate reputation and attract new capital and customers.

*Impacts on the Business Model and Value Chain*

The Group has identified the following risks and opportunities that affect its business model and value chain:

| Risk Type | Description | Impact on the Business Model | Impact on the Value Chain |
|---|---|---|---|
| **Physical risk** | | | |
| **Acute risk** | Increasing severity of extreme weather<br>• Extreme heat<br>• Rain/flooding<br>• Tropical cyclone | • Damage property and assets in areas affected by extreme weather<br>• Increased demand for air conditioning and energy<br>• Affect employee health and safety<br>• Interrupt the supply of utilities<br>• Increase maintenance costs and premiums<br>• Reduce short-term revenue<br>• Affect asset value | • Disrupt the supply chain<br>• Reduce the supply of insurance for assets in high-risk areas<br>• Cause a decline in sales/ production due to business disruptions<br>• Interrupt cloud services<br>• Affect the cost and supply stability of utilities |
| **Chronic risk** | Variability in climate and precipitation patterns<br>• Climate pattern shift | | |

## Section III - Coping With Climate Change

| Risk Type | Description | Impact on the Business Model | Impact on the Value Chain |
|---|---|---|---|
| **Transition risk** | | | |
| **Regulatory risk** | • Increase the carbon price<br>• Mandatory disclosure obligations<br>• Regulation of existing products and services<br>• Face the risk of litigation | • Increase regulatory requirements for carbon pricing<br>• Terminate existing assets due to policy changes<br>• Changes in energy efficiency standards<br>• Increase the costs of adopting new processes to comply with regulations | • Bring about structural changes in compliance across the entire value chain<br>• Increase the risk of non-compliance by suppliers or partners<br>• Reduce the demand for high-emission products and services<br>• Reduce profit margins due to upstream compliance costs |
| **Market risk** | • Changes in consumer behaviour<br>• Unpredictable market demand<br>• Changes in the competitive landscape | • Changes in input costs (such as legal and compliance expenses)<br>• Increase output requirements (such as requirements for waste treatment and emission control) | • As procurement shifts toward more environmentally friendly alternatives, existing upstream and downstream partnerships are being disrupted |
| **Reputational risk** | • Criticism of the industry<br>• Negative feedback from stakeholders | • Increase the difficulty of retaining talent and workforce planning<br>• Reduce the ability to attract capital | • Reduce the demand for goods and services across the entire value chain |

| Opportunity Type | Description | Impact on the Business Model | Impact on the Value Chain |
|---|---|---|---|
| **Improved efficiency** | • More efficient and diverse service offerings<br>• Cost savings from resource optimisation<br>• Improvements in energy and water efficiency<br>• Adopt new technologies | • Improve efficiency through flexible work arrangements during extreme weather<br>• Increase profit margins<br>• Contribute to employee health, satisfaction, and productivity<br>• Reduce the impact of rising fossil fuel prices | • Improve production capacity and resource utilisation across the entire value chain<br>• Reduce operating costs due to improvements in the upstream sector<br>• Increase the supply of capital |
| **Market opportunity** | • Reach new markets<br>• Opportunities in geographic expansion | • Expand revenue streams from new markets<br>• Achieve geographic diversity | • Drive the maturation of the entire value chain by expanding the range of products and services |
| **Opportunity in consumer preferences** | • Changes in consumer behaviour and expectations | • Explore new revenue streams<br>• Increase the market share of green enterprises | • Stimulate sustainable innovation across the entire value chain due to downstream demand |

*Climate Resilience*

To assess the potential impacts of climate change on our operations, supply chain, and business model, we conducted a climate scenario analysis in fiscal year 2025. After reviewing the scenarios developed by the Intergovernmental Panel on Climate Change (IPCC) and the Network for Greening the Financial System (NGFS), we have selected two widely recognised climate pathways.

This analysis assesses physical risks, transition risks, and opportunities from short-term, medium-term, and long-term perspectives. The results of this analysis help us understand how these risks and opportunities affect our strategies, resource allocation, and overall adaptability under different climate scenarios. Although we have given this matter thorough consideration, we recognise that there are significant uncertainties involved, including future policy directions, technology adoption rates, and the severity of climate impacts.

## Section III - Coping With Climate Change

**Scenario selection**: The two climate pathways we have selected are widely adopted and are based on scenarios proposed by IPCC. These pathways will help us assess our exposure to risks and opportunities and support our future strategic planning.

| Scenario[1] | Main Assumption |
|---|---|
| **Scenario of less than 2 degrees Celsius**<br><br>**The temperature increase is less than 2 degrees Celsius (compared to pre-industrial levels) before 2100** | • Policy target of no more than 2 degrees Celsius<br>• Real-time policy response<br>• Rapid technological change<br>• Rapid decarbonisation of the power grid<br>• Rising customer expectations<br>• The local area faces a low risk of disasters |
| **Scenario of more than 4 degrees Celsius**<br><br>**The temperature increase is more than 4 degrees Celsius (compared to pre-industrial levels) before 2100** | • Policy target of no less than 4 degrees Celsius<br>• Delayed policy response<br>• Slow technological change<br>• Gradual decarbonisation of the power grid<br>• Slight shift in customer expectations<br>• The local area faces a high risk of disasters |

Note:

1. Sources of the two scenarios: They are from the Shared Socioeconomic Pathways (SSPs) in the IPCC Sixth Assessment Report, specifically SSP1-2.6 and SSP5-8.5. SSP1-2.6 represents a relatively low-emission scenario, while SSP5-8.5 represents a high-emission scenario.

**Scope and time horizon:** The analysis covers all of our major operating locations in Hong Kong and Chinese mainland. We assess the relevant impacts across short-term (1–5 years), medium-term (6–10 years), and long-term (10+ years) perspectives, which are consistent with the time perspectives outlined in the strategy section.

**Methodology:** For each scenario, we assess the potential operational and financial impacts of the identified climate-related risks and opportunities. Although a comprehensive quantitative model analysis is still underway, we will continue to enhance our data systems and analytical capabilities to support more detailed and quantitative scenario assessments in the future.

Evaluation results: The results of our climate scenario analysis are as follows:

| Risk Type | Correlation or Hypothesis | Risk Level in the Scenario of less than 2 Degrees Celsius | | | Risk Level in the Scenario of more than 4 Degrees Celsius | | |
|---|---|---|---|---|---|---|---|
| **Physical acute risk** | | Short term | Medium term | Long term | Short term | Medium term | Long term |
| *Extreme heat* | Affect health and productivity | Low | Low | Low | Low | Low | Low |
| *Rain/flooding* | Damage facilities | Low | Low | Low | Low | Low | Low |
| *Tropical cyclone* | Damage facilities | Low | Low | Low | Low | Low | Low |
| **Physical chronic risk** | | | | | | | |
| *Climate pattern shift* | Increase the risk to business continuity | Low | Low | Low | Low | Low | Low |
| **Transition risk** | | | | | | | |
| *Regulatory risk* | Increase compliance costs | Low | Low | Low | Medium | Medium | Medium |
| *Market risk* | Change market demand | Low | Low | Low | Medium | Medium | Medium |
| *Reputational risk* | Affect corporate image and business | Low | Low | Low | Low | Low | Low |
| **Opportunity type** | | | | | | | |
| *Improved efficiency* | Reduce costs and increase profit margins | Low | Low | Low | Low | Low | Low |
| *Market opportunity* | Reach new markets | Low | Low | Low | Low | Low | Low |
| *Opportunity in consumer preferences* | Explore new opportunities | Low | Low | Low | Low | Low | Low |

Our climate-related risks and opportunities are primarily concentrated in Hong Kong and certain major cities in the Chinese mainland, which are the locations of our core operations. Nevertheless, these cities are characterised by well-developed infrastructure, robust emergency preparedness, and a sound public healthcare system. These conditions help reduce our exposure to acute physical risks and ensure the continuity of our business operations.

