愛德新能源投資控股集團有限公司

Add New Energy Investment Holdings Group Limited

(incorporated in the Cayman Islands with limited liability)

Stock Code: 2623



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

2025

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About This Report

Reporting Standard

Add New Energy Investment Holdings Limited (the "Company") and its subsidiaries (collectively the "Group" or "we") are pleased to present our Environmental, Social and Governance ("ESG") Report (the "Report") to our stakeholders. The contents of the Report comply with Appendix C2 – Guidelines on Environmental, Social and Governance Reporting (the "ESG Reporting Guide") of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The ESG Report should be read in conjunction with the Corporate Governance Report section in the annual report for a comprehensive understanding of the Group's performance in ESG.

Reporting Scope

Unless otherwise stated, the Report covers the sustainability performance of the Group's principal business, including the Hong Kong office (Units 1601-03, 16/F, MassMutual Tower, 38 Gloucester Road, Wanchai, Hong Kong up until 18 December 2025, and Room 1601-1603, YF Life Centre, 38 Gloucester Road, Wanchai, Hong Kong with effect from 18 December 2025) and the Zhuge Shangyu Ilmenite Mine (Shangyu Village, Zhuge Town, Yishui County, Shandong Province) from 1 January 2025 to 31 December 2025 (the "Reporting Year"). The exploration, blasting and mining work of the Zhuge Shangyu Ilmenite Mine are undertaken by external contractors, and the relevant data are not included in the reporting scope of the Report.

In addition, the Group has sold its mining rights in the Yangzhuang Iron Mine, as well as the exploration rights in the Qinjiazhuang Ilmenite Mine and the Gaozhuang Shangyu Ilmenite Mine projects, therefore, they are not included in the reporting scope of the Report.

About This Report

Reporting Principles

In the preparation of the Report, the Group has conducted due diligence to comply with the reporting principles as set out in the ESG Reporting Guide.

- "Materiality" – The Group has performed a materiality assessment to ensure that the Report covers ESG issues that are relevant and important to the Group and its stakeholders. For details, please refer to the section headed "Approach to Sustainability – Materiality Assessment".

- "Quantitativeness" – The Group aims to disclose quantitative indicators and relevant targets in the Report whenever possible, to measure our ESG-related impacts. We have revealed the details of the standards, tools, assumptions, and sources of conversion factors used in calculating the indicators in the Report, and have simultaneously disclosed data of the Group for the Reporting Year and the previous reporting year to facilitate data comparison.

- "Balance" – The Group ensures that the Report objectively describes our management approach and performance in ESG to avoid misleading omissions and statements.

- "Consistency" – If there are any changes in the reporting scope and calculation methods that may affect the comparison with previous reports, the Group will explain any inconsistencies with prior reports in the Report.

For more information on our social and environmental responsibilities, please refer to the Group's official website: addnewenergy.com.hk

Confirmation and Approval

The information contained in the Report is derived from official documents, statistical data, and management and operational information collected by the Group. The Report was approved by the Board of Directors (the "Board") of the Company on 28 March 2026.

Opinion and Feedback

The Group values the opinions of stakeholders. If any stakeholder has any feedback or suggestions regarding the Report, please send them to the Group's principal place of business in Hong Kong at Room 1601-1603, 16/F, YF Life Centre, 38 Gloucester Road, Wanchai, Hong Kong. Your feedback or suggestions will assist the Group in continuously enhancing its ESG performance.

The Group is pleased to publish the Report to demonstrate our firm commitment to sustainable development. Over the past year, the Group has actively integrated sustainable development concepts into corporate operations and daily management, striving to promote ESG practices and create positive value for all stakeholders.

About This Report

The principal business of the Group is engaged in the exploration, mining and processing of iron ore and ilmenite in Shandong Province, the PRC, as well as the trading of iron concentrate and other minerals. Since 2013, the Group began engaging in ilmenite mining and ilmenite processing in Shandong Province, the PRC, to produce and sell iron concentrate and ilmenite, and has gradually built a comprehensive titanium industry chain. During the Reporting Year, the Group owned the mining rights and exploration rights of the Zhuge Shangyu Ilmenite Mine, with major customers being iron groups and steel producers in the surrounding areas.

The Group has formulated a clear strategic business plan to continuously strengthen businesses such as protective mining, production, sales and services of iron and titanium mines, and to deepen and expand the layout of the entire industry chain of titanium metal products such as sponge titanium and high-purity titanium. Meanwhile, the Group has actively responded to the carbon neutrality goals under the national "14th Five-Year" Plan, and joined the "Greater Bay Area Carbon Neutrality Association" as a founding member in 2021. By seizing national policy opportunities, the Group has taken clean energy such as wind power, photovoltaics and solar thermal as new economic growth points, and has currently made some substantive progress, contributing to the green transformation of the region and the country.

In the first half of the year, the Group focused on low-carbon environmental protection and new energy sustainable growth projects, conducting in-depth inspections and selections, and planned to adjust the industrial structure to safeguard the interests of investors. The Group has advanced ecological environment enhancement projects, striving to create a "garden-style" factory and integrating ecological protection throughout various stages of corporate development. As of now, the terrain leveling, seedling planting and lawn laying work on both sides of the lake road have all been completed, and it is expected that all greening projects in the factory area will be completed by the end of the year. The current ecological lake features scenery of the four seasons, with the water and sky merging into one color, showcasing a vibrant ecological landscape everywhere.

In terms of social responsibility, the Group has always regarded employees as the enterprise's most valuable assets, striving to create a safe, healthy and harmonious working environment. We strictly comply with labour standards, protect employee rights and interests, provide comprehensive professional training and development opportunities, and actively promote a diversified and inclusive workplace culture. Meanwhile, the Group attaches great importance to supply chain management, working with partners to uphold ethical business principles and ensure the sustainability of the supply chain and the fulfillment of social responsibilities.

About This Report

The Group actively promotes industry-university-research cooperation, establishing research laboratories for the comprehensive utilisation of the Zhuge Shangyu Ilmenite Mine with the China University of Geosciences*（中國地質大學）and the China University of Mining and Technology*（中國礦業大學）, commissioning Yunnan Minzu University*（雲南民族大學）to complete titanium slag tests, and maintaining close connection with the Shenyang Research Institute of Metallurgy*（瀋陽冶金研究院）. During the Reporting Year, multiple innovation achievements were successfully implemented, and the innovation platforms and corporate honours applied for also yielded fruitful results. Shandong Shengtai Mining Technology Co., Ltd.*（山東盛泰礦業科技有限公司）was awarded the titles of provincial-level "Innovative Small and Medium-sized Enterprise" and "Technological Innovation Enterprise". At the same time, the 10 million tons/year mineral processing scheme of Zhuge Shangyu was rated as a "Key Project for Green, Low-carbon and High-quality Development in Shandong Province", "Linyi City One Enterprise One Technology R&D Center", "Shandong Province Morning Star Factory" and "Shandong Province New and Old Kinetic Energy Conversion Public Project".

In the future, the Group will continue to take low-carbon environmental protection, social responsibility and technological innovation as drivers, striving to build an industry-leading benchmark for green mining and contribute more to the country's high-quality and sustainable development.



Add New Energy is one of the Founding Members of GBA Carbon Neutrality Association

