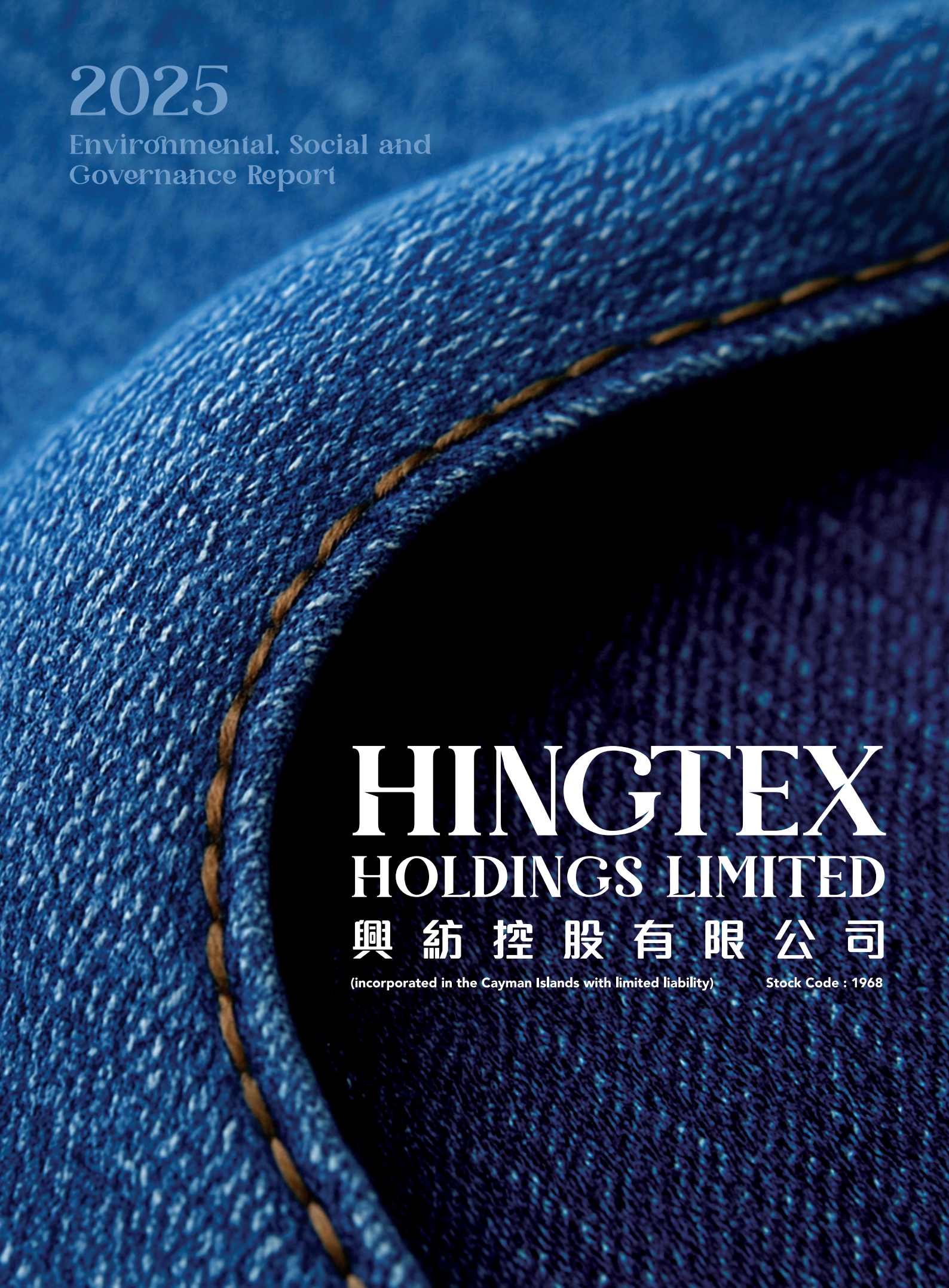
2025 Environmental, Social and Governance Report



HINGTEX HOLDINGS LIMITED

興紡控股有限公司

(incorporated in the Cayman Islands with limited liability) Stock Code : 1968

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Environment, Social and Governance Report 2025

ABOUT THE GROUP

Hingtex Holdings Limited ("Hingtex Holdings" or the "Company") and its subsidiaries (collectively referred to as the "Group") are principally engaged in the manufacture and sales of denim fabrics, with brand customers in the United States, Europe and China.

The principal wholly-owned subsidiaries of Hingtex Holdings are as follows:

Hong Kong, China	
Company Name	**Principal Activities**
H. W. Textiles Company Limited ("HWT")	Design and trading of denim fabrics
Kingstead Industrial Limited ("Kingstead Industrial")	Trading of denim fabrics

Chinese Mainland	
Company Name	**Principal Activities**
Zhongshan Hing Tak Weaving and Dyeing Limited 中山興德紡織漿染有限公司 ("Hing Tak")	Handling weaving process of denim fabric manufacturing and trading of denim fabrics
Zhongshan Hing Shing Finishing and Dyeing Limited 中山市興盛漿染整理有限公司 ("Hing Shing")	Handling dyeing and finishing processes of denim fabric manufacturing

The Group will further leverage our strengths in product innovation and market development to maintain our leading position in a highly competitive market and will continue to drive us to achieve sustained growth. For product innovation, we will continue to invest in research and development and focus on developing more innovative and environmentally friendly products. To expand its quality product portfolio, the Group added two large finishing and dyeing machines imported from Germany and Italy respectively, featuring advanced technologies enhance the competitiveness of its products. From 1 January to 31 December 2025 (the "Year"), the Group continued to conduct research and development, including the development of environmentally friendly products and the introduction of sustainable materials such as recycled cotton and recovered cotton.

The Group is committed to promoting sustainability and firmly regards it as a key factor for our long-term success. In our philosophy, business success cannot rely solely on short-term profit pursuit. Instead, it should be built on a profound understanding of and commitment to environmental, social and corporate governance. The Group's production process involves the use of natural resources and the generation of air pollutants, wastewater and other industrial waste. In order to reduce the impact of our operations on the environment, the Group complies with local environmental laws and regulations and implements environmental management systems and measures, including the purchase of steam or natural gas for the use of thermal energy to replace biomass fuel or LPG to power our plant equipment. At the same time, although certified recycled materials are often more expensive than traditional materials, we still use certified recycled materials for stretchable denim, and gradually increase the proportion of sustainable materials in our products to ensure that our products are competitive in the market, while also helping to protect the environment.

Environment, Social and Governance Report 2025

ABOUT THE REPORT

This is the eighth "ESG Report" (the "Report") published by Hingtex Holdings, which provides stakeholders with a better understanding of the progress and development direction of the Group in respect of sustainability by reporting on the Group's policies, measures and performance in environmental, social and governance ("ESG") aspects. This Report has been uploaded to the websites of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and the Company (www.hwtextiles.com.hk).