## Section III - Coping With Climate Change

*Our Adaptation and Mitigation Plan*

Based on the results of our scenario analysis, we have developed the following adaptation and mitigation measures to address physical risks and transition risks, and to capitalise on related opportunities:

| | Adaptation and Mitigation Measures |
|---|---|
| Physical acute risk | To effectively address acute risks, we have developed a comprehensive contingency plan that includes employee training to enhance our overall resilience.<br>• Implement localised mitigation measures and conduct regular drills to address the growing risks posed by extreme weather;<br>• In case of extreme weather, activate the contingency plan and implement flexible work arrangements;<br>• When necessary, advise employees to take preventive measures;<br>• Optimise the ventilation and cooling systems in the facilities to improve the working environment;<br>• Deploy servers, air conditioners, and other critical equipment in locations that meet flood and wind resistance standards;<br>• Study the use of energy-efficient equipment and alternative energy sources to reduce reliance on traditional energy supplies. |
| Physical chronic risk | We have incorporated considerations for addressing chronic risks into our long-term planning:<br>• When selecting an office location, consider the disaster risks in that location;<br>• Install water-saving equipment and retrofit existing equipment to improve water efficiency;<br>• Assess the supply capacity of alternative water sources during water shortages. |
| Transition risk | We are strengthening climate governance and accelerating the transition to low-carbon technologies and business models to address transition risks.<br>• Monitor market trends and changes in legal requirements to ensure we consistently meet the needs of our customers and regulatory institutions;<br>• Maintain transparency by publishing high-quality climate-related disclosures;<br>• Work with suppliers to promote the adoption of low-carbon processes and technologies;<br>• Take climate-related risks into account in products, services, and the value chain to ensure effective monitoring of market risks. |
| Opportunity | We leverage industry insights to identify and capitalise on emerging climate-related opportunities:<br>• Develop low-carbon service solutions;<br>• Invest in energy-efficient and low-emission technologies to reduce costs;<br>• Explore the possibility of investing in green bonds to support investments that have a positive impact on the climate. |

*Current and Anticipated Financial Impacts*

The Group did not recognise any impairment losses on assets impaired due to acute risks during the 2025 fiscal year. We are currently conducting an assessment and will develop a budget next year for investments in energy-efficient equipment or emergency preparedness. At present, internal carbon pricing is not factored into our scenario analysis or decision-making process.

## *Risk Management*

*Risk Management Framework*

The Group has established a comprehensive risk management framework. The identification, assessment, prioritisation, and management of climate-related risks and opportunities have been fully integrated into the Group's overall risk management process. Relevant policies and procedures are reviewed annually and updated as needed.

We assess climate-related risks and opportunities within the Group through a coordinated and multi-tiered process. Strategic direction is set by senior management, with the Board overseeing and regularly reviewing the most significant climate-related matters. At the same time, the operations team assesses its own risk exposure annually and provides detailed insights from the front line. When potential risks are identified, the relevant departments will design and implement mitigation measures, and conduct ongoing reviews to ensure that the controls remain robust and effective over time.

All identified climate-related risks and opportunities will influence our strategic direction, operational priorities, and internal policies. We assess each project based on their potential impacts and likelihood of occurrence and establish a clear framework to support informed decision-making. These assessments also provide the basis for the aforementioned scenario analysis. Risks with higher impact and likelihood scores will be prioritised and addressed before those with lower scores, ensuring that our resources are focused on the most critical areas.

## *Indicators and Goals*

*Environmental Goals*

Through a long-term transition plan, we will chart a clear direction for an operational transition toward a low-carbon and climate-resilient business. We are developing long-term climate-related goals based on the short-term, medium-term, and long-term milestones. All metrics are measured using 2025 as the baseline year to ensure consistency in comparisons over time. These goals are aligned with Hong Kong's long-term decarbonisation pathway and carbon neutrality goals, ensuring that our efforts make a substantial contribution to Hong Kong's broader climate vision.

To implement this plan, we will focus on decarbonising our operations by improving energy efficiency, practicing responsible resource management, and adopting low-carbon technologies. We will also enhance our climate resilience by strengthening risk management and collaborating with partners across the value chain. Our transition plan relies on the joint efforts of our employees and the broader community, and it also depends on the pace of State Grid's decarbonisation efforts.

# Section III - Coping With Climate Change

The Group sets goals based on our internal strategic planning and does not adopt the decarbonisation methodology of the Science Based Targets initiative. We are not currently considering the use of carbon credits to achieve any net goals. Our phased goals in different time horizons are as follows:

| Goal | |
|---|---|
| Energy intensity | • Short term (2025–2030): decrease by 3–5% compared with 2025<br>• Medium term (2031–2040): decrease by 6–10% compared with 2025<br>• Long term (2041–2050): decrease by 16–40% compared with 2025 |
| Non-hazardous waste generation intensity | • Short term (2025–2030): decrease by 3–5% compared with 2025<br>• Medium term (2031–2040): decrease by 6–10% compared with 2025<br>• Long term (2041–2050): decrease by 16–40% compared with 2025 |
| GHG emissions intensity (Scopes 1, 2, and 3) | • Short term (2025–2030): decrease by 3–5% compared with 2025<br>• Medium term (2031–2040): decrease by 6–10% compared with 2025<br>• Long term (2041–2050): decrease by 16–40% compared with 2025 |

The Group is committed to gradually enhancing its climate-related reporting capabilities and intends to provide more detailed disclosures once its internal monitoring systems have matured and more reliable data becomes available.

## 3.2 GHG Emissions

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

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

| GHG Emissions [2] | Unit | 2025 | 2024 |
|---|---|---|---|
| **Direct GHG Emissions (Scope 1)** | Tonnes of $CO_2$ equivalent | **4,701** | 3,211 |
| 1.1 Stationary Combustion | Tonnes of $CO_2$ equivalent | 888 | 832 |
| 1.2 Mobile Combustion | | 362 | 442 |
| 1.3 Fugitive Emissions | | 474 | 19 |
| 1.4 Process Emissions | | 2,976 | 1,918 |
| **Indirect GHG Emissions (Scope 2)** | Tonnes of $CO_2$ equivalent | **67,232** | 76,741 |
| 2.1 Purchased Electricity | Tonnes of $CO_2$ equivalent | 66,016 | 75,122 |
| 2.2 Purchased Steam | | 1,215 | 1,618 |
| **Other Indirect GHG Emissions (Scope 3)** | Tonnes of $CO_2$ equivalent | **126,584** | 98,764 |
| 3.1 Purchased Goods and Services | Tonnes of $CO_2$ equivalent | 95,580 | 83,213 |
| 3.3 Fuel and Energy-Related Activities | | 23,357 | No statistics |
| 3.4 Upstream Transportation and Distribution | | 3,016 | 1,110 |
| 3.5 Waste Generated in Operations | | 191 | 910 |
| 3.6 Business Travel | | 727 | 635 |
| 3.7 Employee Commuting | | 792 | 762 |
| 3.9 Downstream Transportation and Distribution | | 2,921 | 12,135 |
| **Total GHG Emissions (Scopes 1 & 2 & 3)** | Tonnes of $CO_2$ equivalent | **198,516** | 178,715 |
| **GHG Emissions Intensity [3]** | Tonnes of $CO_2$ equivalent/ Revenue (RMB'million) | 62.97 | 55.72 |

Note:

2. GHG emissions data are presented on a carbon dioxide equivalent basis with reference to, but not limited to, the *Greenhouse Gas Inventory Protocol: A Corporate Accounting and Reporting Standard* issued by the World Resources Institute and the World Business Council for Sustainable Development, *Appendix 2: Reporting Guidance on Environmental Key Performance Indicators of How to Prepare an ESG Report* issued by HKEX, *Announcement on the 2024 Electricity Carbon Dioxide Emission Factors* issued by the Ministry of Ecology and Environment of the People's Republic of China in December 2025, and *Sustainability Report 2024* of HK Electric Investments.

3. As of FY2025, the revenue within the scope of the Report was RMB3,152.79 million (FY2024: RMB3,207.65 million). This data is also used to calculate other density statistics.