Approach to Sustainability

ESG Governance Structure

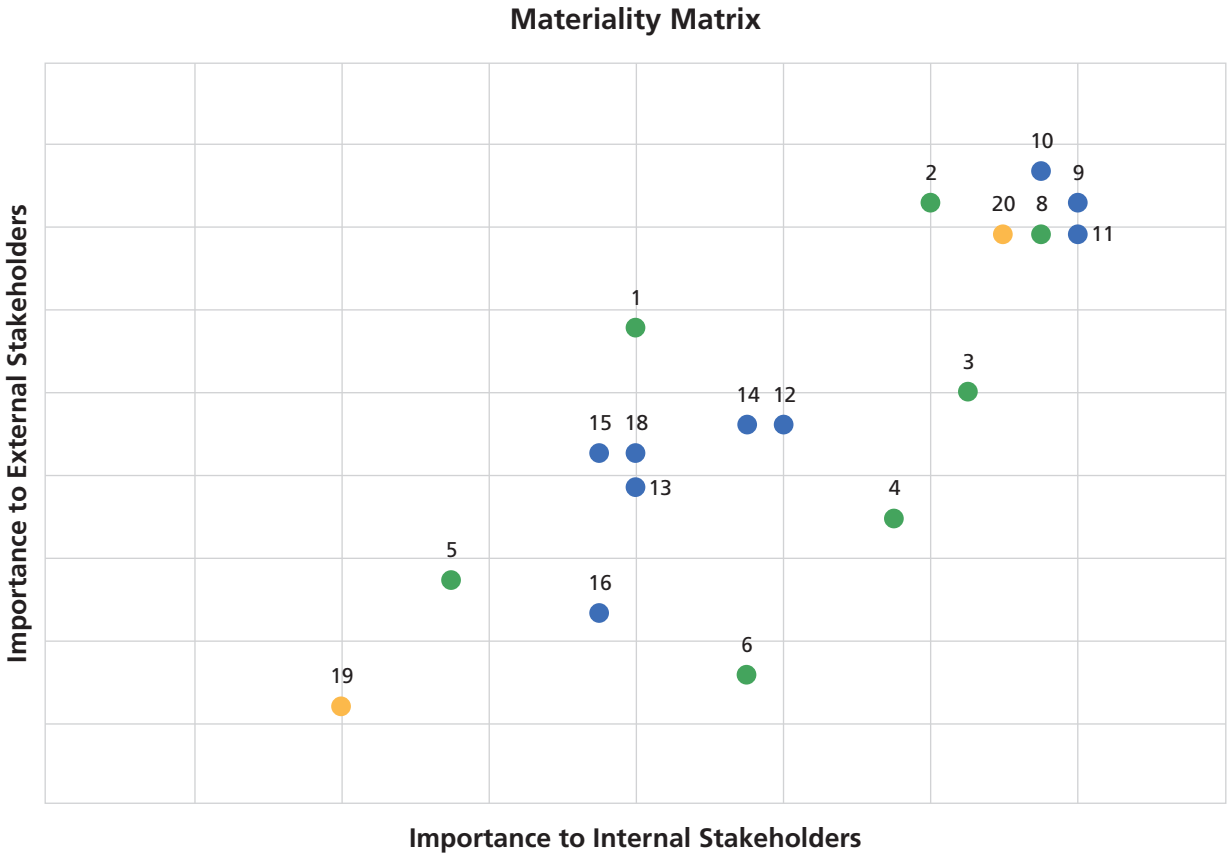
The Group has established an ESG governance structure to ensure that ESG governance remains consistent with its overall business strategy. The Board is responsible for monitoring ESG- and climate-related matters of the Group, including policy formulation, implementation of measures, performance evaluation, and risk management. The Board holds regular board meetings to timely evaluate and review ESG matters, and to review the progress and performance of relevant targets in response to the national vision for carbon neutrality, while simultaneously enhancing corporate reputation and long-term value. The Board also closely monitors and follows up on the latest ESG-related laws and regulations to stay informed of any changes in laws and regulations, and timely updates the Group's ESG measures to ensure compliance with the latest regulatory requirements. To satisfy the ESG reporting requirements of the Stock Exchange, the Board is responsible for supervising the preparation process of the Report and reviewing the content and quality of the Report to ensure its compliance with regulations and professional standards. Its duties have been clearly set out in the terms of reference and role descriptions.

To effectively integrate sustainable development concepts into corporate operations and daily management, the management of the Group fully assists the Board in implementing ESG-related execution work, and is responsible for conducting materiality assessments as well as collecting, monitoring, and analysing relevant ESG data, and regularly reporting work progress and performance to the Board to ensure all activities comply with applicable laws and regulations and excellent industry standards.

Approach to Sustainability

Materiality Assessment

To determine the key issues to be disclosed in the Report, the Group understands the various issues of concern to stakeholders through stakeholder engagements and materiality assessments. The Group identifies and recognises a list of ESG issues with reference to the ESG aspects set out in the ESG Reporting Guide, and categorises them into the following three major themes: Harmony with the Environment, Harmony with People, and Operations Management. Subsequently, the Group designs questionnaires based on the aforementioned list of issues and invites internal and external stakeholders to rate the importance of each ESG issue. After analysing the questionnaire results, the Group compiles a materiality assessment matrix. The material topics identified have been reviewed and confirmed by the Board and management and are disclosed in this Report. The materiality matrix below consolidates the perspectives of both internal and external stakeholders and identifies the key material topics most relevant to the Group's operations.



Approach to Sustainability

Environmental Issues	Social Issues
1 Air Pollutant Emissions	9 Employment Practices
2 Greenhouse Gas Emissions	10 Compliance with Labour Standards and Rights
3 Energy Use and Conservation	11 Occupational Health and Safety
4 Water Resource Use and Conservation	12 Training and Development
5 Management of Non-hazardous Waste	13 Sustainable Procurement/Supply Chain Management
6 Management of Hazardous Waste	14 Product Quality Assurance
7 Biodiversity and Land Use	15 Product Marketing and Labelling
8 Climate Change	16 Customer Privacy
	17 Technological Innovation
	18 Community Involvement

Governance Issues
19 Intellectual Property Protection
20 Anti-corruption

Approach to Sustainability

Our Stakeholder Engagements

We value the advice of our internal and external stakeholders, and strive to improve the channels of communication and engagement with our stakeholders. By adopting various ways, we deepen our understanding of the perspectives of our shareholders, investors, customers, suppliers and contractors, employees and the community, on our business in order to help us become a sustainable business. During the Reporting Year, we continued to communicate with our stakeholders through the following channels:

Stakeholders	Stakeholder Category	Communication Channels/Methods
Investors	Shareholder	Meeting of Shareholders Performance report Online media and roadshows
Customers	Steel manufacturers	Service hotline Online media
Suppliers and Contractors	Facility supplier Contractors	Supplier questionnaire Site visits to suppliers
Employees	Frontline workers Administrative staff Senior managers Directors	Occupational training and development of employees Launching of staff activities Satisfaction survey
Community and Non-governmental Organisation	Neighbouring counties	Community public welfare project Organise employees to participate in volunteer activities
Research Institutes and Associations	Academic institutions Industry associations	Research collaborations Research investments Participate in industry associations and forums
Government and Regulatory Agencies	Local governments	Thematic presentations Disclosure of information

Harmony with the Environment

The natural environment is the foundation upon which we rely for survival and development. Upholding the philosophy of "protection in development, development in protection," the Group implements environmental governance systems in production stages with potential environmental impacts during the development process to ensure the maintenance of a favorable surrounding ecological environment. In order to provide our employees with a green working environment, our surrounding communities with a green living environment, and to enhance the international competitiveness of our industry, we proactively carry out environmental management work within the Group and in the surrounding communities. During the Reporting Year, the Group did not experience any significant non-compliance incidents related to the environment.

Our production activities mainly include mining, ore processing, and dry tailings discharge management, which are accompanied by various potential environmental impacts.

Mining	Ore Processing	Dry Tailings Discharge
• Exploration (Outsourced) • Blasting (Outsourced) • Mining (Outsourced) • Transportation • Ore Storage	• Crushing • Ball Milling • Magnetic Separation • Electromagnetic Dewatering	• Centrifugation • Storage of Treated Water • Storage of Tailings Sand

Potential Impact on Climate and Air Quality  Carbon	• Greenhouse gases generated and released during all processing stages • Particulate matter generated and released during mining and ore processing • Air pollutants generated and released during blasting and ore transportation
Potential Impact on Water Resources  Water	• Reduction of groundwater content during exploration and blasting • Changes in surface water dynamics and groundwater dynamics during exploration and blasting • Reduction in the quality of water resources during ore processing
Potential Impact on Land  Soil	• Land area occupied by the storage of treated water and tailings sand • Changes in geological structure during exploration and blasting
Potential Impact on Ecosystems  Biodiversity	• Loss of flora and fauna habitats inside and outside the mining area • Reduction in the abundance and diversity of flora and fauna and population decline • Ecosystem fragmentation

We take effective measures to avoid and reduce the above potential environmental impacts. For details, please refer to the subsequent sections.

Harmony with the Environment

Response to Climate Change

We actively respond to international and domestic policies, such as the Paris Agreement and the Chinese Government's National Strategy for Dual-carbon Goals, to achieve the goals of year 2030 "carbon peak" and year 2060 "carbon neutrality." With reference to the disclosure framework of "Governance," "Strategy," "Risk Management," and "Metrics and Targets," we have comprehensively carried out risk assessment and management.

Governance

We have incorporated climate governance responsibilities into the Group's overall ESG governance framework. In the process of supervising the Group's strategic business plans, the Board has considered climate-related risks and opportunities, taking clean energy such as wind power, photovoltaics, and photothermal power as new economic growth points. Currently, substantial progress has been made. The management of the Group is required to assist the Board in supervising ESG-related matters, including climate-related risks and opportunities. Details about the governance structure, roles, and responsibilities are set out in the section "Approach to Sustainability – ESG Governance Structure" of the Report.

Strategy

The Group has identified climate-related risks and opportunities and formulated corresponding risk management measures and climate change response strategies to enhance the Group's adaptability. The Group assesses the potential impact of climate-related risks and opportunities on operations across three time frames, short-term, medium-term, and long-term, and has developed targeted response measures accordingly.

Short-term (1 to 3 years)	Focus on the direct impacts of operational management, compliance requirements, and short-term market fluctuations on the business.
Medium-term (3 to 10 years)	Focus on the impacts arising from capital allocation, technological transformation, and changes in market structure.
Long-term (above 10 years)	Focus on the impacts of climate transition trends and long-term physical risks on business sustainability.