Reporting Scope

This Report presents the ESG policies, measures and performance of the Group for the Year, and focuses on the operation of the Group's denim fabric manufacturing business. Consistent with last year, the Report covers all principal operating subsidiaries located in Zhongshan, China as set out in the Group's financial statements, including Hing Shing and Hing Tak which are principally engaged in handling dyeing and finishing processes of denim fabric manufacturing and handling weaving process of denim fabric manufacturing and trading of denim fabrics, respectively. The head office in Hong Kong and the two subsidiaries ("HWT and Kingstead Industrial") are not included in this Report as they do not have significant impact on the environment and society. The Group will regularly review the reporting scope based on the principle of materiality to ensure more comprehensive and accurate information is provided to investors and other stakeholders.

Reporting Standard

This Report is prepared in accordance with the "comply or explain" provisions of the ESG Reporting Code (the "Code") as set out in Appendix C2 to the Rules Governing the Listing of Securities on the Stock Exchange on the basis of the four reporting principles (i.e. materiality, quantitative, balance and consistency). The following table summarises how the Group has applied these four principles in the preparation of the Report. A complete content index is appended in the last chapter of this Report for easy comprehension with reference to the Code.

Reporting Principles	Application by the Group
Materiality	The Group assisted the board of directors and employees of Hingtex Holdings (the "Board") to determine material ESG issues through questionnaires and sustainability trends peer benchmarking and made key disclosure based on the identified material issues.
Quantitative	To the extent practicable, the Group records, calculates and discloses quantitative information and compares historical performance where appropriate. All the quantitative information set out in this Report is derived from the official documents of the Group and the statistical records of the relevant departments.
Balance	This Report is prepared in an objective and unbiased manner to ensure that the information disclosed truly reflects the Group's overall performance in ESG aspects.
Consistency	Where feasible, the Group uses consistent statistical methodologies. If there are any changes that may affect the comparison with previous reports, the Group include a corresponding explanation in this Report.

Environment, Social and Governance Report 2025

Confirmation and Approval

All information cited in this Report is sourced from the official documents, statistical data of the Group, as well as the management and operation information collected according to the policies of the Group. The Report was approved by the Board on 22 April 2026.

Feedback

The opinions and suggestions of stakeholders are conducive to the development of more detailed and sound sustainability strategies of the Group in the future. If you have any questions or suggestions about this Report, please feel free to contact the Group by the following means:

Address: Unit A6, 31st Floor, TML Tower, 3 Hoi Shing Road, Tsuen Wan, New Territories, Hong Kong
Tel: (852) 2341 4208
Email: general@hwtextiles.com.hk
Fax: (852) 2341 8493

BOARD STATEMENT

As we enter 2025, the global push for sustainability continues to accelerate, with governments and businesses worldwide intensifying their efforts to promote low-carbon economies, circular economies, and green innovation. As a critical link in the global supply chain and a highly resource-dependent industry, the textile and apparel sector is facing unprecedented pressures and opportunities for transformation. The Group deeply understands that sustainable operations are no longer an option, but rather the core of a company's long-term competitiveness. As regulatory trends regarding carbon emissions, water resource utilization, and chemical management become increasingly clear across nations, market demand for eco-friendly products is growing rapidly. In the face of these ongoing external changes, the Group remains committed to driving operational upgrades through innovation, positioning environmental and social responsibility as key pillars of our corporate strategy. We aim to advance sustainable development goals alongside the industry while supporting our customers and partners.

As a key member of the global supply chain, we deeply understand that making changes at the material level is crucial to mitigating environmental impacts. This year, we have further expanded the use of recycled materials and low-environmental-impact fibres; currently, over fifty fabric types incorporate a certain proportion of pre-consumer or post-consumer recycled materials and have obtained international certifications such as RCS. These achievements signify that the Group has established a solid foundation in the circular economy. At the same time, responsible sourcing remains a core commitment. We continue to enhance traceability and supply chain transparency, prioritising natural raw materials cultivated using sustainable farming practices, such as Regenagri-certified cotton. We believe that supporting healthy soils, ecosystems, and farming communities is essential to building a more resilient future for the industry.

In response to our global customers' increasing demands for product quality, functionality and production efficiency, the large-scale dyeing and finishing equipment sourced from Germany and Italy has been successfully tested and is now fully operational. This new equipment will significantly enhance production efficiency, shorten processing times and reduce water and energy consumption, whilst ensuring greater product consistency and competitiveness. Moving forward, we will continue to evaluate opportunities to introduce further intelligent and low-carbon technologies, with the aim of establishing a manufacturing system that is both highly efficient and environmentally friendly.

Environment, Social and Governance Report 2025

The textile and apparel industry remains a highly labour-intensive sector, and we firmly believe that a 'people-centric' approach is the cornerstone of sustainable corporate development. This year, the Group has continued to optimise its talent development framework, implementing more systematic skills training, leadership programmes and career planning support. We are committed to fostering a diverse, equitable and inclusive workplace culture, enabling every employee to realise their potential in a safe, respectful and supportive environment, and to grow alongside the company.

We remain committed to our triple promise: to provide high-quality products and services to our customers, to generate robust returns for our shareholders, and to make a positive impact on society. In 2025, we further strengthened our communication and collaboration with key stakeholders, including customers, employees, consumers, local communities and government bodies. Looking ahead, the global supply chain environment will continue to evolve rapidly, yet it also presents new opportunities. The Group will continue to drive forward our various strategies, striving to shape a more responsible, resilient and inclusive development model for the industry. We would like to thank all our partners and employees for their support and companionship over the past year, which has enabled us to press ahead in these challenging times.