## Section III - Coping With Climate Change

In 2025, the Group recalculated its carbon emissions in accordance with ISO 14064-1:2018 and ISO 14064-3:2019, expanding the scope of the carbon emissions inventory. Consequently, GHG emissions were higher than in 2024. We place a high priority on energy efficiency and reduction of fuel consumption to reduce GHG emissions. In order to manage GHG emissions, we have adopted different measures for the efficient use of energy, and in order to achieve these goals, each subsidiary has formulated measures according to its own circumstances, including but not limited to:

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

### *Case: Renewable Energy Use - Distributed Photovoltaic Power Generation Projects*

In addition, the Group actively adopts renewable energy. As of 2025, a total of seven subsidiaries have installed distributed photovoltaic power generation projects (five of which have completed installation following contract signing, while two are currently in the planning phase), covering key production bases in China, such as Huizhou, Jiujiang, Changzhou, and Wuxi, and in Mexico. The seven projects are located at Huizhou Keen Point Precision Plastic Co., Ltd., Huizhou Xin Point Precision Components Co., Ltd., Jiujiang Xin Point Automobile Components Co., Ltd., Changzhou Xinsheng Automobile Components Co., Ltd., Wuxi Keen Point Automotive Precision Mould Co., Ltd. (already installed), Jiujiang Xin Point Surface Decoration Co., Ltd. (to be constructed) and Xin Point (Mexico) (preliminary plan), forming a cross-regional green energy network.

All distributed photovoltaic power generation projects are built on rooftops, converting solar energy directly into electricity. Through differentiated partnership models, these projects optimise costs, producing electricity prices below standard industrial prices and enabling the sharing of energy-saving benefits. During project implementation, the Group's civil engineering team and each plant's administrative department led coordination, worked with specialised energy companies, and added extra insurance provisions to the two new Jiujiang projects to strengthen risk management. Distributed photovoltaic power generation projects can help cool rooftops. They can reduce air conditioning energy consumption and provide better indoor working conditions and temperatures. They can also lower transformer temperatures, thereby extending the service life of transformers. According to the national grid operation marginal emission factors published by Mexico's INECC, the Group's distributed photovoltaic power generation project in Mexico reduces GHG emissions by 2,051.1 tonnes annually.

Through these projects, the Group's production bases will benefit directly from a stable supply of green electricity, significantly reducing carbon emissions each year. These projects not only enable precise control over energy costs but also serve as practical models for the green transformation of the manufacturing industry. They further strengthen the foundation for the Group's transition to a low-carbon economy and support the implementation of the "dual carbon" goals. They represent the Group's contributions and exemplary leadership as a green high-tech enterprise in response to the carbon peaking and carbon neutrality goals.







**(On-site photovoltaic power generation projects)**

## 3.3 Exhaust Gas Emissions

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

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

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

| Types of Air Pollutants | Unit | 2025 | 2024 |
|---|---|---|---|
| Nitrogen oxides (NOx) | Kilograms | **157.92** | 71.89 |
| Sulphur oxides (SOx) | Kilograms | **6.04** | 1.93 |
| Particulate matter (PM) | Kilograms | **11.63** | 5.29 |
| VOCs | Tonnes | **19.79** | 18.79 |
| Benzene | Tonnes | **0.16** | 0.42 |
| Methylbenzene | Tonnes | **2.51** | 2.91 |
| Dimethylbenzene | Tonnes | **0.09** | 0.09 |
| Non-methane | Tonnes | **0.41** | 1.81 |

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

- Encouraging carpooling and requiring employees to travel to and from the warehouse by hitching a ride in the Company's trucks or public transportation;
- Using electric vehicles as shuttles to and from work for employees;
- The exhaust gas treatment facilities in Building A and Building D of the injection moulding section have been changed from UV photolysis to activated carbon adsorption, which improves the exhaust gas treatment efficiency;
- Maintaining exhaust gas treatment facilities in strict accordance with regulations; and
- Reducing the number of trips and controlling the mileage of vehicles by trying to arrange trips in the same direction at the same time.

## 3.4 Waste Management

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

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

### *Non-Hazardous Waste*

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

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

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

| Types of Waste | Unit | 2025 | 2024 |
|---|---|---|---|
| Plastics | Tonnes | **2,057.91** | 2,567.25 |
| Cleaning fabrics | Tonnes | **3.31** | 5.10 |
| Household waste | Tonnes | **262.28** | 303.70 |
| Paper | Tonnes | **13.21** | 15.31 |
| General industrial waste | Tonnes | **315.32** | 381.41 |
| Total non-hazardous waste | Tonnes | **2,652.02** | 3,272.77 |
| Intensity of non-hazardous waste[3] | Kilograms/revenue (RMB'million) | **0.84** | 1.02 |

### *Hazardous Waste*

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

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

| Types of Waste | Unit | 2025 | 2024 |
|---|---|---|---|
| Electroplating sludge | Tonnes | **1,090.48** | 771.11 |
| Electroplating liquid filter | Tonnes | **36.90** | 34.50 |
| Paint residue and paint cans | Tonnes | **546.84** | 479.22 |
| Total hazardous waste | Tonnes | **1,674.22** | 1,284.83 |
| Intensity of hazardous waste[3] | Kilograms/revenue (RMB'million) | **0.53** | 0.40 |

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

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

# Section IV - Resources Optimisation

## 4.1 Biodiversity and Environmental Protection

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

## 4.2 Energy Management

In 2025, the Group continued to advance our refined energy management to reduce environmental impact and improve energy efficiency in our practical efforts. Using a multi-pronged approach, we optimised the energy consumption structure and reduced GHG emissions through multi-dimensional energy conservation and consumption reduction measures across operations. In terms of energy-saving upgrades to electrical equipment, the Group replaced all lighting with energy-efficient fixtures. We implemented energy-saving variable-frequency upgrades on high-energy-consumption equipment, which can automatically adjust operating frequencies based on actual production needs, thereby effectively reducing power consumption. Additionally, the Group adopted a production management and control model featuring centralised production and shutdowns. This model ensures that idle equipment is promptly shut down after production stops, thereby achieving energy savings through optimised production processes. To optimise environmental conditions and equipment load, the Group implemented measures, such as installing sunshades, laying down coverings and adding insulation materials to reduce heat build-up and loss in production areas. The operation of compressed air equipment was also optimised to reduce the overall operational load on the equipment. In terms of upgrading production equipment, we resolutely phased out outdated injection moulding machines and introduced advanced models to reduce resource consumption during the production process through hardware upgrades.

By raising output targets and continuously optimising production efficiency, the Group has further reduced resource consumption from a production efficiency perspective. Through systematic energy management initiatives, the Group obtained ISO 50001 Energy Management System Certificate in April 2025 for the injection, spraying and assembly of plastic products, marking a new phase of standardisation and formalisation in the Group's energy management efforts.



DNV

管理体系认证证书

证书号码: 698057-2025-AE-RGC-CNAS
首次签发日期: 2025年04月02日
有效期限: 2025年04月02日 – 2028年04月01日

兹证明

惠州建邦精密塑胶有限公司

中国广东省惠州市仲恺高新区惠环街道办西坑下塘村小组68号
统一社会信用代码: 91441300766570293W

能源管理体系符合:

GB/T 23331:2020/ISO 50001:2018标准

此证书对下列范围有效:

塑胶制品的注塑、喷涂及装配相关的能源管理

证书制作地点及日期:
上海, 2025年04月03日

证书认可签发机构:
DNV - Business Assurance
中国上海市长宁区虹桥路1591号宏伟大厦
邮编: 200336 电话: +86 21 3279 9000

CNAS 中国认可 管理体系 MANAGEMENT SYSTEM CNAS C148-M

朱海明
管理代表



DNV

MANAGEMENT SYSTEM CERTIFICATE

Certificate No.: 698057-2025-AE-RGC-CNAS
Initial certification date: 02 April, 2025
Valid: 02 April, 2025 – 01 April, 2028

This is to certify that the management system of

Huizhou Keen Point Precision Plastic Co., Ltd.