Risk/Opportunity Type	Potential Impact	Time Frame	Management Measures
Physical Risk/Opportunity			
Acute (Increased severity of extreme weather events, e.g., extreme heat or cold, rainstorms, floods)	• Labour health, safety risks and increased absenteeism, as well as production capacity decline triggered by transportation and supply chain disruptions, may lead to delays in revenue recognition and inventory impairment. Through supply chain diversification, operational resilience can be enhanced, stabilising production cost and safeguarding operating profit margins.	Short-term	• To establish and continuously enhance the safety management system by conducting routine safety inspections and risk assessments in accordance with internal policies such as the "Safety Inspection Work Management Regulations". Develop emergency response plans to address unexpected incidents and mitigate the impact of extreme events on operations.
Chronic (Long-term climate change trends, e.g., rising temperatures and rising sea level)	• Increased cooling costs to maintain a safe working environment will enhance operating expenses. Investing in energy-saving systems can capitalise related expenditures into long-term assets, thereby significantly reducing future operating costs. • Site relocation needs may involve significant capital expenditure and lead to asset write-offs. From a strategic perspective, this move also provides an opportunity to optimise the operational layout, helping to reduce long-term operating costs and mitigate future impairment risks.	Medium to long-term	• The Group plans to progressively introduce energy-efficient and high-performance cooling systems to alleviate operational cost pressures arising from rising temperatures, while aligning with capital planning to enhance the long-term returns of related investments. At the same time, it will regularly assess the climate resilience of its operating sites and, where necessary, optimise or adjust its operational footprint to reduce potential capital expenditures and asset impairment risks.

Risk/Opportunity Type	Potential Impact	Time Frame	Management Measures
Transition Risk/Opportunity			
Policy and Legal (Changes in climate-related policies, including carbon pricing, emission reporting requirements, and legal litigation)	• Compliance with new policies and emission requirements may lead to increased compliance costs and capital expenditure. Driven by policies, demand for high-emission products and services is expected to decrease. Shifting capital toward environmentally friendly production can consolidate market share and develop new sources of growth revenue.	Medium to long-term	• Taking clean energy as a new economic growth point, and actively promoting the construction progress of the Zhuge Shangyu low-carbon environmental protection comprehensive project, striving to improve energy efficiency and strengthening resource recovery to reduce emissions.
Technology (Potential failure risks and costs in low-carbon technology investment)	• If R&D investment projects fail, sunk costs may be incurred. However, successful R&D can bring high return opportunities, including obtaining new patents and corporate reputation, creating intangible asset value.	Medium to long-term	• Cooperating with scientific research institutions to improve the processing technology of ore resources and the efficiency of energy utilisation, so as to adapt to the low-carbon economic transition and the pace of mitigating climate change.
	• Investing in new low-carbon technologies requires undertaking capital expenditure, but it can significantly improve efficiency. By reducing production costs and energy expenses, overall profitability can be improved within the useful life of the assets.		• Integrating business development planning with regular assessments of how changes in market demand affect the product mix, and respond to potential fluctuations by enhancing operational stability and product supply capacity. • The Group will continue to monitor the potential reputational and business impacts arising from declining market demand for high-emission products, and will progressively evaluate its capital allocation strategy to support the transition toward more environmentally sustainable production models.

Risk/Opportunity Type	Potential Impact	Time Frame	Management Measures
Market (Uncertainty in customer behavior changes and market signals)	• Shifts in consumer preferences may weaken sales of existing products. Developing low-carbon alternative products can tap into new customer segments and provide opportunities to achieve premium pricing and diversify revenue sources.	Medium-term	• To monitor market trends and evolving customer preferences to identify emerging demand for low-carbon and sustainable products. • Engaging with customers to understand sustainability expectations and incorporate relevant requirements into product design and development strategies.
Reputation (Changes in consumer preferences and industry reputation status)	• Decreased demand for high-emission products may pose a threat to existing revenue sources. Shifting capital toward environmentally friendly production can consolidate market share and develop new sources of growth revenue.	Short to medium-term	• Increasing transparency through regular ESG disclosures and communication of environmental initiatives to stakeholders. • Promoting environmentally friendly products and practices to reinforce the Group's market positioning and maintain stakeholder confidence.

Risk Management

We will consider formulating climate-related policies to systematically identify climate-related risks and opportunities, including physical risks and transition risks. In terms of physical risk and opportunity assessment, the Group continuously monitors the occurrence patterns of extreme weather events and long-term climate change trends at its operating locations to assess the potential impact on operations. In terms of transition risk and opportunity assessment, we pay attention to the latest policies and standards, while tracking changes in market demand for low-carbon products to ensure that the Group's business meets relevant requirements and to proactively seize development opportunities brought by the low-carbon transition.

Metrics and Targets

We are deeply aware of the major role that enterprises play in global greenhouse gas ("GHG") emission reduction. We have conducted statistics and disclosure on data such as GHG emissions, energy consumption, and water consumption during the Reporting Year. In the future, we will continue to improve the collection and analysis of relevant data to present our focus on climate change-related issues in a more comprehensive manner. Relevant metrics, targets, and specific measures are fully disclosed in subsequent sections of the Report.

Harmony with the Environment

Energy Management

To minimise energy consumption and GHG emissions to the greatest extent, we strictly comply with relevant laws and regulations in the places where we operate, such as the Energy Conservation Law of the People's Republic of China, and have formulated corresponding "Energy Management Work Measures". We have established an energy management organisation and an energy conservation work leading group to improve the Group's management system for managing and supervising the reasonable use of energy by the enterprise.

The main energy-saving and emission-reduction methods we adopt are as follows:

- We pre-screen the iron ore we mine to remove waste rock and reduce our mill throughput. Ore pre-sorting helps us to reduce our energy and electricity consumption, as well as our direct GHG emissions and air pollutants.

- We improved our processing steps to reduce the size of the ore fed into the mill by using more crushing and less grinding. This improvement also helps us to reduce energy and electricity consumption, with a corresponding reduction in greenhouse gas emissions, while the smaller ore size helps to improve the operational efficiency of the magnetic separation process and the quality of the final iron ore concentrate.

- As one of the first licensed green mines in China, we planted a large number of selected flora within the mine area, laying the groundwork for the implementation of carbon offsets to offset our greenhouse gas emissions. For more information on greening and afforestation, please refer to "Biodiversity and Land Use".

- The plant area has phased out equipment with backward production capacity and introduced new equipment such as high-gradient magnetic separators, cyclones, and filters to improve work efficiency and reduce energy consumption.

- Based on current types of energy consumption, we will consider the possibility of using renewable electricity (such as wind power) to replace part of our energy needs.

Harmony with the Environment

We reduce emissions and energy consumption by setting the following directional targets:

- Maintaining (or reducing) the level of energy consumption compared to last year;
- Using cleaner fuels to replace conventional fossil fuels;
- Increasing the proportion of renewable energy used; and
- Optimising mining and iron ore processing processes to reduce electricity consumption.

Metrics	Unit	2025	2024
Electricity *(Mining, Processing, Domestic Use)*	kWh	**4,727,708.00**	10,790,445.00
Electricity Intensity *(per tonne of product)*	kWh/tonne	**10.085**	10.864
Gasoline *(Transportation Use)*	GJ	**348.02**	368.95
Gasoline Intensity *(per tonne of product)*	GJ/tonne	**0.0007**	0.0004
Diesel *(Transportation Use)*	GJ	**14,806.90**	9,663.58
Diesel Intensity (per tonne of product)	GJ/tonne	**0.032**	0.010
Total Energy	GJ	**15,154.92**	10,032.53
Total Energy Intensity (per tonne of product)	GJ/tonne	**0.032**	0.010

Metrics[1]	Unit	2025	2024
Direct GHG emissions (Scope 1)	Tonnes of CO_2e	**1,040.18**	689.71
Energy indirect GHG emissions (Scope 2)	Tonnes of CO_2e	**2,731.20**	6,695.47
Total GHG emissions	Tonnes of CO_2e	**3,771.38**	7,385.18
Total GHG emissions intensity (per tonne of product)	Tonnes of CO_2e/tonnes	**0.008**	0.007

[1] The calculation methodology for Scope 1 and Scope 2 GHG emissions has referred to the following information, including but not limited to: The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard published by the World Business Council for Sustainable Development and the World Resources Institute; the Sixth Assessment Report published by the Intergovernmental Panel on Climate Change ("IPCC"); How to Prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental Key Performance Indicators published by the Stock Exchange; and the grid carbon emission factors published by the Ministry of Ecology and Environment of the PRC. The scope of data statistics does not include outsourced exploration and blasting work.

Harmony with the Environment

Air Pollutant Emissions

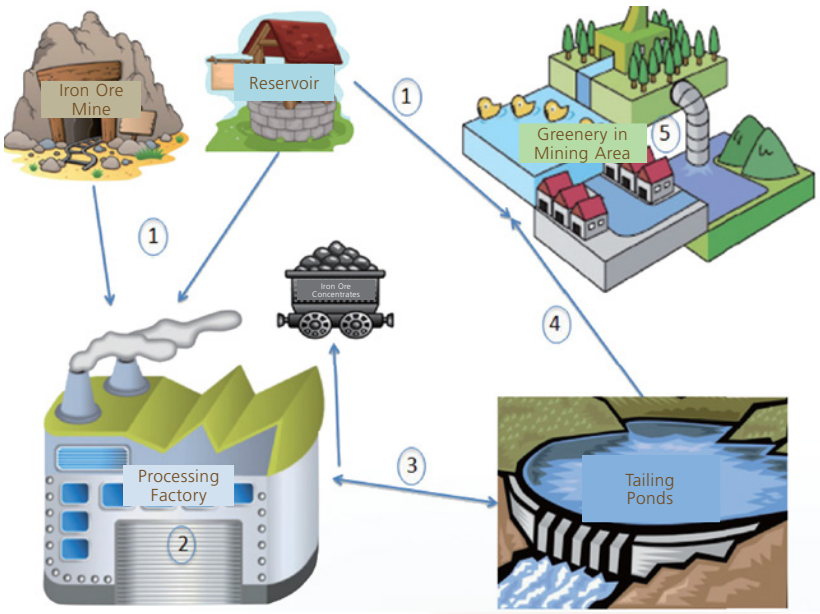
Targeting the particulate matter generated during mining and the open-air storage of ore, the Group implements regular water spraying and dust suppression measures within the plant area. In the ore processing stage, after particulate matter is suppressed by water spraying, it is further treated through dust removal towers to ensure that the concentration of emissions into the atmosphere complies with the standards of the Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution. The number of vehicles owned by the Group is extremely low, and all are equipped with exhaust gas purification devices. Therefore, the emissions of sulfur dioxide and nitrogen oxides are negligible. Therefore, no quantitative disclosure is made for this part in the Report. Since exploration, blasting, and mining work are the responsibility of contractors, the Report also does not include relevant emission data. During the Reporting Year, the Group did not identify any significant non-compliance incidents related to air pollutant emissions.