STAKEHOLDER ENGAGEMENT AND MATERIALITY ASSESSMENT

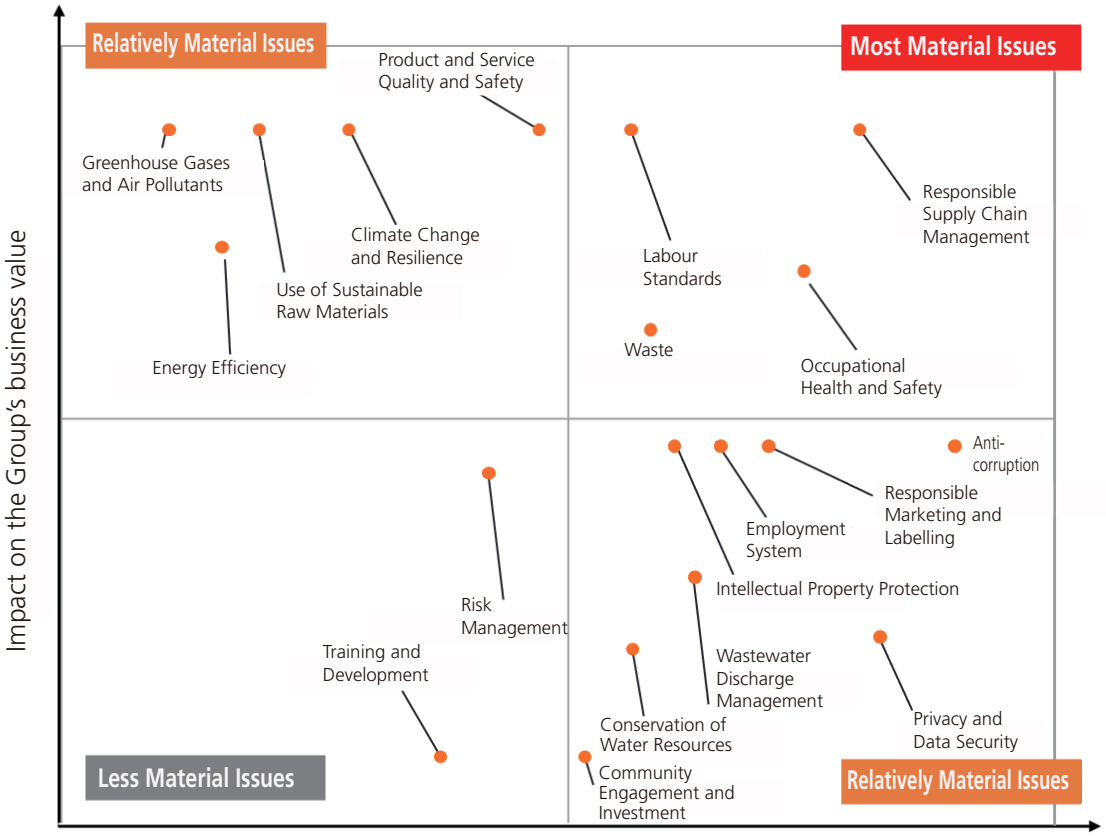
Communication with Stakeholders

Communication with stakeholders is essential for the Group to pave its way towards sustainable development. The Group collects opinions from stakeholders through various channels such as daily operations and communication, Board investigation, opinions and complaints mechanism to review its own performance and potential risks and continuously improve its business strategies and management. The Group's stakeholders include groups and individuals who have a significant influence on, or are impacted by, its business, including employees, shareholders, investors, suppliers and business partners, customers, regulators and industry associations.

Key Stakeholders	Methods of Communication
Employees	Establish employee grievance mechanism and channel to understand employees' opinions and suggestions about the Group.
Customers	Maintain regular communication with customers and collect feedback and handle complaints through our feedback collection channel and handling mechanism.
Suppliers	Regularly communicate with suppliers and conduct audits to ensure that their performance and operation model meet the requirements of the Group.
Community	Create a positive impact on community development through community investment and donations.

Material ESG Issues

The Group believes that through interaction with our stakeholders, we can gather valuable feedback to review our own performance and potential risks, so as to continuously improve our business strategy and management. Therefore, the Group commissioned independent consultants to conduct questionnaire surveys with various stakeholders to obtain effective and independent feedback analysis in 2023. The Group invited employees and directors to complete a questionnaire survey to rate the Group's impact on external environment and the impact of the external environment on the Group's value, in order to gain a more comprehensive and holistic understanding of the relationship between various sustainability issues and the Group's development and operations. During the Year, the Group reviewed material ESG issues by benchmarking against peer sustainability trends and updated the materiality matrix. The Group's Board of Directors reviewed the scores for each of the ESG related issues to ensure their authenticity and accuracy and confirmed the results for the purposes of ESG reporting disclosure and performance improvement. The Group identified 4 most material issues and 13 relatively material issues, which are highlighted in this Report.



Most Material Issues	Relatively Material Issues	Less Material Issues
• Responsible Supply Chain Management • Labour Standards • Occupational Health and Safety • Waste	• Anti-corruption • Product and Service Quality and Safety • Climate Change and Resilience • Use of Sustainable Raw Materials • Greenhouse Gases and Air Pollutants • Wastewater Discharge Management • Responsible Marketing and Labelling • Employment System • Intellectual Property Protection • Community Engagement and Investment • Conservation of Water Resources • Energy Efficiency • Privacy and Data Security	• Training and Development • Risk Management

The Group will continue to strengthen the communication with stakeholders and explore more diversified communication channels with various stakeholders to better understand the opinions and expectations of stakeholders on the Group, thereby improving relevant policies and measures.

SUSTAINABLE DEVELOPMENT GOVERNANCE

The Group has always adhered to high standards of corporate governance because we believe that strong corporate governance enables us to establish and realise long-term strategies and provides effective guidance for achieving our goals.

Sustainable Development Governance Structure

With regard to climate change-related issues, the Group has incorporated climate change-related risks into its internal risk management processes to enhance the identification, assessment and management of the potential impact of such issues on business operations. As the Group's highest governing body, the Board bears the responsibility for leading, controlling and managing the Company, ensuring that the Group's business operations run smoothly and comply with all applicable regulations. Concurrently, the Board assumes responsibility for sustainability, overseeing and reviewing relevant matters including strategies, policies, measures and performance. This encompasses the results of climate risk identification, the management of climate-related risks and opportunities, and the progress of energy-saving and emissions-reduction targets and measures.

To further integrate sustainability into the company's decision-making and operations, the Sustainability Task Force (the "Task Force") is specifically responsible for overseeing the implementation and operation of all relevant policies and measures. This Task Force includes directors and is supported in its development and day-to-day operations by senior executives and plant managers, forming a rigorous management system. The primary responsibilities of this Task Force include assisting in the formulation and refinement of strategies and policies relating to environmental protection, operational management, business ethics, employment practices, community investment and other sustainability-related matters. It is also responsible for implementing and reviewing relevant measures, targets and performance, and reports annually to the Board, providing recommendations to create long-term value. With regard to climate-related issues, the task force is also responsible for coordinating the identification and assessment of relevant risks and opportunities, following up on the implementation of response measures and energy-saving and emission-reduction targets, and reporting regularly to the Board.

In addition, the Group has established an environmental team to support environmental initiatives within the Group. Its responsibilities include the collection and verification of data on energy, water, waste and chemicals; recording the use and storage of chemicals, as well as waste disposal procedures and volumes; and monitoring environmental targets, including energy conservation, water conservation and waste reduction. The environmental team also provides support for the implementation of climate change-related initiatives. Through environmental data management and target monitoring, it assists the Group in advancing climate-related analysis and the implementation of energy-saving and emission-reduction measures.

ESG Risk Management

Effective risk management and internal control are integral parts of corporate governance. The Group has established an effective risk management and internal control system with a clear management structure, authority, and policies and procedures to ensure that the Group has a comprehensive understanding of the operational risk and is able to take timely remedial measures to support the long-term development of the business. In terms of structure, the Board of the Group has overall responsibility for the risk management and internal control system, and with the assistance of the audit committee, is able to effectively review and monitor the identified significant risks.