No.68, Xikeng Xiatang, Huihuan, Zhongkai Hi-Tech District, Huizhou, Guangdong, P.R. China
and the sites as mentioned in the appendix accompanying this certificate

has been found to conform to the Energy Management System standard:
GB/T 23331:2020/ISO 50001:2018

This certificate is valid for the following scope:
Energy Management for Injection, Spraying, Assembling of Plastic Products

Place and date:
Shanghai, 03 April, 2025

For the issuing office:
DNV - Business Assurance
Suite A, Building 9, No.1591 Hongqiao Road, Changning District, Shanghai 200336, P.R. China
TEL: +86 21 3279 9000

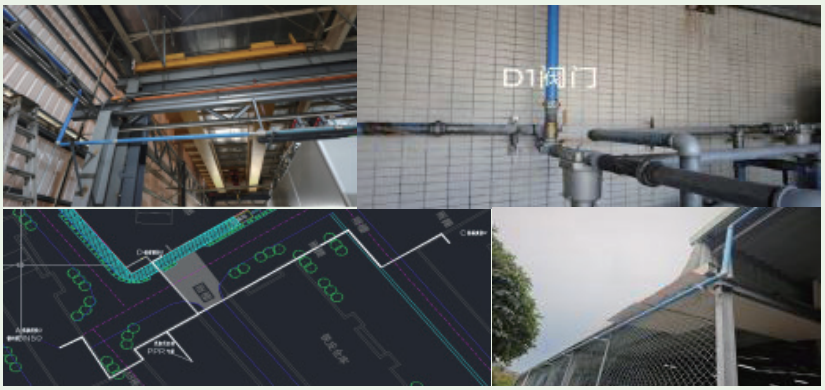
CNAS 中国认可 管理体系 MANAGEMENT SYSTEM CNAS C149-M

Zhu Hai Ming
Management Representative

The Group actively promotes the use of renewable energy. We have explored and implemented solar renewable energy solutions to reduce reliance on traditional energy sources and lower carbon emissions. We place a strong emphasis on monitoring and analysing energy data, and have established a real-time energy monitoring system to track and analyse energy consumption and promptly identify and address potential energy waste issues. Through this data-driven approach, we are able to develop more precise and effective energy management strategies.

# Section IV - Resources Optimisation

*Case: Air Compressor Energy-Saving Improvement by the Maintenance Department in 2025*

| | |
|---|---|
| **Date** | 1 July 2025 |
| **Description** | The air compressor pipelines of Buildings A, B, C and D were interconnected to establish an integrated compressed air network, enabling balanced air supply pressure and flow, reducing the number of air compressors in operation and full-load operation, and lowering energy consumption. |
| **Images of Improved Construction Examples** |   |
| **Confirmation of Results** | 1) Before the improvement, the average daily electricity consumption of air compressors was 3,753 kWh during the first six months<br>2) After the improvement, the average daily energy consumption from July to December was 3,039 kWh, representing a reduction compared with the pre-improvement level of: (3,753-3,039)/3,753*100% = 19%<br>3) The average daily reduction was 3,753-3,039 = 714 kWh<br>4) Based on 340 production days per year, the estimated annual electricity cost savings are approximately: 714*RMB0.6*340 = RMB157,794 |

During the Reporting Period, the Group's energy consumption is set out below:

| Types of Energy | Unit | 2025 | 2024 |
|---|---|---|---|
| **Total direct energy consumption** | MWh | **6,062.93** | 3,795.80 |
| Gasoline | MWh | **421.39** | 646.74 |
| Diesel | MWh | **1,093.49** | 1,004.03 |
| Liquefied petroleum gas | MWh | **95.43** | 111.14 |
| Natural gas | MWh | **4,452.63** | 2,033.89 |
| **Total indirect energy consumption** | MWh | **140,371.58** | 148,963.04 |
| Purchased electricity | MWh | **137,609.61** | 140,014.50 |
| Purchased steam | MWh | **2,761.98** | 8,948.54 |
| **Total energy consumption** | MWh | **143,672.54** | 152,758.84 |
| **Energy consumption density**[3] | MWh/revenue (RMB'million) | **45.57** | 47.62 |

During the Reporting Period, the Group's total direct energy consumption increased compared with the previous year, mainly due to higher natural gas consumption resulting from the commencement of mass production at the new Jiujiang automobile components plant in 2025, where spraying, the principal production process, requires natural gas for heating. The Group will continue to carry out a comprehensive energy review to identify potential areas of energy wastage and inefficiency, and formulate energy management plans based on the review results to improve energy efficiency and reduce energy costs.

# Section IV - Resources Optimisation

## 4.3 Water Resource Management

Drought threatens livelihoods around the world, and by 2050, it could affect much of the global population. As water is essential to human survival, we actively seek pragmatic solutions to conserve water resources. We also regularly review and monitor our exposure to water scarcity risks.

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

During the Reporting Period, the Group did not receive any non-compliance cases regarding water consumption laws and regulations.

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

- Shutting down the production line with ageing or outdated spray painting;
- Educating and informing staff, strengthening their operational training and increasing awareness of water conservation so that it becomes a conscious act for everyone;
- Refining management, maintenance, optimisation and repair of water-using equipment to prevent leaks;
- Controlling and regulating the water level of each water tank. If the water level is too high, part of the water on the surface could be drawn into the air duct by the wind, causing waste;
- Carrying out daily spot checks according to the trench inspection schedule to reduce leakage, such as drips, seepage, and continuous flows;
- Using recycled water in the toilets;
- Turning on humidifiers according to production needs. When the ambient humidity is suitable and the product does not have strict requirements on humidity, turning them off to reduce unnecessary waste; and
- Repairing leaking cooling water pipes and reducing the water tower change and cleaning frequency to reduce water consumption.

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

| Indicator | Unit | 2025 | 2024 |
|---|---|---|---|
| Water consumption in production | Cubic metre | **320,864.50** | 429,573.1 |
| Domestic water consumption | Cubic metre | **107,832.40** | 87,374.6 |
| Total water consumption | Cubic metre | **428,696.90** | 516,947.7 |
| Water intensity | Cubic metre/revenue (RMB'million)[2] | **136.0** | 161.2 |

### *Wastewater Treatment*

The Group strictly complies with and has not violated the wastewater treatment requirements set by the state, including the *Emission Standard of Pollutants for Electroplating (GB 21900-2008)* and other local government requirements for water pollutant emission control, such as the *Electroplating Water Pollutant Emission Standard DB 44/1597-2015* imposed by the Guangdong Provincial Government. In addition, our plants have referred to the national standard *Technical Specification for Electroplating Industry Wastewater Treatment (HJ 2002-2010)* and adopted the wastewater treatment compliance projects and technical solutions to properly treat industrial wastewater containing heavy metals, acidic and alkaline wastewater discharged from the electroplating and painting processes. In the process of metal recycling and treatment, the rinse water used in the metal trench is collected by a combined process of microfiltration + ultrafiltration + membrane filtration, and then pressurised by a booster pump. After pressurisation and multi-layer filtration, the rinse water is turned into a transparent liquid, and then the separated recycled water is put back into the production line for reuse.

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

## Section IV - Resources Optimisation

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

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

| Wastewater Quality Index | Unit | 2025 | 2024 |
|---|---|---|---|
| Domestic wastewater | Tonnes | **107,916.88** | 98,033.68 |
| Wastewater discharged in production | Tonnes | **350,958.02** | 411,955.38 |
| Chemical oxygen demand (COD) | Tonnes | **5.26** | 8.26* |
| Ammonia nitrogen | Tonnes | **0.19** | 14.88 |
| Heavy metals | Tonnes | **0.02** | 1.38 |

Note:

* The data has been restated due to an update to the calculation model.

### *Case: Nickel Recovery System*

The Group's nickel recovery system is primarily used in the pre-plating and pearl nickel metal recovery stages of the XPM-Q electroplating line in Mexico. The Group primarily engages in the production of precision plastics, advanced electronic components, and plastic products, as well as electroplating services. During the production process, the nickel plating and cleaning operations in the workshop generate a certain volume of wastewater containing nickel and other heavy metals. To achieve the recycling and reuse of these heavy metals, the Group has implemented a specialised recovery and treatment plan for this type of nickel-containing wastewater.