Water Resources Management

Zero Wastewater Discharge – As one of the first batch of listed "Green Mines" in China, the Group earnestly practices the basic principles of "conserving water and using water for multiple purposes", fully reflecting its commitment to high-efficiency resource utilisation and environmental protection. "Zero wastewater discharge" here specifically refers to the wastewater from the ore processing stage and domestic sewage. After being fully collected, this wastewater is treated through our dry tailings discharge system and domestic sewage treatment facilities, respectively.

We strictly comply with all local regulations regarding wastewater discharges. During the Reporting Year, the sewage compliance discharge and disposal rate was 100%, and no major incidents of non-compliance related to wastewater discharges were detected. There has been no issue sourcing water that is fit for purpose.

Our production process uses physical processing methods to minimise any impacts that may be caused by challenges from chemical processing methods. In addition, we have also invented a tailings dry drainage treatment system to help us achieve zero wastewater discharge and maximise the use of tailings sand. Our water recycling is shown in the diagram below:



Harmony with the Environment

1. Collecting groundwater, rainwater and reservoir water generated by the underground mining process for use as mining water and spraying water to reduce dust, and part of the well water is used for domestic purposes.

2. Collecting water is mainly used in the ore processing workshop, and ore processing wastewater will be collected in the water recycling equipment.

3. Using the tailings dry drainage system to treat the wastewater collected in the ore processing workshop, separating the water from the tailings sand and storing the water in the reuse pond for recycling in the ore processing.

4. Part of the water from the reuse basin will be used in the artificial lake.

5. Furthermore, domestic sewage is treated in our own treatment facilities and then used for greening and irrigation in the mine area.

Our tailings dry drainage system has obtained a national patent, and our treatment capacity fully meets our daily production water consumption needs, achieving fully recycled water for our production process. Both our natural water resources and treated recycled water meet the relevant national standards and can be extensively used for production, domestic and greening purposes.



100%
Recycled Water

We aim to improve water efficiency and reduce water consumption through the implementation of the following directional targets:

- Use recycled water in daily operations;
- Reduce water consumption by increasing the use of water-saving equipment;
- Maintain water intensity levels by increasing the proportion of water-saving equipment; and
- All water used in the dressing plant adopts a closed-circuit cycle to achieve zero wastewater discharge and maximise water conservation.

Target Achievement Progress and Comparative Data Analysis

Metrics	Unit	2025	2024
Water *(Mining, Processing, Domestic Use)*	Cubic meters	**104,070.00**	171,068.00
Water Intensity (per tonne of product)	Cubic meters/tonne	**0.222**	0.169

Non-hazardous Waste Emissions

Our non-hazardous waste emissions mainly include domestic waste. The Group is committed to reducing paper consumption, and the Report will continue to be published in electronic form, thereby helping to reduce resource consumption and waste generation. In addition, we use waste rock from the mine for road paving, and tailings sand and tailings mud cakes for cement production and land backfilling. These measures eliminate the formation of tailings ponds, greatly reducing the land area occupied and the risk of dam failure. During the Reporting Year, the Group did not identify any significant non-compliance incidents related to waste emissions.

We are committed to creating a low-waste environment and will mitigate adverse environmental impacts through the implementation of the following directional targets:

- Upcycling raw materials from non-conforming products or waste materials;
- Reusing raw materials from the mining process to reduce waste; and
- Maintaining (or reducing) the intensity of non-hazardous waste generation compared to last year.

Environmental and Safety Licenses

Our applications for new or renewal of existing exploration and mining rights are subject to approval by the relevant local government authorities, including the passing of environmental impact assessments and the obtaining of production safety permits. In addition to confirming our compliance with relevant laws and regulations, the application process also provides us with an opportunity to reaffirm our corporate responsibility and strong commitment to sustainable development.

Harmony with the Environment

During the Reporting Year, the mining rights for Zhuge Shangyu (800,000 tonnes/year) have been processed and completed. The project has obtained approvals for safety facilities, environmental assessments, and granted approvals. Land leasing for the mine and the clearing of ground attachments have been completed, meeting all statutory conditions for entering the infrastructure construction period. The Zhuge Shangyu Ilmenite Mine expansion project (10 million tonnes/year) has obtained a retained exploration permit. The exploration and reserve verification report for the No. I ore has been completed and passed expert review, and the preparation of the development and utilisation plan has been launched simultaneously.

According to the relevant laws and regulations, our third-party contractors currently have legal permits for mine blasting work and can legally carry out blasting work at the Zhuge Shangyu Ilmenite Mine.

Biodiversity and Land Use

We recognise that mining activities can cause a certain degree of impact on the surface and local physical environment, which in turn may further influence its ecosystem. Without effective management measures, the local biotic environment may become unbalanced, causing irreversible environmental damages. Therefore, we focus on protecting the land and ecosystems through prevention, control, mitigation and compensation. In recent years, we have invested more than RMB12.2441 million in natural resource conservation and ecological construction, including resource conservation covering water and mineral resources.

- 100% of the recycled water treated in the tailings dry drainage system was utilised as production water during the Reporting Year.
- High recovery rate of magnetic iron, increasing the utilisation of mineral resources.
- With the goal of improving the operational recovery rate, mining is conducted using the shallow-hole shrinkage method and sub-level stope method, thereby maximising resource utilisation efficiency and extending the service life of the mining area.
- Comprehensive treatment and greening were carried out on damaged mountain bodies within the visible range on both sides of the expressway, and more than 200,000 trees and other plants were proactively planted. The greening coverage rate of the greenable area reached 100%.
- Geographical remediation and afforestation to Gong Dan Mountain, including slope preparation of about 9,500 m^2, crack treatment of about 1,280 metres, blasting of about 15,425 m^3 of dangerous rocks, earth backfilling of about 3,900 m^3, and grassland greening of about 10,479 m^2.

Harmony with the Environment

Case Study 1



For open-pit mines and tailings dams used prior to the establishment of the Group, we minimise the possibility of tailings dams collapsing by greening mining areas and cutting slopes, widening and stabilising tailings dams, as well as greening the tailings dams. With the witness of the local government and neighbouring communities, we achieved effective results in environmental management and eventually became one of the first batch of national green mines jointly certified by the Ministry of Land and Resources and China Mining Association, one of the five iron ore mines certified. In 2016, the Group was awarded the 2015 top 10 most influential green eco-environmental enterprises in Shandong Province.

During the Reporting Year, the Group spared no effort in promoting the construction of "Green Mines" and "Garden-style Mines." Currently, work such as topographical leveling, seedling planting, and lawn laying on both sides of Huanhu Road has been completed, and it is planned to complete all greening projects in the plant area before the end of the year. The current scenery of ecological lake features in all four seasons, with the water and sky merging into one color, presenting a vibrant scene everywhere.

Case Study 2

Focusing on sustainable growth projects related to low-carbon, environmental protection, and new energy, the Group conducts comprehensive assessments and screenings, and plans to adjust its industrial structure to continuously enhance its ability to create value for investors. Shandong Shengtai Mining Technology Co., Ltd.* (山東盛泰礦業科技有限公司) was recognised as a major technological innovation project in the new materials category for its "project of comprehensive utilisation of green low-carbon ferrotitanium resources and a deep processing research and development center for titanium materials that integrates the entire titanium industry chain". This project was included by the Shandong Provincial Development and Reform Commission in the provincial major industrial transformation and upgrading reserve project list for 2025. It provides strong support for Linyi City in advancing the construction of a pilot zone for green, low-carbon, and high-quality development, offers valuable project planning experience for other counties and districts, and helps strengthen project reserves and the project application process for 2026.

Harmony with People

"Harmony with people" is one of the core values of the Group, we always pay attention to and protect the rights of employees, continue to improve the employee welfare system, and strengthen the management of employee health and safety. We are committed to creating a fair, open, harmonious and inclusive working environment, thus enhancing the employees' sense of belonging to the Group.

Safety and Health

We deeply understand the inherent dangers of the mining industry, so we put the safety and health of our employees in the first place. Based on the characteristics of our work, we have consolidated the possible risks to the safety and health of our personnel, and have formulated relevant safety management policies such as the "Safety Inspection Work Management Regulations" and the "Labour Protective Equipment Issuance and Management System". We believe that by strengthening various forms of safety management, we can protect the occupational safety and health of our employees, avoid and minimise the occurrence of safety accidents, improve the safety of the Group's property, and prevent and control the hazards of occupational diseases.