At the operational level, Hing Shing and Hing Tak have formulated the Risk and Opportunity Identification, Assessment and Response Control Procedures and the Internal Audit Control Procedures respectively, to regularly identify and evaluate risks and opportunities related to environment, quality and compliance as well as formulate relevant measures and maintain the effectiveness of the quality management system.

The Group identified the following environmental and social risks and formulated response plans to achieve more comprehensive risk management. The Group will continue to strengthen and review the identification and management of ESG risks and opportunities, and improve regulatory performance.

Risks	Responses
Wastewater treatment The water used in the production process will be polluted by the processing materials, presenting potential risks to the environment. Leakage or improper handling can cause non-negligible impacts on the surrounding environment and water sources.	The Group has installed online wastewater discharge detectors at Hing Tak and Hing Shing to monitor the flow rate of wastewater online to ensure that wastewater discharge complies with the requirements. The Group has formulated rigorous guidelines to ensure compliance in the operating process and reduce the risk of leakage or improper handling. At the same time, through regular inspections and maintenance, the opportunity to increase the risk of equipment damage will be avoided. The Group will also install shut-off valves at the rainwater drains to prevent the inflow of sewage, and ensure that employees understand how to use them during training so that the drains can be closed when necessary.
Thermal treatment The equipment used in the production process consumes a lot of thermal energy. If the equipment unit is aged or damaged, it will not only lead to energy leakage, but also increase energy consumption, bringing potential risks to employees and the environment.	The Group regularly inspects and maintains the equipment to ensure the compliance and operation of the units, and reduce leakage or safety problems caused by aging or damage. At the same time, the Group will install different thermal insulation materials according to the characteristics of the machines to reduce thermal energy consumption.
Chemical use Due to the business nature, employees are required to use different chemicals during work, and environmental or safety incidents may occur due to improper handling.	The Group has formulated relevant guidelines according to the use and procedures of different chemicals to ensure the safety and reduce the corresponding environmental and social risks.

SUSTAINABLE DEVELOPMENT HIGHLIGHTS

Quantitative Environmental Targets

In order to be in line with the national and regional dual carbon targets of "carbon neutrality and carbon peak", the Group has been working with customers and employees to regularly review progress and resource allocation in addition to setting quantitative environmental targets to ensure effective implementation of targeted measures to achieve a sustainable business model.

Unit	Quantitative Targets	Progress	Key Measures
Hing Tak and Hing Shing	Using 2018 as the base year, 40% carbon reduction in total amount and intensity by 2030	• Absolute total carbon emission in 2025 reduced by 67% compared with 2018, and carbon emission intensity reduced by 33%	• Replace traditional fluorescent lamps with more energy efficient and environmentally friendly LED • Retrofit the dust removal system of the weaving workshop to achieve dual savings of water and electricity • The insulation treatment of pipes, tanks, cylinders, tools, etc. The intensity reduction of steam in 2025 reduced by 45% compared with 2018 • Reform the air compressor and adopt frequency converter and time switch to reduce the waste caused by the long-term working condition of the air compressor • Install timers for the office central air conditioner to automatically turn it on and off at regular intervals every day

Unit	Quantitative Targets	Progress	Key Measures
	Reduce the proportion of freshwater input, aim to achieve water recycling, and improve the utilisation rate of water resources	• After Hing Shing implemented condensate water reuse and sewage pretreatment for wastewater reuse, reused water accounted for 12% of total water consumption in 2021, 17% in 2022, 19% in 2023, 17% in 2024 and 16% in 2025. Freshwater consumption reduced from 32 litres per metre of fabrics in 2021 to 21 litres per metre of fabrics in 2025.	• Add air flotation devices to wastewater station, to further treat sewage after pretreatment to reduce COD in sewage • Implement rainwater and sewage diversion in the factory area to avoid contamination of groundwater to a greater extent • Introduced a closed-loop water system for fabric singeing machine and shrink wrappers, and implemented the reuse of cooling water for some machines during the Year, effectively reduced consumption of freshwater for industrial purposes
	40% reduction in energy consumption per yard of fabrics by 2030, using 2018 as the base year	• Compared with energy consumption in 2018, energy intensity (MWh per thousand yards of product) of the Group dropped by more than 35%	• Replace LPG and kitchen diesel with natural gas • Use condensate heat to heat up hot water for dormitory shower • Add insulation pads on both sides of the baking barrel • Adopt variable frequency air compressor • Convert air conditioning system into cooling system • Combine two factory kitchens into one • Replace the street lights within the Hing Shing factory area with solar-powered lights • Engage a third-party company to comprehensively inspect electrical circuits to minimise energy loss caused by ageing circuits

Future Action Plan

In order to achieve the Group's environmental objectives, we continue to develop and implement a range of possible action plans. First, we are progressively rolling out the installation and integration of solar photovoltaic equipment to further improve our energy efficiency and reduce carbon emissions. During the Year, we purchased 1,110 MWh of International Renewable Energy Certificates (I-RECs) for carbon offsetting, which covered 16.5% of the Group's electricity consumption in 2025. At the same time, by introducing a recirculating water system for fabric singeing machine and shrink wrappers, and implementing measures to reuse cooling water from some machines, we have continued to optimise water resource management, effectively reducing the intensity of fresh water consumption for industrial purposes by 27%. In addition, we will further drive technological innovation, especially in the use of chemicals. We aim to develop and adopt more environmentally and water-friendly chemicals. This will require assessing investments in machinery and talent, and we are committed to actively investing in these two aspects. At the same time, we will invest more resources in wastewater treatment measures to ensure that the impact of our operations on the environment is minimised.

The Group strongly believes that appropriate investment of resources to improve its operations is crucial for expanding market share and securing more orders. We will persist in our efforts to achieve our sustainability goals and create long-term value for our customers, employees and shareholders.

CARE FOR EMPLOYEES

The Group is committed to creating a safe, healthy, equal and respectful work environment where employees can achieve their self-worth and drive the growth of the Group. Respect and fairness in the workplace are among the Group's core values, and we expect every employee to respect the values and work together to create a friendly working environment.

In order to increase employee satisfaction and sense of belonging to the Group, we organise regular staff activities, such as quarterly birthday parties and sports events for our staff, which effectively promote co-operation and interaction among staff and create a pleasant working atmosphere.

Employment System

The Group attaches great importance to the establishment of a sound employment system, which is considered essential to the recruitment and retention of talents. Based on employment-related laws and regulations, the Staff Handbook has been formulated, which clearly states the basic management and personnel system. The Handbook includes policies on recruitment, remuneration, working hours, dismissal, equal opportunity, holidays and other benefits. In addition, we have developed a Women's Rights Policy to protect women's interests and encourage women to enter the workforce. All employees are made aware of these employment rules and arrangements, demonstrating our commitment to a fair, transparent and inclusive employment environment.