The design and operation of this nickel recovery system strictly comply with the requirements of relevant laws and regulations, including the *Law of the People's Republic of China on the Prevention and Control of Water Pollution*, the *Emission Standard of Pollutants for Electroplating* (GB 21900-2008), and the *Integrated Wastewater Discharge Standard* (GB 8978-1996). Specifically, the pre-plating nickel recovery process employs a combination of ultrafiltration and nanofiltration. The metal solution concentrated by nanofiltration can be reused directly or sent to the pearl nickel resin recovery system for further treatment, while the permeate generated by the process is recirculated to the first-stage rinsing process for reuse. The pearl nickel recovery system utilises specialised nickel-absorbing resin as the core treatment material. The resulting nickel sulfate recovery solution can be reused in plating tank production, while the wastewater generated after treatment is uniformly discharged into the wastewater treatment system for subsequent disposal.

In addition, the recovery system has fully incorporated energy-saving and consumption-reduction principles into the design stage and established several effective energy-saving measures: First, the elevation and layout have been scientifically planned to minimise head loss in the piping system and reduce equipment pumping costs; second, the sludge discharge system employs a gravity-fed design, eliminating additional power consumption; third, high-efficiency sewage pumps have been installed to effectively reduce electricity consumption; and fourth, the lighting system utilises new energy-efficient fixtures, further lowering overall energy consumption.





## 4.4 Use of Packaging Materials

In order to recycle our packaging materials, the Group has set up the *Packaging Material Recycling Management Standards* to effectively reduce waste of resources, lower costs and increase the utilisation rate of packaging materials. In 2025, the Group used 3,645.81 tonnes of cartons (2024: 3,562.31 tonnes). In order to improve our sustainable development practices and pledge to refrain from the excessive use of packaging materials, the production department must plan the use of packaging materials in a way that maximises economic and environmental benefits and adopt simple and environmentally friendly packaging designs to effectively reduce production and packaging material costs, while complying with laws and regulations and without compromising product quality. Packaging materials used on a daily basis meet the requirements of the national environmental protection authorities and are purchased centrally at regular intervals based on demand, minimising wastage. In the process of transportation, the Group has also fully replaced the traditional cardboard boxes with new cardboard boxes in order to solve the problems of the traditional cardboard boxes in transportation, such as deformation due to moisture, compression and deformation caused by the storage of heavy items, rapid deterioration and consumption and low reuse frequency. New cardboard boxes can be used an average of 20 times, making them more durable than the traditional cardboard boxes, which could only be used about 6.95 times.

## Section IV - Resources Optimisation

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

| Resource Consumption | Unit | 2025 | 2024 |
|---|---|---|---|
| Packaging boxes | Tonnes | **3,645.81** | 3,562.31 |
| Packaging materials intensity[3] | Kilograms/revenue (RMB'million) | **1.16** | 1.11 |

## 5.1 Anti-bribery and Anti-corruption

We operate with integrity and have established risk management frameworks and policies to govern, monitor and report on illegal behaviour. Employees of Xin Point must maintain their good reputation for integrity and honesty. This principle must not be sacrificed for the sake of achieving a goal under any circumstances. All employees must not be biased, abuse their positions, give or accept bribes or break laws and regulations. The Board has the responsibility to urge the management to form a company-wide anti-fraud culture environment, to establish a sound internal control system including fraud prevention, to create a good internal control mechanism, to set up a whistleblowing and complaint channel to prevent and detect fraud, to implement control measures to reduce fraud and to take appropriate and effective remedial measures against fraud. Once a year, we organise a declaration of employee conflict of interest to the senior management of the Company and the key personnel in charge of sensitive positions, such as procurement, marketing and finance. During the Reporting Period, the Group has conducted 432 hours of training sessions on the *Integrity Pledge and Code of Business Ethics* for 216 employees.

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



# Section V - Excellent Operation

### *Whistleblowing Mechanism*

The Group adheres to a zero-tolerance stance on corruption issues, establishes channels for reporting and complaints and encourages employees to report misconduct. To open channels for employee communication and enable employees to voice their opinions, we will consistently address employee concerns and ensure that their opinions or suggestions are heard, acknowledged and acted upon. The liaison organisation will handle these matters fairly and, in accordance with professional ethics and the Company's management policies, respond to employees' concerns and resolve them appropriately, rationally and objectively. We have established the *Notice on Employee Requests or Help Channels J-HR-2023-161*, the *Anti-Fraud and Whistleblowing System* and a sound internal control system to assist the Board in performing internal supervision over the management. According to the management structure of the *Anti-Fraud and Whistleblowing System*, employees and external third parties can make named or anonymous reports via our whistleblowing hotline and email. Meanwhile, the system also states that the Group shall ensure the rights and interests of the investigating personnel and whistleblowers are protected. Discrimination, revenge and hostility against them are prohibited. In case of violation, the offenders will be punished or dismissed accordingly. Those who violate the criminal laws will be handed over to the judicial authorities for action in accordance with the legal requirements. At the same time, the Group will take remedial measures in a timely manner to assess and improve the internal controls of the affected business units. We regularly review the effectiveness of anti-corruption-related policies and practices.

Whistleblowing channels allow colleagues and other stakeholders to voice concerns. All data is kept strictly confidential. The option to do so anonymously is available in accordance with legal and regulatory requirements. We provide a number of ways to express their opinions. We give colleagues and stakeholders the confidence to report illegal or unethical behaviour if they become aware of it. Their concerns are expressed through the most effective channels. We always listen to the concerns of individual employees and do not tolerate any retaliation. We will independently investigate whistleblowing according to its severity and take action where appropriate, including disciplinary action, dismissal and adjustments to variable pay and performance ratings. We ensure that whistleblowers are protected from unfair dismissal, victimisation or unjustified disciplinary action. In 2025, there were no concluded corruption-related lawsuits filed against the Company or its employees in connection with the Group.

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

## 5.2 Supplier Management

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

The Group has set out the selection, evaluation and review of suppliers to standardise supplier management in the *Supply Chain Management Control Procedures*. In order to ensure the quality of raw materials for our products, the procurement department of the Group has formulated the *Supplier Basic Information Survey Form* and *Supplier Social Responsibility Survey Form* to conduct background investigations on each potential supplier. Suppliers passing the above review will be included in our list of approved suppliers for selection by the procurement department. In the selection of suppliers, in addition to evaluating the product quality and prices, we also require suppliers to obtain at least ISO 9001:2000 certification and aim to meet the requirements of IATF 16949:2016 automotive industry supplier quality system in the long run, to ensure that the products meet international standards.

### *Green Procurement*

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

The procurement department provides suppliers with the *Environment Quality Questionnaire for Suppliers* to fill in. The department aims to understand the environmental performance of the suppliers in respect of the implementation of ISO 14001/GP Environmental Quality Management System, the use of hazardous substances, waste disposal and the environmental impacts of chemicals and record relevant results in the *Supplier Semiannual/Annual Review Form*. If suppliers fail to pass the review requirements or there is any material quality, social or environmental incident, we will consider revoking their qualifications. At the same time, we conduct on-site reviews at suppliers' plants from time to time and evaluate suppliers' performance according to the environmental requirements in the *Supplier Supervision List*.

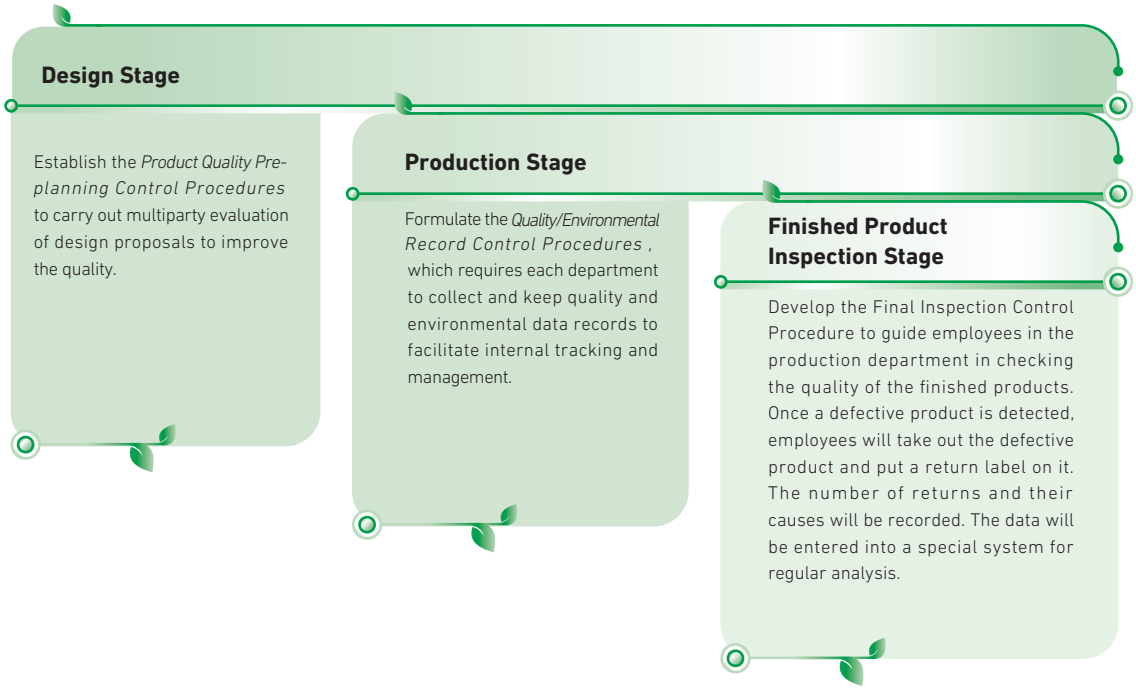
During the Reporting Period, the distribution of the Group's suppliers is set out below:

| Supplier Locations | **2025** | 2024 |
|---|---|---|
| Chinese mainland | **1,062** | 1,098 |
| Hong Kong and Macau, China | **8** | 9 |
| Others | **156** | 160 |

## 5.3 Product Responsibility

The Group fully understands the importance of product quality to the reputation of a brand and therefore continuously strives to improve product quality and ensure customer satisfaction by establishing a sound quality assurance process and providing excellent after-sales services. To become a leading technology-based enterprise in the plastic surface decoration industry, the Group is committed to continuous improvement and management of our products and services with the goal of zero defects. Two of our plants have been certified by the ISO 9001:2015 Quality Management System Standard. Six of our plants have been certified by IATF 16949-2016 Automotive Quality Management System Standard, meeting the industry's quality standards. In addition, we ensure that the Group's products strictly follow the product specifications of the sales regions and the relevant customers' requirements.

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




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

# Section V - Excellent Operation

During the Reporting Period, no products produced and sold by the Group have been recalled for safety and health reasons. At the same time, the Group is not aware of any material violations of laws and regulations relating to the health, safety and privacy of its products and services, including but not limited to the *Regulations of the People's Republic of China for Safety Protection of Computer Information Systems*, the *Regulations of the People's Republic of China for Protection of Commercial Secrets*, the *Advertising Law of the People's Republic of China*, the *Law of the People's Republic of China on Protection of Consumer Rights and Interests*, the *Federal Law of Mexico on the Protection of Privately Held Personal Data*, the *Trademark Law of Mexico* and the *Personal Data (Privacy) Ordinance of Hong Kong*, which would have a material impact on the Group.

### *Customer Relationship Management*

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

In the FY2025 Customer Satisfaction Survey, our products scored an overall score of 100 points (2024: 98.2), which represents an overall satisfaction rate of 100%. It shows that the quality of the Group's products and services is at an excellent level and is highly recognised by our customers.

### *Complaint Handling Procedure*

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

During the Reporting Period, the Group received a total of 68 complaints (2024: 155 complaints) related to products and services. All customer complaints were properly followed up on or dealt with and no complaint incidents with a significant impact on the Group have been identified.

### *Promotion and Label*

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

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

### *Data Protection*

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

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

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

### *Intellectual Property Rights*

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

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

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

**Patent proposal**

- Applicant to submit *Technical Specification*
- Applicant's department heads to conduct technical confirmation
- Submit to the application team of the Developm ent Department

**Patent confirmation**

- Application team of the Development Department to confirm the possibility and category of patent applied
- Application team of the Development Department to confirm the possibility and category of patent applied

**Patent application**

- Application team of the Applicant to supplement and finalize the *Technical Specification*
- Development Department and patent agency to sign an agency contract and prepare the application materials
- Applicant and department heads to confirm the application materials and patent agency to submit the same
- Patent office to issue a notification of acceptance, review, and issue a notification of authorization

**Successful application**

- Patent office to issue a certificate
- Application team of the Development Department to maintain the patent

# Section VI - Group Welfare

## 6.1 Employment Ordinance

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

The Group strictly abides by the relevant laws and regulations of the places where it operates, including but not limited to the *Labour Law of the People's Republic of China*, the *Mexican Labour Law, the Mexican Social Security Law (Ley Del Seguro Social)* and the *Hong Kong Employment Ordinance*, to establish and maintain good labour relations, facilitating the attraction and retention of talents.

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

As of 31 December 2025, the Group had a total of 5,118 employees (2024: 5,212) who are all full-time employees. They are mainly responsible for duties such as production, research and development, quality assurance, human resources, administration and finance, maintenance, logistics, procurement, marketing and management.

## Section VI - Group Welfare

| Category | 2025 | 2024 |
|---|---|---|
| **Total number of employees** | **5,118** | 5,212 |
| **By gender** | | |
| Male | **2,636** | 2,713 |
| Female | **2,482** | 2,499 |
| **By age** | | |
| 30 and below | **1,531** | 1,561 |
| 31-50 | **3,336** | 3,378 |
| 51 and above | **251** | 273 |
| **By employment category** | | |
| Senior management | **78** | 73 |
| Middle management | **454** | 449 |
| General employee | **4,586** | 4,690 |
| **By geographical region** | | |
| South China | **3432** | 3,808* |
| East China | **686** | 507 |
| North China | **55** | 62 |
| Central China | **—** | — |
| Northwest China | **—** | — |
| Southwest China | **—** | — |
| Hong Kong and Macau, China | **8** | 8* |
| Overseas | **937** | 827 |

Note:

* The data has been restated due to an update to the calculation model.

### *Talent Attraction and Retention*

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

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

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

# Section VI - Group Welfare

- **The Spring Festival Visiting Activity for Overseas Employees and Their Families in 2025**

As the Spring Festival was approaching, to express the Company's care and gratitude towards its overseas employees and their families, the Company organised a special delegation to visit the homes of employees stationed in Mexico. The delegation presented each family with thoughtfully prepared Spring Festival gifts and monetary gifts, conveying the Company's warmth and blessings. They had a cordial conversation with the employees' family members, expressing their high appreciation for the overseas employees' dedication to their posts and their contributions to the Company's development, while also thanking the family members for their understanding and support.









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

To welcome the new year, we organised a Spring Festival visiting activity for all employees. By distributing essential daily necessities to employees, the Company expressed its care for their well-being and extended heartfelt wishes for a better life.










## Section VI - Group Welfare

- **Celebrating Activities during the Mid-Autumn Festival in 2025**

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



- **Visit to an Injured Employee**

A delegation from the Company's Human Resources Department and labour union representatives visited the home of an employee from the 5th Product Development Department to extend their care and support. The employee was injured in an accident on 16 October. Zhong Yongchang from the Human Resources Department and Liang Diguang from the 5th Product Development Department participated in this visit. On behalf of the Company and their respective departments, they delivered gifts prepared by the labour union and conveyed sincere greetings from the Company's management and colleagues.



## Section VI - Group Welfare

- **Visit to a Hospitalized Employee**

On behalf of the Company's labour union, Hu Qian from the Human Resources Department and Lin Zunxuan from the Legal Department visited a colleague from the Legal Department who was hospitalized due to illness. During the visit, the two colleagues inquired in detail about her condition and treatment, conveyed the sincere concern of the Company's leadership and all colleagues, and presented her with a gift package. They wished her a smooth recovery and an early return to health, and she expressed her heartfelt gratitude for the Company's care.



- **Employee Birthday Party Activities**

To demonstrate the Company's care for its employees and foster a warm and harmonious working environment, the Company's labour union organised a birthday celebration for employees in the fourth quarter. This event took the form of distributing birthday gifts. The labour union carefully prepared six practical gift packages for employees, covering categories such as rice, cooking oil, paper products, small appliances, and daily necessities, catering to the diverse needs and preferences of all employees. Employees may choose any one of the six packages based on their individual needs. Each carefully prepared gift conveys the Company's heartfelt blessings and gratitude to its employees.