Fire Drills and Training

Adhering to the core production safety policy of "Safety First, Prevention First, Comprehensive Management", the Group has established a responsibility system for production safety at all levels of leadership, functional departments, engineers and technicians, and post operators in the production process. Under this production safety responsibility system, we conduct regular inspections of the overall production process to eliminate major accidents. If any responsible person is found to be in dereliction of duty, he or she will be held accountable.

Harmony with People

The Group's approach to the implementation of our employee safety policy to ensure the occupational safety of our employees is detailed below:

- Developing emergency rescue plans and regularly holding exercises;
- Holding regular safety meetings;
- Providing education and training for employees;
- Holding safety meetings regularly with our blasting and mining contractors;
- Organising physical examinations on occupational hazards for employees before, during and after operations;
- Setting up emergency sheltering system, monitoring and inspection system, personnel location system ("PLS"), communication system, water and air supply system for the underground personnel;
- Maintaining underground drainage system from the dangers of underground water flooding;
- Establishing a publicity room and publicity corridor for safety education; and
- Recording the distribution and condition of personal protective equipment ("PPE").

We not only focus on the physical health of our employees by providing them with a safe working environment, but also their mental health by providing them with mental health management, which includes regular communication with our employees and organising health seminars.

Under our comprehensive health management system, the Group did not identify any significant non-compliance incidents related to safety and health during the Reporting Year.

Metrics	**2025**	2024	2023
Number of deaths due to work	**0**	0	0
Number of working days lost due to work injury	**0**	0	0

Harmony with People

Employment Relationships

We place great importance on the human resource management of the Group, and persist in our people-oriented management concept. In order to regulate the recruitment process, avoid unfair recruitment problems and enhance the core competitiveness of the Group, we have formulated stringent recruitment, hiring, and related administrative procedures, including relevant recruitment management regulations such as the "Recruitment Management Regulations" and "Salary Management Regulations", etc. The Group mainly adopts an open recruitment mode, with recruitment being conducted by the Human Resources Department and supervised by the Supervisory Department. If any recruitment irregularities are detected, including the employment of minors under the age of 16, forced labour or illegal labour, the human resources department and the supervisory department will jointly investigate, implement and deal with the matter according to the law.

To further establish a harmonious relationship with employees, we have formulated "Staff Training Management Regulations" and provided equal career development and promotion opportunities to our employees, and treat employees of different genders, ages, regions and cultural backgrounds fairly and equitably. At the same time, in order to improve the enthusiasm and creativity of all employees, the Group encourages employees to give full play to their potential. And set up a reward mechanism to reward employees according to the completion of their performance.

To protect the legitimate rights and interests of all employees and provide them with work efficiency, we strictly comply with the international labour laws and the labour standards of the regions where we are located, and have formulated several internal system documents, such as the "Employee Welfare Management Regulations", "Attendance Management Regulations", "Performance Management Measures", "Incentive and Merit Assessment Management Regulations", etc., to standardise our management.

During the Reporting Year, the Group did not identify any significant incidents of non-compliance with labour and employment ordinances, such as employment discrimination, harassment, employment of child labour, or forced labour.

Harmony with People

As of the end of the Reporting Year, we had a total of 137 employees (excluding contractors), and their distribution characteristics are as follows:

Metrics	2025	2024
Total number of full-time employees	**137**	147
By Gender		
Male	**119**	124
Female	**18**	23
By Employee Category		
Directors and above	**17**	7
Senior Managers	**11**	11
Administrative Staff	**34**	32
Workers	**75**	97
By Age Group		
Below 30	**28**	17
Between 31-40	**59**	56
Between 41-50	**30**	40
Above 50	**20**	34
By Geographical Region		
Shandong Province, PRC	**126**	147
Hong Kong	**11**	–

Harmony with People

Turnover Rate

By the end of the Reporting Year, our turnover rate was 18.0%.

Metrics [2]	2025	2024
Total turnover rate	**18.0%**	35.4%
By Gender		
Male	**98.8%**	31.4%
Female	**4.2%**	56.5%
By Age Group		
Below 31	**29.2%**	–
Between 31-40	**37.5%**	3.6%
Between 41-50	**29.2%**	30.0%
Above 50	**4.2%**	111.8%
By Geographical Region		
PRC	**18.0%**	35.4%
Hong Kong	**–**	–

The Human Resources department of the Group organises seminars, communications and distributes employee satisfaction surveys to employees annually, and collects, analyses, discusses and summarises the results of the surveys in order to formulate and implement targeted improvement plans. The survey questionnaire includes employees' satisfaction with the Group's management, policies, culture, welfare benefits and environmental atmosphere. Communication through staff seminars and anonymous staff surveys helps the management to better understand its staff, thereby reducing staff turnover.

[2] Employee turnover rate = Number of employees in the category who left during the year÷Number of employees in the category at the end of the year×100%.

Harmony with People

Employee Activities

To create a better working atmosphere and balance employees' daily work and life, the Group regularly carries out a series of activities for employees, such as New Year's Day banquet, safety knowledge competitions, and other employee activities. We hope that through different types of staff activities, we can promote interaction and exchange among employees, improve mutual collaboration capabilities, thereby enhancing the cohesion of all employees.



New Year's Day Employee Banquet



Distribution of cash benefits on New Year's Day





Fire Safety Promotion Month – Knowledge Competition Activity

Training and Development

We encourage our employees to continue their education and enhance their professionalism after joining our company, therefore, we continue to improve our employee training system. Each year, we update our training programmes based on our overall business planning, business development needs and feedback from staff surveys. In the Reporting Year, we elaborated our staff training system and launched specialised training courses for different types of talents, in order to enhance the Group's competitiveness in terms of talent and promote the sustainable development of the enterprise. Furthermore, we have revised the "Staff Training Management Regulations", providing a diversified range of staff training programmes to support employees' continuing development.



Safety training for newly recruited employees

Harmony with People

During the Reporting Year, the employee occupational training rate reached 85%, with the average occupational training hours reaching 0.80 hours. We properly implement the policy of equal treatment for employees, and there is no gender discrimination.

During the Reporting Year, the Group achieved the following employee development and training metrics:

Metrics	Percentage of Employees Trained (%) [3]		Average Training Hours Completed per Employee (Hours) [4]	
	2025	2024	**2025**	2024
Total	**85%**	95%	**0.83**	5.14
By Gender				
Male	**79%**	96%	**0.78**	5.58
Female	**94%**	91%	**1.12**	1.22
By Employment Position				
Directors and above	**47%**	100%	**4**	7
Senior Managers	**82%**	100%	**8**	11
Administrative Staff/Workers	**92%**	95%	**98**	122

Community Engagement

We always regard social responsibility as an important part of our corporate development strategy, and therefore continue to pay attention to and respond to key community development issues. In order to deepen our partnership with local communities, we are committed to creating mutual benefits, building a green and harmonious mining environment, and at the same time promoting the sustainable development of the local environment, society and economy.

[3] Percentage of employees trained = Number of trained employees in the category during the year÷Number of employees in the category at the end of the year×100%.

[4] Average training hours completed per employee = Training hours received by employees in the category during the year÷Number of employees in the category at the end of the year.

Harmony with People

The Group continues to focus on community welfare and fulfills its corporate social responsibility through charitable donations and social engagements. On 26 November 2025, a serious fire accident occurred at Wang Fuk Court, Tai Po, which caused a significant impact on the local community. Some affected families faced difficulties in housing, daily life, and their children's education. To support the recovery work of the affected community, the Group participated in a post-disaster support programme through a charitable cooperation platform and donated HK$100,000 to relevant specific funds to support the long-term recovery needs of the affected families.

The donation is primarily used to support children and adolescents aged 3 to 18 from the affected families with returning to school, learning support, and psychological care services, assisting them in gradually restoring normal study and life order, and promoting their physical and mental health development. Through the aforementioned actions, the Group expects to provide substantive support to the affected community and assist in enhancing community recovery.

In the future, the Group will continue to focus on community needs, actively participate in social welfare activities, and give back to society in a responsible and sustainable manner, making contributions to the long-term development of the community.



Environmental and Social Expenditures

At all stages of our mine projects, from planning to completion, we have established the relevant system to manage the positive or negative impacts of the projects (please refer to the sections on "Harmony with People" and "Harmony with the Environment" for details). During the Reporting Year, in order to fulfill our commitment to sustainable development, we have cumulatively invested RMB12.2441 million in conserving natural resources and rebuilding ecological systems.

Harmony with People

Our environmental contributions include, but are not limited to:

- Cooperation with scientific and research institutions to improve ore processing techniques and preserve mineral resources;
- Innovation of patented tailing dry discharge system saves water resources and minimises the risk of tailing dam break;
- Afforestation to offset greenhouse gas emissions; and
- Reclamation of fields to improve soil fertility.

Our social contributions include, but are not limited to:

- Environmental stewardship for the surrounding community; and
- Poverty alleviation, education system construction and sponsorship for community activities.

Operations Management

Ethics and Conduct

We believe that honesty, integrity and justice are the cornerstones of the long-term development of the Group. All staff should consciously safeguard the Group's reputation and overall interests, and are strictly prohibited from bribery, extortion, fraud, money laundering, disloyalty and corruption. To this end, we have formulated the "Integrity Pledge", "Integrity Agreement" and "Disciplinary Regulations" to prevent, monitor and report any disciplinary offences that may occur in the daily operation of the Group. In the event that any employee violates the relevant regulations, we will immediately investigate and dismiss them by the management system; if any employee is suspected of committing a crime, they will be transferred to the judicial authorities to pursue criminal liability; if any employee has caused any economic loss, they should bear all the compensation responsibilities.