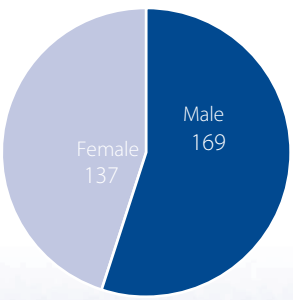
Recruitment and dismissal	In the process of recruitment and dismissal, the Group adheres to the principles of openness, fairness and impartiality. According to the principle of "merit-based recruitment", we hire employees who meet the requirements of the position based on their academic qualifications and experience. If employees need to terminate their labour contracts, they can follow the negotiation dismissal process. We will handle and provide corresponding compensation in accordance with established procedures. All recruitment and dismissal decisions and procedures are based on objective factors such as employee performance, attitude and career development direction.
Remuneration, holidays and other benefits	The Group is committed to creating an environment that attracts and retains talent. We offer market-competitive remuneration, while ensuring that employees are awarded full attendance awards, allowances, overtime pay and performance bonuses based on their performance as required by the Zhongshan Minimum Wage Standard. In terms of Leave Policy, we offer a variety of leaves in accordance with the provisions of the Employee Handbook, including personal leave, sick leave, injury leave, marriage leave, bereavement leave, maternity leave, paternity leave and annual leave, and employees who have served more than a year are also entitled to 5 to 15 days' annual leave. In addition, we provide medical benefits to ensure that employees are protected in the event of work-related injuries, illnesses, or pregnancy. We also offer flexible working hours based on individual needs, such as pregnant women or staff with family in need. For factory staff, we offer free accommodation and canteen benefits. We are committed to promoting work-life balance, and therefore, we adjusted the working days of our employees to an average of three to four days per week.
Diversity, equal opportunity and anti-discrimination	The Group is committed to establishing a fair working environment and providing equal opportunities to all employees and candidates. We have established the Anti-discrimination Policy, which clearly specifies that discrimination against employees or candidates on the basis of gender, age, appearance, disability, race, religion, language, geographical region and culture are prohibited. We believe that multiculturalism can facilitate a more holistic approach to business decisions and sustainable development. Moreover, we have formulated a Board Diversity and Promotion Policy. The Staff Promotion Scheme clearly stipulates that staff will be promoted fairly on the basis of performance, commitment and seniority. Meanwhile, we will regularly review our current employment policies and review how to further improve the employment guidelines and measures related to diversity and fair promotion.

Labour Standards	The Group has clear policies and practices in the establishment of labour standards. We strictly prohibit the employment of anyone under the age of 16 and this is clearly set out in our Prohibition of Child Labour Policy and the Procedures for Saving Child Labour. We require all candidates to submit identification documents, recent photos and other documents for verification by the Human Resources Department. If a person under the age of 16 is found to be hired by mistake, we will immediately stop him/her from working and ensure that his/her health is not affected by his/her work and escort him/her back to his/her guardian. We will report to the local labour department and investigate and handle the cases according to relevant regulations and factory rules. In addition, our Staff Handbook clearly prohibits employees from being forced to work in any way, and regulates working hours, overtime work, overtime pay and other arrangements in accordance with established procedures to ensure respect and protection of the rights and interests of all employees. According to the Procedures for Employees' Voluntary Overtime Work formulated by the Group, in the event that a violation of forced labour is identified, an employee representative may report the situation to a management representative or the Administration and Human Resources Department. We will handle the issue in accordance with the Anti-forced Labour Policy and jointly mediate the dispute.

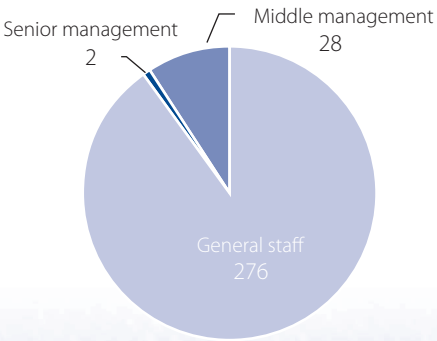
In order to protect the legitimate rights and interests of its employees from unfair, sexual harassment and gender discrimination, the Group has established the Employee Complaints Policy and the Employee Complaint Process Form for its employees to make complaints on matters such as working environment, employment, gender discrimination and sexual harassment. The Group will conduct investigations in accordance with established procedures.

During the Year, Hing Shing and Hing Tak had a total of 306 employees, including 169 male employees and 137 female employees, of which general staff accounted for approximately 90.2% of the total number of employees. All employees were from Chinese Mainland.

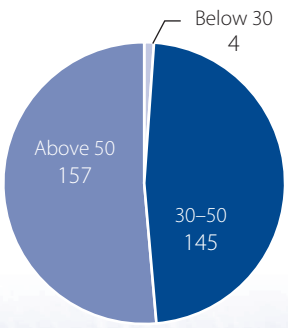
By gender



By rank



By age



Work Safety and Employee Health

The Group attaches great importance to the occupational health and safety of its employees and has developed a series of management systems and safety measures. In our management system, we have established the Organisation and Responsibilities of Safe Production, implemented the principle of "safety management is necessary for production management" and regulated the occupational safety and health measures for its employees. We have established Occupational Health Management Policy, Safety Management Plan, Occupational Disease Hazard Prevention Promotion, Education and Training Policy and other management policies to improve the safety of the work environment

As the use of chemicals is involved in the production and operation process, the Group is also very strict in the management of chemicals. We have established the Chemical Safety Management Procedures, the Chemical Warehouse Management Policy and other relevant management and operation guidance documents to ensure the storage safety of the warehouse and protect the surrounding environment. We conducted two chemical spill drills during the Year to enhance the safety awareness of our employees. At the same time, we also inspect the drinking water of employees in Hing Tak and Hing Shing factories twice every year to ensure quality of drinking water for employees is compliant with the requirements of the National Food Safety Standard — Packaged Drinking Water.

In response to the occurrence of accidents, the Group has prepared the Production Safety Accident Emergency Plan, the Emergency Response Plan and the Accident Emergency Rescue Plan to provide relevant guidance in handling emergencies to ensure that employees can respond appropriately when natural disasters and man-made accidents occur. In addition, we organise regular fire drills to enhance our staff's awareness of fire safety and preparedness in case of emergency. On this basis, we conducted comprehensive hazard source identification and risk assessment when formulating the Emergency Response Plan. We regularly engage third parties to carry out inspections and maintenance of plant equipment and fire safety facilities to ensure their safe and effective operation. We conducted labelling, planning and maintenance work for all electrical installations and wiring. We firmly believe that only through these measures can we ensure that our employees are adequately protected at work and create long-term value for our customers, employees and shareholders.

During the Year the Group recorded one fatality, and appropriate actions were taken in compliance with applicable regulatory requirements[1]. The Group will strive to improve its internal management system and working environment to provide a safe workplace and protect the personal safety of its employees. Moreover, a total of 18 employees were involved in work-related injuries during the Year, the majority of which were minor bruises. All cases have been handled in accordance with established procedures and mechanisms. In view of this, the Group has taken measures to enhance its employees' safety awareness to ensure that its employees have sufficient labour protection items and maintain a clean and tidy working environment.