- **Exchange Event for Engineering and Technical Staff**

To enrich employees' cultural and recreational activities, facilitate the transition from newcomers to technical experts, and foster communication among employees, the Company organised an exchange event for engineering and technical staff on 14 November 2025.

- **Vitality in Green Exploration · Fun Tour & Muqingye Fun · Joyful Energy Camp**

To enrich employees' cultural and recreational activities, bring them closer to nature, and foster communication among employees, the Company organised a "Vitality in Green Exploration · Fun Tour" event at the Guangdong Aerospace Agricultural Science & Technology Ecological Park in Boluo County, Huizhou, as well as a "Muqingye Fun · Joyful Energy Camp" event at the Muqingye Campsite in Huicheng District, Huizhou.

## Section VI - Group Welfare

- **Caring for Women's Mental Health, Embracing a Happy and Wonderful Life**

To fulfil the labour union's cultural activities plan, the Company invited female employees from all departments to attend a psychological lecture titled "Caring for Women's Mental Health, Embracing a Happy and Wonderful Life," held at the Western Restaurant in Keen Point Hi-tech Industrial Park. A professional psychological consultant was invited to conduct an in-person lecture and provide guidance on psychological testing.

In addition, we encourage internal promotion to provide additional opportunities for our employees to realise their full potential. The Group's guides will help colleagues clarify their performance expectations, explore development opportunities and access the resources they need. In 2025, our employee turnover rate was 44.65% (2024: 48.60%*).

| Category | 2025 | 2024* |
|---|---|---|
| **Total turnover rate[4]** | **44.65%** | 48.60% |
| **By gender** | | |
| Male | **48.90%** | 51.68% |
| Female | **40.13%** | 45.26% |
| **By age** | | |
| 30 and below | **78.84%** | 96.03% |
| 31-50 | **30.46%** | 30.55% |
| 51 and above | **24.70%** | 1.10% |
| **By geographical region** | | |
| South China | **51.72%** | 46.61% |
| East China | **36.73%** | 49.70% |
| North China | **29.09%** | 25.81% |
| Central China | **—** | — |
| Northwest China | **—** | — |
| Southwest China | **—** | — |
| Hong Kong and Macau, China | **—** | — |
| Overseas | **52.29%** | 59.25% |

Note:

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

* The data has been restated due to an update to the calculation model.

## 6.2 Prevention of Child Labour and Forced Labour

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

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

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

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

## 6.3 Nurturing Talent

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

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

There were 4,721 trained employees of the Group during the Reporting Period, with an average training time of 7.33 hours per employee. Details are set out below:

| | 2025 | | 2024 | |
|---|---|---|---|---|
| Category | **Percentage of trained employees[5] (%)** | **Average training hours per employee (hours)** | Percentage of trained employees[5] (%) | Average training hours per employee (hours) |
| **By gender** | | | | |
| Male | **90.36%** | **7.25** | 90.82% | 9.18 |
| Female | **94.24%** | **7.41** | 88.76% | 8.93 |
| **By employment category** | | | | |
| Senior management | **26.92%** | **1.78** | 26.03% | 1.77 |
| Middle management | **97.80%** | **4.60** | 97.10% | 6.24 |
| General employee | **92.80%** | **7.69** | 90.13% | 9.43 |

Note:

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

## 6.4 Safety Culture

The continued success of the Group depends on the welfare of our employees. The Group thoroughly adheres to the management approach of "Safety First, Prevention Foremost and Comprehensive Management", and continuously strengthens the awareness of occupational health and safety and the capability of safety production of employees to reduce the chances of injuries and fatality.

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

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

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

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

## Section VI - Group Welfare

In addition, to effectively implement the core development concept of "caring for employees", remain committed to the people-oriented principle and ensure their physical health and quality of life, the Administrative Department of the Group specially organises all employees in Keen Point Hi-tech Industrial Park to have professional health check-ups on a regular basis. Through timely and comprehensive health check-ups, we help employees gain an early understanding of their health status, take proactive steps to protect and manage their health, and approach their work and daily lives with a healthier body and a more positive mindset. This thoughtful and heartwarming initiative not only demonstrates the Group's strong commitment to the physical and mental well-being of its employees but also allows every employee to truly feel the Group's sincere care and warmth, further strengthening their sense of belonging and team cohesion.

In 2025, the number of workdays lost due to workplace injuries increased compared to the previous year. A colleague had a traffic accident on the way home from work in June 2025, resulting in 154 lost workdays. Over the past three years, the Group has not recorded any work-related death resulting from workplace injuries. This is the result of our ongoing efforts to manage safety risks and improve our workplace health and safety management systems.

| Health and Safety Indicator | Unit | 2025 | 2024 | 2023 |
|---|---|---|---|---|
| Work-related death | Number | — | — | — |
| Death rate | % | — | — | — |
| Work-related injury | Number | 17 | 16 | 12 |
| Number of working days lost due to work-related injuries | Day | 574 | 373 | 515.5 |

### *Community Engagement*

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

During the Reporting Period, the Group's labour union has fulfilled its social responsibilities on multiple occasions by donating money to support education, giving back to society, and assisting those in need. These activities include, but are not limited to, the following:

Huizhou Xin Point Precision Components Co., Ltd. cares deeply about the elderly in the community and actively funds activities for the seniors in the Liushu Taihe Group, demonstrating its commitment to the elderly through concrete actions and spreading a heartwarming spirit of respect for the elderly throughout society. The Company's Administrative Department is deeply committed to educational public welfare initiatives. It has provided sponsorship funds for the Sports Day of Longhua No. 2 Primary School, helping to advance campus sports activities and enrich students' after-school lives. Moreover, it has also donated funds to Longhua Central Primary School and provided financial support for Children's Day activities of Longhua No. 2 Primary School, extending festive care to the children and supporting their healthy and happy growth. Huizhou Xin Point Precision Components Co., Ltd. has supported international cultural exchange by providing sponsorship funds for the 215th anniversary celebration of Mexico's independence, thereby fostering cultural interaction and friendly ties between China and other countries. TGTL, committed to the well-being of Hong Kong's residents, has generously donated to the Support Fund for Wang Fuk Court in Tai Po, Hong Kong, to fully support local post-disaster reconstruction efforts. Through this act of compassion, it is helping to restore the community and demonstrating its corporate social responsibility and humanitarian commitment. During the Reporting Period, the Group has donated a total of RMB105,000 and HKD500,000.

# Appendix I:
# ESG Reporting Code Content Index of Stock Exchange

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

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

| Subject areas, aspects, general disclosure and key performance indicator (KPI) | Description | Chapter/Statement |
|---|---|---|
| **Aspect A1: Emission** | | |
| | Information on:<br>(a) the policies; and<br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer<br>relating to air and GHG emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. | Section III – Coping with Climate Change |
| **KPI A1.1** | The types of emissions and respective emissions data. | 3.2 GHG Emissions;<br>3.3 Exhaust Gas Emissions |
| **KPI A1.2** | Replaced by climate-related disclosures | 3.2 GHG Emissions; |
| **KPI A1.3** | Total hazardous waste produced (in tonnes) and intensity. | 3.3 Exhaust Gas Emissions |
| **KPI A1.4** | Total non-hazardous waste produced (in tonnes) and intensity. | 3.4 Waste Management |
| **KPI A1.5** | Description of the emission targets set and the steps taken to achieve these targets. | 3.3 Exhaust Gas Emissions<br>3.4 Waste Management<br>3.1 Climate-related Disclosures |
| **KPI A1.6** | Description of the methods used to deal with hazardous and non-hazardous waste and description of the waste reduction targets set and the steps taken to achieve these targets. | 3.4 Waste Management |