The Board is committed to regularly monitoring and reviewing the Group's anti-corruption programme and ensuring that all anti-corruption controls are working effectively. During the Reporting Year, the Board participated in a training programme on anti-corruption topics for listed companies, and we also conducted anti-corruption training for our general staff to enhance their awareness and knowledge of anti-corruption.

Since the founding of the Group, under good internal governance, the Group has not identified any significant non-compliance incidents related to corruption, nor has it received any reports or complaints regarding misconduct against the Group or its employees.

Metrics	2025	2024
Corruption litigation cases	**0**	0

Our Complaints Hotline is open to the public at all times, and stakeholders may feedback their suggestions or complaints through our hotline, email or letter. We are fair and responsive to all feedback, and all personal information will be treated in the strictest confidence to provide full protection for their right of privacy.

Supply Chain Management

As one of our most important stakeholders, suppliers are the cornerstone of our sustainable development. Since the activities of our suppliers will indirectly affect our environmental and social performance, we have formulated corresponding supplier management policies and management practices, such as the "Procurement Management Regulations", "Supplier Management Regulations", "Contractor Management Regulations" and "Qualified Supplier Evaluation Form", to ensure that the activities of our suppliers comply with the requirements of the local regulatory authorities as well as our supplier selection criteria. The principal supplier management practices include supplier questionnaire surveys and site visits to their factories, thereby ensuring that our suppliers have fulfilled their responsibilities in such areas as product quality, environmental protection, employee benefits, and community development. At the same time, we are committed to building a transparent supply chain by requiring all suppliers and contractors to sign an "Integrity Agreement" and to comply with the "Disciplinary Management Requirements" in the course of cooperation so that our business collaborations proceed with integrity and compliance practices.

Operations Management

We are committed to decreasing the environmental impact of our suppliers. One of our key focus is on reducing the carbon dioxide emissions generated by the vehicles used by our suppliers to transport their products to us. Currently, we strive to select our production equipment suppliers and office facility suppliers from within Shandong Province, respectively, thereby minimising unnecessary indirect greenhouse gas emissions during our transportation.

Besides our facility suppliers, we also highly appreciate the well-being of our contractors. As one of our most important suppliers, blasting and mining contractors are responsible for blasting and mining works at Zhuge Shangyu Ilmenite Mine. We regularly hold safety meetings every ten days, review the work safety together with them, and enhance the emergency response capabilities of the workers in the event of a sudden emergency, so that production activities proceed safely.

Metrics	2025	2024
Total number of suppliers	**145**	139
By geographical region		
Mainland China	**145**	139
Other regions	**0**	0

Product Responsibility

Production Quality Assurance

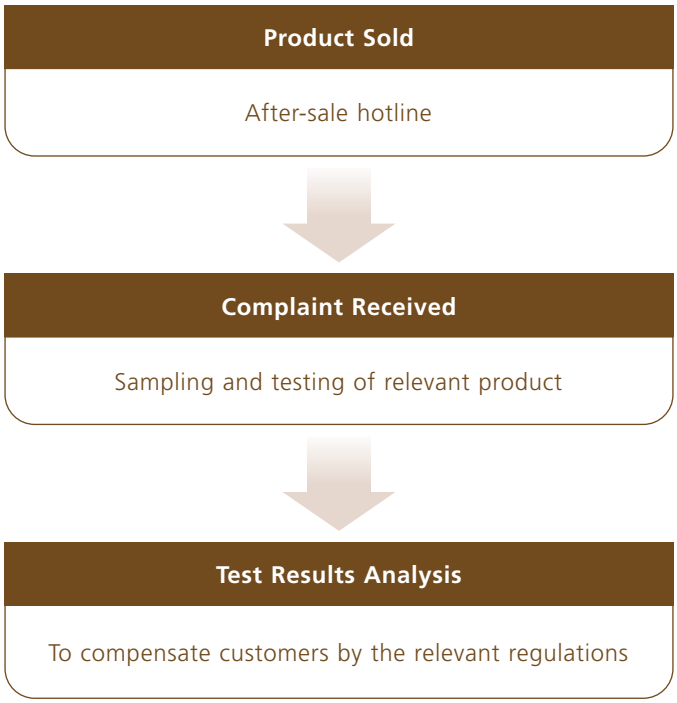
Producing quality products not only brings confidence to our stakeholders but also represents the goal we continuously strive to achieve. Based on the cornerstone of internal governance and external supply chain management, we implement a stringent quality assurance management system to further improve the quality of our products. We firstly ensure that production activities are carried out in a disciplined manner by our employees, and secondly, we carry out daily inspections and regularly overhaul and upgrade our production equipment to maintain the operating stability of our production lines. In addition, we provide our employees with job skills training to enhance their vocational skills and their awareness of quality control throughout the process. Through the above quality assurance methods, we eliminate the sale of any substandard products to the market, and these initiatives help ensure all of our products comply with the regulations and rules of the relevant regulatory authorities and meet the needs of our customers.

After-sales Service

To improve our after-sales service, we formulate relevant complaint and monitoring mechanisms for our customers and regulatory bodies respectively. For our customers, to establish a long-term harmonious and stable relationship, we adopt a responsible and proactive attitude and endeavour to solve any problems related to product quality. When a product quality problem arises, we will take samples of the problematic product and test it, and if the quality problem is caused by our company, we will assume the responsibility according to the relevant system and compensate for the loss caused to the customer.

Operations Management

Under the above management systems, during the Reporting Year, the Group did not identify any significant non-compliance incidents related to product responsibility. We did not receive any complaints or returns regarding product quality, nor were there any recalls of sold products due to safety or health concerns (2024: None).



Technology and Intellectual Property

Technology Innovation

To improve the quality of ilmenite concentrates and strengthen the competitiveness of the industry, we maintain close co-operation with the Institute of Process Engineering of the Chinese Academy of Sciences, and at the same time introduce the latest ore processing technology from the Siberian Branch of the Russian Academy of Sciences. These innovative technologies not only improve end-product quality and value, but also effectively reduce processing costs.

During the Reporting Year, the Group continued to actively promote industry-university-research cooperation. We carried out comprehensive utilisation research experiments on the Zhuge Shangyu Ilmenite Mine with China University of Geosciences and China University of Mining and Technology, commissioned Yunnan Minzu University to complete titanium slag tests, and maintained close communication with the Shenyang Research Institute of Metallurgy, to further improve the processing technology of ore resources and the efficiency of energy utilisation.

Operations Management

Protection of Intellectual Property Right

In order to strengthen the protection of intellectual property rights and regulate the management of intellectual property rights, we have established an intellectual property management department and related internal policies. Our intellectual property rights include:

- Patent rights and technical secrets;
- Trademark right and know-how;
- Copyright (including computer software and programmes); and
- Other intellectual property rights listed in relevant national laws and regulations.

In particular, we were awarded a national patent in China for our tailings dry-drainage system, which greatly enhances our efficient use of water and mineral resources.

During the Reporting Year, the Company continued to maintain:

- 3 utility model patents were granted; and
- 8 invention patents were obtained.

We encourage our employees to realise their subjective initiative and creative power, and promote the application of scientific and technological achievements in their daily work. All of our employees are expected to raise awareness of intellectual property management within their areas of responsibility. During the Reporting Year, the Group did not experience any significant non-compliance incidents related to the infringement of intellectual property rights.

Privacy Protection

Customer Privacy

In order to protect the privacy of our clients, we have established a personal information management system following the regulations on file management and confidentiality, and ensure our clients' files are managed and encrypted by dedicated personnel.

When handling confidential information, our staff are required to comply with the "Staff Responsibility for Integrity and Self-discipline Statement" and relevant laws and regulations. To maintain confidentiality, we only collect and retain necessary information about our business partners and customers, and obtain informed consent from stakeholders before collecting data to ensure that they understand the purpose of data collection and how it will be used. During the Reporting Year, the Group did not identify any significant non-compliance incidents related to the invasion of privacy.

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Part C: "Comply or Explain" Provisions

KPIs	Description	Statement/Section
Main Category (A) Environmental		
Aspect A1: Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance	Harmony with the Environment
A1.1	The types of emissions and respective emissions data.	Harmony with the Environment – Air Pollutant Emissions
A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Detailed data on hazardous and non-hazardous waste is not currently available, and relevant information is being collected for further disclosure.
A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Detailed data on hazardous and non-hazardous waste is not currently available, and relevant information is being collected for further disclosure.
A1.5	Description of emission target(s) set and steps taken to achieve them	Harmony with the Environment – Energy Management We will set quantifiable emission reduction targets with a clearly defined baseline year.
A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Harmony with the Environment – Non-hazardous Waste Emissions We will enhance the waste data collection system, and set quantifiable waste reduction targets.