[1] The fatality was caused by a sudden death. The Group extends its deepest condolences to the colleague concerned and has handled the matter appropriately in accordance with regulations.

Total number of work-related injuries[2]	Work injury rate[3] (per 100 employees)	Lost days due to work injury	Number of work-related fatalities in the past three years (including the reporting year)
18	5.9%	155 days	1

Development and Training

The Group understands that employees are a valuable resource to the organisation and fully supports their long-term personal development. To this end, we offer a variety of training and development opportunities to enable our employees to continuously improve their business skills and expertise. In particular, for special positions involving mechanical operation, we will require employees to receive professional training and obtain relevant certificates before taking up the post.

In addition, Hing Shing and Hing Tak have formulated the Personnel Educational Training Control Procedures and the Education Training Management Procedures respectively to arrange appropriate training according to the needs of employees, and develop an annual training plan to ensure that employees have access to the best training and development opportunities. The major training contents are as follows:

Training Category	Target	Training Content
Induction training	New employees	• Induction training from the Human Resources Department: to understand company policies and working environment • Job training during probation period: job guidance will be given by immediate supervisors to understand duties and functions, responsibilities as well as rules and regulations • New employees are required to pass the job training assessment before they become formal employees
On-the-job training	Formal employees	• Special job qualification training: professional personnel who have passed the examination and obtained corresponding qualifications • Training for the purpose of updating knowledge or improving skills: operating procedures of hazardous chemicals, training on hazardous wastes and general wastes, regulations on wearing labour supplies • Education and training on production safety: regular training on fire prevention and production safety

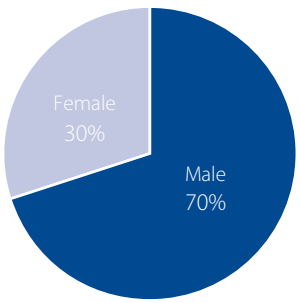
[2] Cases of work-related injury reported according to the relevant definition of the Labour Law of the People's Republic of China.

[3] Calculated by dividing the total number of work-related injuries for the Year by the total number of employees as of the end of the Year and multiplied by 100%.

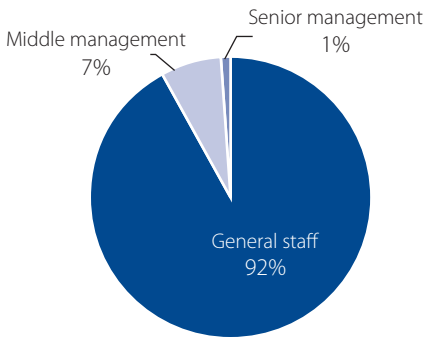
Training Category	Target	Training Content
External training	Formal employees	• External training programmes to learn new knowledge and skills
Management training	Middle management or above	• Training for enhancing management skill: to learn management theories and skills

During the Year, a total of 172 employees of Hing Shing and Hing Tak received training, accounting for approximately 56% of the total number of employees and the overall training hours per capita was 11.7 hours. Among the employees who received training, 121 were male and 51 were female; 158 were general staff, 12 were middle management and 2 were senior management. Male employees received average training hour of 15.0 hours, while female employees received 6.8 hours of training on average. Average training hour for general staff was 11.1 hours, and average training hours for middle management and senior management are 12.6 and 24.0 respectively.

Percentage of employees trained by gender



Percentage of employees trained by rank



OPERATIONAL MANAGEMENT

The Group firmly believes that product quality is the key to long-term success. As a result, it has formulated a number of quality control measures and is committed to improving supply chain and quality management. We hope that through these measures, we can continue to provide high-quality and reliable products to our customers. At the same time, the Group also believes that building a clean business environment is crucial. We adhere to the values of corporate integrity and business ethics, and are committed to preventing corruption, bribery and other bad practices to ensure that our business operations are fair, transparent and compliant with all relevant laws and regulations.

Product Responsibility

In terms of product responsibility, the Group insists on maintaining long-term relationships with key customers such as international apparel brands and garment manufacturers by providing quality products and services. Therefore, in order to ensure good product quality, both Hing Shing and Hing Tak factories have obtained ISO 9001 quality management system certification, and have developed quality control measures covering manufacturing, inspection and testing in accordance with relevant laws and regulations and quality management systems. During the Year, Hingtex has been awarded the OEKO-TEX® Standard 100 certification by the International Council for Environmentally Friendly Textiles, which certifies that the denim fabrics and accessories have been examined and tested to be free from known hazardous substances that may cause adverse effects on human health.

In protecting intellectual property rights, the Group respects the rights of creators and therefore prohibits employees from using other people's works without approval. If it is needed to use copyrighted works, we will first obtain the consent of the copyright holder, and protect our own rights by applying for patents. During the Year, Hing Tak has successfully applied for 6 patents to protect its intellectual property rights.

Furthermore, Hingtex is principally engaged in the manufacture and sale of denim fabric and does not handle any sensitive confidential customer data; consequently, the risks and implications relating to privacy are relatively low. The Group will protect the data it collects in accordance with established regulatory mechanisms and internal policies to ensure that such information is not disclosed or misused. The Company will take appropriate and stringent action against any serious breaches of the protection of confidential company information; in the case of serious violations, legal action will be taken.

Product Quality and Recall Procedures

The Group is committed to ensuring product quality and has developed clear process flow charts, operating procedures and quality objectives within the Hing Shing and Hing Tak systems to regulate all production and inspection processes to avoid defective products produced due to irregularities. At the same time, quality control personnel will carry out sampling inspection of raw materials, semi-finished products and finished products in accordance with these guidelines to ensure that products meet internal inspection standards and customer requirements. For subcontractors who perform dyeing, weaving and finishing processes, the Group assigns production personnel to conduct regular quality inspection to ensure that the product quality meets the requirements.

Moreover, according to the Unqualified Items Control Procedures and the Rectification Measures Control Procedures, Hing Shing and Hing Tak assess and control the unqualified items identified during the period from incoming materials, semi-finished products and finished products, return of goods by customers and implement rectification measures. For all qualified and unqualified raw materials, semi-finished products, finished fabrics and chemicals, the factories are required to identify and separately store all materials in accordance with the Identification and Retrospective Control Procedures and Warehouse Management Rules to ensure quality control. In case of product quality issues or serious customer complaints, the Group will recall the relevant products for inspection and implement corrective measures as soon as possible to ensure product quality and customer satisfaction.

Product Labelling and Customer Communication

The Group attaches great importance to effective communication with customers and the accuracy of product labelling. Before placing a formal order, the customer will receive product samples for approval. The order process may only proceed once both parties have agreed on the samples.

We print product labels in accordance with our customers' requirements and relevant labelling guidelines, and regularly communicate with our customers through different channels such as telephone, email and interview to identify and meet their needs. We have established the Customer Engagement Management Procedures to specify relevant responsibilities and processes. Meanwhile, the Group adheres to the principle of responsible marketing and strictly complies with the laws and regulations including the Trade Descriptions Ordinance to ensure that the product information on the Group's promotional website and other promotional materials are true and accurate and will not make any misrepresentation, exaggeration or overstatement.