# Appendix I: ESG Reporting Code Content Index of Stock Exchange

| Subject areas, aspects, general disclosure and key performance indicator (KPI) | Description | Chapter/Statement |
|---|---|---|
| **Aspect A2: Use of resources** | | |
| **General disclosure** | Policies on the efficient use of resources, including energy, water and other raw materials. | Section IV - Resources Optimisation |
| **KPI A2.1** | Direct and/or indirect energy consumption by type in total and intensity. | 4.2 Energy Management |
| **KPI A2.2** | Water consumption in total and intensity. | 4.3 Water Resource Management |
| **KPI A2.3** | Description of the energy use efficiency targets set and the steps taken to achieve these targets. | 4.2 Energy Management<br>3.1 Climate-related Disclosures |
| **KPI A2.4** | Description of any problems in accessing suitable water sources and the water use efficiency targets set and the steps taken to achieve these targets. | 4.3 Water Resource Management |
| **KPI A2.5** | Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced. | 4.4 Use of Packaging Materials |
| **Aspect A3: Environmental and natural resources** | | |
| **General disclosure** | Policies to reduce the significant impact of issuers on the environment and natural resources. | 4.1 Biodiversity and Environmental Protection |
| **KPI A3.1** | Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them. | 4.1 Biodiversity and Environmental Protection |
| **Aspect A4: Climate change** | | |
| **General disclosure** | Replaced by climate-related disclosures | 3.1 Climate-related Disclosures |

# Appendix I: ESG Reporting Code Content Index of Stock Exchange

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

# Appendix I: ESG Reporting Code Content Index of Stock Exchange

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

# Appendix I: ESG Reporting Code Content Index of Stock Exchange

| Subject areas, aspects, general disclosure and key performance indicator (KPI) | Description | Chapter/Statement |
|---|---|---|
| **Aspect B5: Supply chain management** | | |
| **General disclosure** | Percentage of total products sold or shipped subject to recalls for safety and health reasons. | Section V – Excellent Operation |
| **KPI B5.1** | Number of suppliers by geographical region. | 5.2 Supplier Management |
| **KPI B5.2** | Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored. | 5.2 Supplier Management |
| **KPI B5.3** | Description of practices for identifying environmental and social risks at each stage of the supply chain, and related implementation and monitoring methods. | 5.2 Supplier Management |
| **KPI B5.4** | Description of practices to promote the use of environmentally friendly products and services in the selection of suppliers, and related implementation and monitoring methods. | 5.2 Supplier Management |
| **Aspect B6: Product responsibility** | | |
| **General disclosure** | Policies on managing environmental and social risks of the supply chain. | Section V – Excellent Operation |
| **KPI B6.1** | Percentage of total products sold or shipped subject to recalls for safety and health reasons. | 5.3 Product Responsibility |
| **KPI B6.2** | Number of products and service related complaints received and how they are dealt with. | 5.3 Product Responsibility |
| **KPI B6.3** | Description of practices relating to observing and protecting intellectual property rights. | 5.3 Product Responsibility |
| **KPI B6.4** | Description of quality assurance process and recall procedures. | 5.3 Product Responsibility |
| **KPI B6.5** | Description of consumer data protection and privacy policies, and how they are implemented and monitored. | 5.3 Product Responsibility |

# Appendix I: ESG Reporting Code Content Index of Stock Exchange

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

# Appendix II: Summary of ESG Report Highlights

| ESG Highlights | Description of the Disclosure | Documents Involved | Corresponding Chapter |
|---|---|---|---|
| **Feedback Mechanism** | Introduce the Company's *Anti-Fraud and Whistleblowing System* | *Anti-Fraud and Whistleblowing System* | **5.1 Anti-bribery and Anti-corruption** |
| | To open channels for employee communication and enable employees to voice their opinions, we will consistently address employee concerns and ensure that their opinions or suggestions are heard, acknowledged and acted upon. The liaison organisation will handle these matters fairly and, in accordance with professional ethics and the Company's management policies, respond to employees' concerns and resolve them appropriately, rationally and objectively. | *Notice on Employee Requests or Help Channels J-HR-2023-161* | |
| **Brief Introduction to the History of the Group** | Action plan for low carbon business model transformation; Development of environmentally friendly processes, and development of "hexavalent chromium" free plating process at Jiujiang Plant | *Greenhouse Gas Management Procedures* | **3.2 GHG Emissions** |

# Appendix II: Summary of ESG Report Highlights

| ESG Highlights | Description of the Disclosure | Documents Involved | Corresponding Chapter |
|---|---|---|---|
| **Sustainable Development Framework** | In the context of carbon neutrality, add specific carbon reduction goals | *CSR Policy*<br>*Greenhouse Gas Management Procedures* | **3.1 Climate-related Disclosures** |
| **Stakeholder Engagement** | Internal and external communication mechanisms, *Communication Management Procedures*, have been established | *Communication Management Procedures* | **2.3 Stakeholder Engagement** |
| **Continuous Monitoring of Environmental Performance** | Biodiversity Sensitive Areas Statement: The Company has no premises/businesses adjacent to or located in biodiversity sensitive areas | CSR Policy | **4.1 Biodiversity and Environmental Protection** |
| **Gas Emissions and Energy Management** | To standardize the management of the Company's GHG emissions, clarify the responsibilities of each department, achieve the Company's zero-carbon goal and reduce GHG emissions, the Company has formulated the *Greenhouse Gas Management Procedures* | *Greenhouse Gas Management Procedures* | **3.2 GHG Emissions**<br>**4.2 Energy Management** |
| | Huizhou Keen Point Precision Plastic Co., Ltd. has obtained ISO 50001 Energy Management System certification | | |

# Appendix II: Summary of ESG Report Highlights

| ESG Highlights | Description of the Disclosure | Documents Involved | Corresponding Chapter |
|---|---|---|---|
| **Water Resource Management** | Compliant treatment of wastewater | *Wastewater Treatment Control Procedures* | **4.3 Water Resource Management** |
| **Waste Management** | Recycling of sprues | *Material Waste Disposal Procedure* | **3.4 Waste Management** |
| | Restrictions on cross-border shipment of hazardous waste; internal classification and treatment of waste based on waste streams | *Waste Management and Control Procedure* | |
| | Reduction of internal waste emissions through reuse, recycling or repurposing of materials; actions or training to raise staff awareness of waste reduction and classification | *Waste Management and Control Procedure* | |
| **Management of Packaging Materials** | Recycling of packaging materials for the Company, reducing waste of resources, effectively reducing costs and increasing the utilization rate of packaging materials | *Packaging Material Recycling Management Standards* | **4.4 Use of Packaging Materials** |

| ESG Highlights | Description of the Disclosure | Documents Involved | Corresponding Chapter |
|---|---|---|---|
| Climate Change | Carbon Neutral Target Commitment (at least meet the carbon neutral target committed to by the Chinese government to achieve a carbon neutral supply chain by 2060) | *Greenhouse Gas Management Procedures* | **3.1 Climate-related Disclosures**<br>**3.2 GHG Emissions** |
| | The Company has participated in the Carbon Disclosure Project (CDP) "Climate Change Project" questionnaire | *CDP Report* | |
| | We monitor relevant GHG emissions throughout the assessment area | *Greenhouse Gas Management Procedures* | |
| | We develop GHG inventories based on the GHG Protocol standard accounting criteria and update them annually | *Greenhouse Gas Management Procedures* | |
| | We have goals for absolute data on reductions in Scopes 1, 2 and 3 emissions, and we have goals for emission intensity reductions | *Greenhouse Gas Management Procedures* | |
| | We have a dedicated management team to reduce GHG emissions | *Greenhouse Gas Management Procedures* | |

# Appendix II: Summary of ESG Report Highlights

| ESG Highlights | Description of the Disclosure | Documents Involved | Corresponding Chapter |
|---|---|---|---|
| **Supply Chain Management** | Based on the standard requirements of human rights, labour, health and safety, environment, business ethics, and sustainable procurement, we develop a supply chain that complies with the relevant guidelines of CSR, evaluate the ability of all suppliers to implement social responsibility, and urge them to gradually improve their CSR capability. The Company purchases legal, reliable and internationally price-competitive products and services from companies with a strong sense of social responsibility and awareness of quality and cost improvement, and meets the requirements of customers by manufacturing quality products and providing timely and good services. | *Sustainable Procurement Control Procedures* | **5.2 Supplier Management** |
| | Conducting a conflict minerals survey of suppliers | *Conflict Minerals Control Management Procedures* | |

# Appendix II: Summary of ESG Report Highlights

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