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KPIs	Description	Statement/Section
Aspect A2: Use of Resources		
General Disclosure	Policies	Harmony with the Environment
A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Harmony with the Environment – Energy Management
A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Harmony with the Environment – Water Resources Management
A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Harmony with the Environment – Energy Management
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Harmony with the Environment – Water Resources Management
A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Given the nature of our business, packaging materials are not a material issue. Therefore, the Report does not make disclosures regarding matters related to packaging materials.
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies	Harmony with the Environment
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Harmony with the Environment – Environmental and Safety Licenses, Biodiversity and Land Use

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KPIs	Description	Statement/Section
Main Category (B) Social		
Aspect B1: Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance	Harmony with People – Employment Relationships
B1.1	Total workforce by gender, employment type (for example, full – or part-time), age group and geographical region.	Harmony with People – Employment Relationships
B1.2	Employee turnover rate by gender, age group and geographical region.	Harmony with People – Employment Relationships
Aspect B2: Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance	Harmony with People – Safety and Health
B2.1	Number and rate of work-related fatalities occurred in the past three years including the reporting year.	Harmony with People – Safety and Health
B2.2	Lost days due to work injury.	Harmony with People – Safety and Health
B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Harmony with People – Safety and Health

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KPIs	Description	Statement/Section
Aspect B3: Development and Training		
General Disclosure	Policies	Harmony with People – Training and Development
B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management)	Harmony with People – Training and Development
B3.2	The average training hours completed per employee by gender and employee category.	Harmony with People – Training and Development
Aspect B4: Labour Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance	Harmony with People – Employment Relationships
B4.1	Description of measures to review employment practices to avoid child and forced labour.	Harmony with People – Employment Relationships
B4.2	Description of steps taken to eliminate such practices when discovered.	Harmony with People – Employment Relationships
Aspect B5: Supply Chain Management		
General Disclosure	Policies	Operations Management – Supply Chain Management
B5.1	Number of suppliers by geographical region.	Operations Management – Supply Chain Management
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.	Operations Management – Supply Chain Management
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Operations Management – Supply Chain Management
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Operations Management – Supply Chain Management

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KPIs	Description	Statement/Section
Aspect B6: Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance	Operations Management
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Operations Management – Product Responsibility
B6.2	Number of products and service related complaints received and how they are dealt with.	Operations Management – Product Responsibility
B6.3	Description of practices relating to observing and protecting intellectual property rights.	Operations Management – Technology and Intellectual Property
B6.4	Description of quality assurance process and recall procedures.	Operations Management – Product Responsibility
B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Operations Management – Privacy Protection
Aspect B7: Anti-corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance	Operations Management – Ethics and Conduct
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.	Operations Management – Ethics and Conduct
B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Operations Management – Ethics and Conduct
B7.3	Description of anti-corruption training provided to directors and staff.	Operations Management – Ethics and Conduct
Aspect B8: Community Investment		
General Disclosure	Policies	Harmony with People
B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Harmony with People – Community Engagement
B8.2	Resources contributed (e.g. money or time) to the focus area.	Harmony with People – Community Engagement

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Part D: Climate-related disclosures

Description		Statement/Section
(I)	**Governance**	
19.	The issuer shall disclose information about:	
(a)	The governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities. Specifically, the issuer shall identify that body(s) or individual(s) and disclose information about:	
	(i) How the body(s) or individual(s) determines whether appropriate skills and competencies are available or will be developed to oversee strategies designed to respond to climate-related risks and opportunities;	Approach to Sustainability – ESG Governance Structure
	(ii) How and how often the body(s) or individual(s) is informed about climate-related risks and opportunities;	Approach to Sustainability – ESG Governance Structure
	(iii) How the body(s) or individual(s) takes into account climate-related risks and opportunities when overseeing the issuer' s strategy, its decisions on major transactions, and its risk management processes and related policies, including whether the body(s) or individual(s) has considered trade-offs associated with those risks and opportunities;	Response to Climate Change – Governance
	(iv) How the body(s) or individual(s) oversees the setting of, and monitors progress towards, targets related to climate-related risks and opportunities (see paragraph 37 to 40), including whether and how related performance metrics are included in remuneration policies (see paragraph 35); and	Approach to Sustainability – ESG Governance Structure

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Description		Statement/Section
(b)	management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate related risks and opportunities, including information about:	
	(i) Whether the role is delegated to a specific management-level position or management-level committee and how oversight is exercised over that position or committee; and	Approach to Sustainability – ESG Governance Structure
	(ii) Whether management uses controls and procedures to support the oversight of climate-related risks and opportunities and, if so, how these controls and procedures are integrated with other internal functions.	Approach to Sustainability – ESG Governance Structure
(II)	**Strategy**	
20.	An issuer shall disclose information to enable an understanding of climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term. Specifically, the issuer shall:	
(a)	describe climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term;	Response to Climate Change – Strategy
(b)	explain, for each climate-related risk the issuer has identified, whether the issuer considers the risk to be a climate-related physical risk or climate-related transition risk;	Response to Climate Change – Strategy
(c)	specify, for each climate-related risk and opportunity the issuer has identified, over which time horizons – short, medium or long term – the effects of each climate related risk and opportunity could reasonably be expected to occur; and	Response to Climate Change – Strategy

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Description	Statement/Section
(d) explain how the issuer defines 'short term', 'medium term' and 'long term' and how these definitions are linked to the planning horizons used by the issuer for strategic decision-making.	Response to Climate Change – Strategy
21. An issuer shall disclose information that enables an understanding of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain. Specifically, the issuer shall disclose:	
(a) a description of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain; and	Response to Climate Change – Strategy
(b) a description of where in the issuer's business model and value chain climate related risks and opportunities are concentrated (for example, geographical areas, facilities and types of assets).	The relevant work of the Group is still in the early stages. We are currently actively establishing relevant mechanisms to determine the scope of the value chain and identify the geographical areas, facilities, and asset types where climate related risks and opportunities are concentrated.
22. An issuer shall disclose information that enables an understanding of the effects of climate related risks and opportunities on its strategy and decision-making. Specifically, the issuer shall disclose:	
(a) information about how the issuer has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the issuer plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation. Specifically, the issuer shall disclose information about:	
(i) current and anticipated changes to the issuer's business model, including its resource allocation, to address climate-related risks and opportunities;	Response to Climate Change – Strategy

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Description	Statement/Section
(ii) current and anticipated adaptation and mitigation efforts (whether direct or indirect);	Response to Climate Change – Strategy
(iii) any climate-related transition plan the issuer has (including information about key assumptions used in developing its transition plan, and dependencies on which the issuer's transition plan relies), or an appropriate negative statement where the issuer does not have a climate-related transition plan;	Currently, the relevant work of the Group is still in the early stages. We are gradually establishing key assumptions, relevant dependencies, and scenario pathways to serve as the core foundation for the transition plan.
(iv) how the issuer plans to achieve any climate-related targets (including any greenhouse gas emissions targets (if any)), described in accordance with paragraphs 37 to 40; and	Harmony with the Environment – Energy Management
(b) information about how the issuer is resourcing, and plans to resource, the activities disclosed in accordance with paragraph 22(a).	Response to Climate Change – Strategy
23. An issuer shall disclose information about the progress of plans disclosed in previous reporting periods in accordance with paragraph 22(a).	Response to Climate Change – Strategy Harmony with the Environment – Energy Management

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Description	Statement/Section
24. An issuer shall disclose qualitative and quantitative information about:	As the Group is currently unable to obtain sufficient reliable data to conduct quantitative estimations, only relevant qualitative descriptions are provided in the Report. Meanwhile, the Group is actively optimising relevant systems and data collection mechanisms to ensure that comprehensive and accurate quantitative disclosures can be achieved when exemption regulations are no longer applicable.
(a) how climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period; and	
(b) the climate-related risks and opportunities identified in paragraph 24(a) for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements.	
25. An issuer shall disclose qualitative and quantitative information about:	
(a) how the issuer expects its financial position to change over the short, medium and long term, given its strategy to manage climate related risks and opportunities, taking into consideration:	
(i) its investment and disposal plans; and	
(ii) its planned sources of funding to implement its strategy; and	
(b) how the issuer expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage climate related risks and opportunities.	
26. An issuer shall disclose information that enables an understanding of the resilience of the issuer's strategy and business model to climate-related changes, developments and uncertainties, taking into consideration the issuer's identified climate related risks and opportunities. An issuer shall use climate-related scenario analysis to assess its climate resilience using an approach that is commensurate with an issuer's circumstances. In providing quantitative information, the issuer may disclose a single amount or a range. Specifically, the issuer shall disclose:	

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Description		Statement/Section
(a)	the issuer's assessment of its climate resilience as at the reporting date, which shall enable an understanding of:	We are strengthening our internal data collection mechanisms and exploring cooperation with external experts to facilitate climate-related scenario analysis in future reporting cycles.
	(i) the implications, if any, of the issuer's assessment for its strategy and business model, including how the issuer would need to respond to the effects identified in the climate related scenario analysis;	
	(ii) the significant areas of uncertainty considered in the issuer's assessment of its climate resilience; and	
	(iii) the issuer's capacity to adjust, or adapt its strategy and business model to climate change over the short, medium or long term;	
(b)	how and when the climate-related scenario analysis was carried out, including:	
	(i) information about the inputs used, including: (1) which climate-related scenarios the issuer used for the analysis and the sources of such scenarios; (2) whether the analysis included a diverse range of climate-related scenarios; (3) whether the climate-related scenarios used for the analysis are associated with climate related transition risks or climate-related physical risks; (4) whether the issuer used, among its scenarios, a climate-related scenario aligned with the latest international agreement on climate change; (5) why the issuer decided that its chosen climate-related scenarios are relevant to assessing its resilience to climate-related changes, developments or uncertainties; (6) time horizons the issuer used in the analysis; and (7) what scope of operations the issuer used in the analysis (for example, the operation, locations and business units used in the analysis);	
	(ii) the key assumptions the issuer made in the analysis; and	
	(iii) the reporting period in which the climate-related scenario analysis was carried out.	