We take any customer complaint about our products or services very seriously. Complaints will be recorded and analysed, and a response will be given within three working days of receipt of the complaint. Relevant departments are required to analyse the cause and responsibility of the complaint and to establish rectification and preventive measures. In addition, the finished products department conducts customer satisfaction survey once a year and rates based on customer feedback and/or complaints and return records to analyse customer opinions. All these data and information will be further reviewed and followed up at the management review meeting.

During the Year, Hing Shing and Hing Tak did not have any product recalls due to safety and health reasons. The Group received a total of 20 customer complaints about product quality, among which, quality issues were mainly related to sizing and staining. All complaints have been properly handled. The Group will continue to improve its product quality-related policies and measures according to its business development and needs.

Anti-corruption

The Group has implemented strict anti-corruption policies and procedures concerning its operations. We have established the Supplier Integrity Agreement which mandates that all suppliers adhere strictly to the Anti-Unfair Competition of the People's Republic of China, the Criminal Law and other relevant laws and regulations, and prohibit any form of bribery. Should a supplier breach this agreement, they will receive a warning and be required to pay liquidated damages. In the event of repeated violations, all cooperation will be terminated, and all losses will be borne by the supplier.

Employees of Hing Shing and Hing Tak are required to sign an Anti-Bribery and Anti-Corruption Undertaking, in which they are strictly prohibited from accepting any gifts from suppliers, co-operative partners, contractors, etc. This prohibition covers soliciting or accepting, directly or indirectly, money, items, securities, and gift money in any form, including but not limited to cash, cheque and credit card spending limit, in the name of the Group or their own name during their employment. In the event of any breaches of the Undertaking, the employee in question will be responsible for compensating the Group for any losses caused to the Group and bear any legal liabilities arising therefrom. In addition, we provide our staff and directors with regular anti-corruption information to ensure that they have a full understanding of the latest requirements. We prohibit all forms of bribery, extortion, fraud and money laundering, and explicitly prohibit employees from accepting or soliciting any advantage or engaging in any conduct that may lead to a conflict of interest. The Company has implemented effective measures to prevent bribery crimes in all its work, enhancing whistleblowing campaign outreach and establishing a reward mechanism for valid reports, so as to increase the motivation of employees to report corruption and bribery offences and to detect and disclose crimes more effectively. Employees can report any corruption through a whistleblowing hotline, and we will provide rewards to whistleblowers, discipline or dismiss those involved in wrongdoing, and report serious violations to government authorities.

During the Year, the Group provided training on anti-corruption and bribery knowledge to directors and employees in various departments, such as administration, finance and sales, to enhance their understanding of the code of discipline and to emphasise the importance of ethics to the Group. The Group provided an average of one hour of anti-corruption training to its employees. In the future, the Group will provide various training activities according to operational needs to enhance the anti-corruption awareness of its insiders. During the Year, the Group has not received any anti-corruption reports and cases.

Supply Chain Management

In order to ensure a stable and high-quality supply of raw materials for the manufacturing of denim fabrics, the Group has formulated the Supplier Control Procedures, the Procurement Control Procedures, the Manufacturing Substances Management Procedures and relevant mechanisms, and requires all suppliers to comply with all environmental, employment and governance related laws and regulations to reduce environmental and social risks in the supply chain, otherwise partnership will not be established.

For chemicals suppliers, we prioritise the selection of suppliers that meet the Zero Discharge of Hazardous Chemicals (ZDHC) qualification and replace unqualified suppliers. Our goal is to maintain all suppliers as ZDHC-qualified to ensure that the supply chain follows a compliant and sustainable chemical management and to reduce the negative impact on the environment.

In respect of cotton yarn, we require cotton yarn suppliers to confirm and sign a warranty regarding the source of cotton supplied to the Group to further enhance the traceability of the origin of raw materials such as cotton and avoid the use of raw materials from unknown sources or involving unethical production. The Group also clearly requires its suppliers to comply with internationally recognized standards, such as the Better Cotton Initiative (BCI), certifications issued by the National Cotton Council of America, and other industry-leading certification schemes. These standards go beyond product quality and provide a systematic assessment of suppliers' performance in areas including environmental management, resource use, carbon emissions, waste management and social responsibility. During the Year, the Group engaged, managed and monitored all suppliers in accordance with this process.

Review and selection	• Pre-review qualified product certification information and previous supply records of suppliers and inspect samples provided by them. • Conduct supplier on-site inspection to evaluate product quality, supply capacity, technological level, improvement capability and other performances. • Rate candidate suppliers according to the Supplier Assessment checklist and those who meet the requirements will be included in the Qualified Supplier List for selection. • For chemical suppliers, the Group will select suppliers who can provide the "Production Restricted Substances List 3.1" and avoid the use of substandard chemicals in order to reduce the burden on the environment.
Regular evaluation	• Conduct annual assessments for suppliers according to the Supplier Performance Evaluation Checklist, covering aspects such as supply quality, supply record and price. • Suppliers are required to sign an annual Integrity Agreement to ensure their compliance with anti-corruption regulations. The agreement clearly states important provisions such as suppliers are not allowed to engage in commercial bribery and that they should promptly file complaints if the Group's staff are found to have demanded bribes.

The Group is extremely cautious in its strategy and measures in respect of supply chain management. The number of our suppliers during the Year was 157, of which 148 were from Chinese Mainland, 5 from Hong Kong and 4 from overseas. These suppliers primarily provide cotton yarn, accessories, packaging materials, chemicals, parts and trimmings, chemical dyes, labour protection products required for production as well as office and daily necessities. We select and manage our suppliers in accordance with the relevant guidelines and plan to review the existing supplier management system in the future and improve related policies to implement a comprehensive supply chain management system to ensure the smooth and efficient operation of our business.

ENVIRONMENTAL PROTECTION

The Group attaches great importance to the efficient use of emissions and resources in its production activities. The plants of Hing Tak and Hing Shing have been granted ISO 14001 environmental management system certification. In addition, we monitor our production emissions in strict accordance with relevant laws and regulations, and have established the Environmental Management Agency and Management System and the Enterprise Environmental Protection Management System to minimise the negative impact on the surrounding ecosystem.

Air Pollutants and Greenhouse Gas Emissions

The Group has undertaken a series of initiatives to address air pollution and reduce greenhouse gas emissions. We have established the Rules on Exhaust Gas Pollution Prevention and Control, which lists the amount of chemicals used and emphasises the use of green materials. We have also installed waste gas and gas collection purification facilities to mitigate the environmental impact of emissions. In addition, we have formulated a series of measures, such as encouraging employees to use public transportation, arranging company vehicles to transport employees, replacing fluorescent tubes with energy-saving tubes, gradually replacing part of large-scale lighting installations with solar lighting systems, installing inverter systems for air compressors and using hot water energy instead of steam. All these measures aim at meeting our energy conservation and emission reduction targets.