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Description		Statement/Section
(III)	**Risk Management**	
27.	An issuer shall disclose information about:	
(a)	the processes and related policies it uses to identify, assess, prioritise and monitor climate-related risks, including information about:	
	(i) the inputs and parameters the issuer uses (for example, information about data sources and the scope of operations covered in the processes);	Response to Climate Change – Risk Management
	(ii) whether and how the issuer uses climate-related scenario analysis to inform its identification of climate related risks;	We are currently strengthening our internal data collection mechanisms and exploring cooperation with external experts to facilitate climate-related scenario analysis in future reports.
	(iii) how the issuer assesses the nature, likelihood and magnitude of the effects of those risks (for example, whether the issuer considers qualitative factors, quantitative thresholds or other criteria);	Response to Climate Change – Risk Management
	(iv) whether and how the issuer prioritise climate-related risks;	Response to Climate Change – Risk Management
	(v) how the issuer monitors climate related risks; and	Response to Climate Change – Risk Management
	(vi) whether and how the issuer has changed the processes it uses compared with the previous reporting period;	Response to Climate Change – Risk Management
(b)	the processes the issuer uses to identify, assess, prioritise and monitor climate-related opportunities (including information about whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related opportunities); and	Response to Climate Change – Risk Management
(c)	the extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the issuer's overall risk management process.	Response to Climate Change – Risk Management

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Description	Statement/Section
(IV) Metrics and Targets	
28. An issuer shall disclose its absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tons of CO_2 equivalent, classified as:	
(a) Scope 1 greenhouse gas emissions;	Harmony with the Environment – Energy Management
(b) Scope 2 greenhouse gas emissions; and	Harmony with the Environment – Energy Management
(c) Scope 3 greenhouse gas emissions.	The Group is establishing internal data collection mechanisms and capabilities, and is strengthening communication with stakeholders related to the value chain, aiming to provide Scope 3 data disclosures in future reports.
29. An issuer shall:	
(a) measure its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) unless required by a jurisdictional authority or another exchange on which the issuer is listed to use a different method for measuring greenhouse gas emissions;	Harmony with the Environment – Energy Management
(b) disclose the approach it uses to measure its greenhouse gas emissions including:	
(i) the measurement approach, inputs and assumptions the issuer uses to measure its greenhouse gas emissions;	Harmony with the Environment – Energy Management
(ii) the reason why the issuer has chosen the measurement approach, inputs and assumptions it uses to measure its greenhouse gas emissions; and	Harmony with the Environment – Energy Management
(iii) any changes the issuer made to the measurement approach, inputs and assumptions during the reporting period and the reasons for those changes;	N/A

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Description	Statement/Section
(c) for Scope 2 greenhouse gas emissions disclosed in accordance with paragraph 28(b), disclose its location-based Scope 2 greenhouse gas emissions, and provide information about any contractual instruments that is necessary to enable an understanding of the issuer's Scope 2 greenhouse gas emissions; and	Harmony with the Environment – Energy Management
(d) for Scope 3 greenhouse gas emissions disclosed in accordance with paragraph 28(c), disclose the categories included within the issuer's measure of Scope 3 greenhouse gas emissions, in accordance with the Scope 3 categories described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011).	The Group is establishing internal data collection mechanisms and capabilities, and is strengthening communication with stakeholders related to the value chain, aiming to provide Scope 3 data disclosures in future reports.
30. An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related transition risks.	Currently, we are not yet able to obtain sufficient data to disclose these metrics. The Group is actively optimising relevant systems and data collection mechanisms to achieve comprehensive and accurate quantitative disclosure in the future.
31. An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related physical risks.	
32. An issuer shall disclose the amount and percentage of assets or business activities aligned with climate-related opportunities.	
33. An issuer shall disclose the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.	
34. An issuer shall disclose:	
(a) an explanation of whether and how the issuer is applying a carbon price in decision-making (for example, investment decisions, transfer pricing, and scenario analysis); and	Currently, we do not apply internal carbon pricing in the investment or decision-making process.
(b) the price of each metric tonne of greenhouse gas emissions the issuer uses to assess the costs of its greenhouse gas emissions;	

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Description	Statement/Section
35. An issuer shall disclose whether and how climate-related considerations are factored into remuneration policy, or an appropriate negative statement. This may form part of the disclosure under paragraph 19(a)(iv).	Currently, the Group's remuneration policy does not explicitly incorporate climate-related considerations.
36. An issuer is encouraged to disclose industry based metrics that are associated with one or more particular business models, activities or other common features that characterise participation in an industry. In determining the industry-based metrics that the issuer discloses, an issuer is encouraged to refer to and consider the applicability of the industry-based metrics associated with disclosure topics described in the IFRS S2 Industry-based Guidance on implementing Climate-related Disclosures and other industry-based disclosure requirements prescribed under other international ESG reporting frameworks.	We have not yet disclosed climate metrics relevant to this industry. Current disclosures mainly focus on general environmental indicators, such as emissions, energy consumption, and water resource utilisation, etc.
37. An issuer shall disclose (a) the qualitative and quantitative climate-related targets the issuer has set to monitor progress towards achieving its strategic goals; and (b) any targets the issuer is required to meet by law or regulation, including any greenhouse gas emissions targets. For each target, the issuer shall disclose:	
(a) the metric used to set the target;	Harmony with the Environment – Energy Management, Water Resources Management, Non-hazardous Waste Emissions
(b) the objective of the target (for example, mitigation, adaptation or conformance with science-based initiatives);	
(c) the part of the issuer to which the target applies (for example, whether the target applies to the issuer in its entirety or only a part of the issuer, such as a specific business unit or geographic region);	
(d) the period over which the target applies;	
(e) the base period from which progress is measured;	
(f) milestones or interim targets (if any);	
(g) if the target is quantitative, whether the target is an absolute target or an intensity target; and	

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Description		Statement/Section
(h)	how the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target.	Response to Climate Change
38.	An issuer shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target, including:	
(a)	whether the target and the methodology for setting the target has been validated by a third party;	The Group has established and verified the target-setting methodology through its internal management system to ensure it is highly consistent with actual operational conditions. As work progresses to a more mature stage, the Group will consider introducing external verification to further enhance the objectivity and credibility of target setting.
(b)	the issuer's processes for reviewing the target;	Approach to Sustainability – ESG Governance Structure
(c)	the metrics used to monitor progress towards reaching the target; and	Harmony with the Environment – Energy Management, Water Resources Management, Non-hazardous Waste Emissions
(d)	any revisions to the target and an explanation for those revisions.	N/A
39.	An issuer shall disclose information about its performance against each climate-related target and an analysis of trends or changes in the issuer's performance.	Harmony with the Environment – Energy Management, Water Resources Management, Non-hazardous Waste Emissions
40.	For each greenhouse gas emissions target disclosed in accordance with paragraphs 37 to 39, an issuer shall disclose:	

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Description	Statement/Section
(a) which greenhouse gases are covered by the target;	The Group has selected directional energy management targets as the primary indicators for Scope 1 and Scope 2 carbon reduction targets, mainly based on the following reasons: these indicators directly target internal energy use, fall within the operational scope that the Group can fully control, possess high operability, and are closely related to facility performance. Compared to greenhouse gas emission targets, energy efficiency is not affected by fluctuations in external grid emission factors and can more stably reflect the effectiveness of internal management. Given that Scope 3 emissions are currently difficult to manage and control effectively, energy management has become the most practical carbon reduction lever with immediate effect at this stage.
(b) whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target;	
(c) whether the target is a gross greenhouse gas emissions target or a net greenhouse gas emissions target. If the issuer discloses a net greenhouse gas emissions target, the issuer is also required to separately disclose its associated gross greenhouse gas emissions target;	
(d) whether the target was derived using a sectoral decarbonisation approach;	
(e) the issuer's planned use of carbon credits to offset greenhouse gas emissions to achieve any net greenhouse gas emissions target. In explaining its planned use of carbon credits, the issuer shall disclose:	
(i) the extent to which, and how, achieving any net greenhouse gas emissions target relies on the use of carbon credits;	
(ii) which third-party scheme(s) will verify or certify the carbon credits;	
(iii) the type of carbon credit, including whether the underlying offset will be nature-based or based on technological carbon removals, and whether the underlying offset is achieved through carbon reduction or removal; and	
(iv) any other factors necessary to enable an understanding of the credibility and integrity of the carbon credits the issuer plans to use (for example, assumptions regarding the permanence of the carbon offset).	
41. In preparing disclosures to meet the requirements in paragraphs 21 to 26 and 37 to 38, an issuer shall refer to and consider the applicability of (i) cross-industry metrics (see paragraph 28 to 35) and (ii) industry-based metrics (see paragraph 36).	Currently, the Group has not yet fully adopted or disclosed climate indicators relevant to this industry.