In order to ensure that our exhaust gas emissions meet the national requirements, we have commissioned testing companies to test our exhaust gas emissions. If the exhaust gas emissions fail to meet the standards, we will make improvements according to the Rectification Measures Control Procedures. If abnormal exhaust gas emissions are detected during the production process, we will handle it according to the Emergency Preparation and Response Control Procedures. Through these measures, we are committed to reducing air pollution and greenhouse gas emissions in the production process to achieve sustainable development goals.

During the Year, the overall greenhouse gas emissions of Hing Tak and Hing Shing were 10,792.1 tonnes of carbon dioxide equivalent (tonnes of CO2-e), and the greenhouse gas emission intensity was 1.35 tonnes of CO2 -e per thousand yard of products. The Group's overall emissions decreased by approximately 9% year-on-year, whilst annual greenhouse gas emissions intensity decreased by 36% compared to last year, primarily reflecting changes in operational activities and adjustments to associated emission levels.

Greenhouse Gas Emissions	2025	2024	Unit
Scope1[4]	**255.1**	285.8	tonnes of CO_2-e
Scope2[5]	**10,534.4**	11,572.3	tonnes of CO_2-e
Scope3[6]	**2.5**	1.2	tonnes of CO_2-e
Total greenhouse gas emissions	**10,792.1**	11,859.4	tonnes of CO_2-e
Greenhouse gas intensity	**1.35**	1.53	tonnes of CO_2-e/thousand yard of products

In addition, the air pollutants during the Year were mainly from natural gas combustion in kitchen equipment and construction machinery, diesel combustion in transport vehicles and generators and gasoline combustion in vehicles. The amount of nitrogen oxides, sulphur oxides and respirable suspended particulates produced during the Year slightly decreased, amounting to 251.4 kg, 0.2 kg and 27.4 kg respectively.

Air Pollutant Emissions	2025	2024	Unit
Nitrogen oxides	**251.4**	297.4	kg
Sulphur oxides	**0.2**	0.2	kg
Respirable suspended particulates	**27.4**	32.9	kg

[4] Scope 1 includes emissions from plant production equipment, kitchen equipment, vehicle fuel emissions, refrigerant runaway emissions and acetylene consumption.

[5] Scope 2 includes purchased electricity from third parties, natural gas and steam emissions.

[6] Scope 3 includes emissions from business travel.

Waste Management

For waste management, the Group is committed to reducing waste generated during production and possible pollution to the environment. We have formulated the Rules on Solid Waste Pollution Prevention and Control, which details the classification and treatment process of hazardous solid waste, recyclable waste and non-recyclable waste, and hand them to approved waste recyclers and cleaning companies.

For hazardous waste management, we have established the Hazardous Waste Management System and the Hazardous Waste Disposal — Environmental Safety Management Plan. We manage hazardous waste in accordance with the National Hazardous Waste List, and transfer it to qualified hazardous waste treatment companies for treatment, and record and count the quantity of hazardous waste.

For non-hazardous waste, such as industrial consumables or other scraps, we recycle or sell them to suppliers and recyclers in accordance with the Administrative Measures on Trading of Scraps from Processing in the Domestic Sales Network in Guangdong Province jointly promulgated by the Guangdong Branch of the General Administration of Customs and the Department of Commerce of Guangdong Province. Moreover, we collect and sort other recyclable non-hazardous wastes, and send them to approved recyclers for recycling. For non-recyclable wastes, such as domestic wastes, we hand them to waste disposal companies to transport to designated garbage stations for disposal.

The Group encourages the maximum efficiency in the use of resources where feasible, including purchasing appropriate amounts of packaging materials, reusing packaging materials, and using double-sided photocopying or reusing single-sided printer paper. We also post no-waste signs at conspicuous locations to remind employees to reduce waste of resources. Although there is currently no quantified target for the amount of waste generated, the Group expects to gradually reduce the amount of various types of waste in the future, and also increase the relevant recycling amount.

During the Year, Hing Shing and Hing Tak produced 4.6 tonnes of hazardous waste and 805.4 tonnes of non-hazardous waste, and the intensity of hazardous and non-hazardous waste were 0.6 and 100.6 kg per thousand yards of products. Hazardous waste produced during the Year included waste light tubes, waste yarn, waste oil, waste packaging barrels, hazardous packaging and hazardous waste rags, and the total waste decreased by 46% over last year. In terms of non-hazardous waste, production during the Year decreased by about 4% compared with last year.

Waste Consumption	**2025**	2024	**Unit**
Total hazardous waste	**4.6**	8.6	tonnes
Intensity of hazardous waste	**0.6**	1.1	kg/thousand yard of products
Non-hazardous waste consumption	**2025**	**2024**	**Unit**
Total non-hazardous waste	**805.4**	837.4	tonnes
Recycled	**592.5**	596.3	tonnes
Others	**212.9**	241.1	tonnes
Intensity of non-hazardous waste	**100.6**	107.8	kg/thousand yard of products

Packaging Materials

The source of packaging materials during the Year included water-free paper, sealing glue, paper tubes, plastic bags, PE shrink film and sheets. During the Year, total consumption of packaging material was 54.5 tonnes, a decrease of 22% compared to the previous year, mainly due to the adjustments to the order structure of the Group leading to the decrease in packaging material consumption.

Consumption of Packaging Materials	2025	2024	Unit
Total consumption of packaging material	**54.5**	70.0	tonnes
Packaging material intensity	**6.8**	9.0	kg/thousand yard of products

Energy Management

The Group attaches great importance to energy consumption in its operations. We carefully monitor the energy use of Hing Tak and Hing Shing and have put in place a number of measures to improve performance with the aim of saving energy. Our energy management strategy aims to reduce energy consumption, improve energy efficiency, and continuously optimise our energy use in practice. For regulatory measures on energy usage, please refer to the section headed "Air Pollutants and Greenhouse Gas Emissions". We will continue to seek new energy-saving technologies and methods to achieve more efficient and environmentally friendly energy management.

During the Year, the total energy consumption of Hing Shing and Hing Tak was 24,958.4 MWh. The energy intensity was 3.2 MWh per thousand yards of products. Major energy use included purchased steam and electricity (17,082 MWh and 6,727 MWh). The total energy consumption decreased by approximately 9% compared with the previous year and the energy intensity decreased by approximately 36%.

Energy Consumption	2025	2024	Unit
Petrol	**77.9**	71.6	MWh
Diesel	**49.5**	64.9	MWh
Natural gas	**1,022.4**	1,144.0	MWh
Acetylene	**0.3**	0.1	MWh
Purchased electricity	**6,726.2**	7,202.7	MWh
Purchased steam	**17,082.1**	18,960.4	MWh
Total energy consumption	**24,958.4**	27,443.7	MWh
Energy intensity	**3.1**	3.5	MWh/thousand yard of products

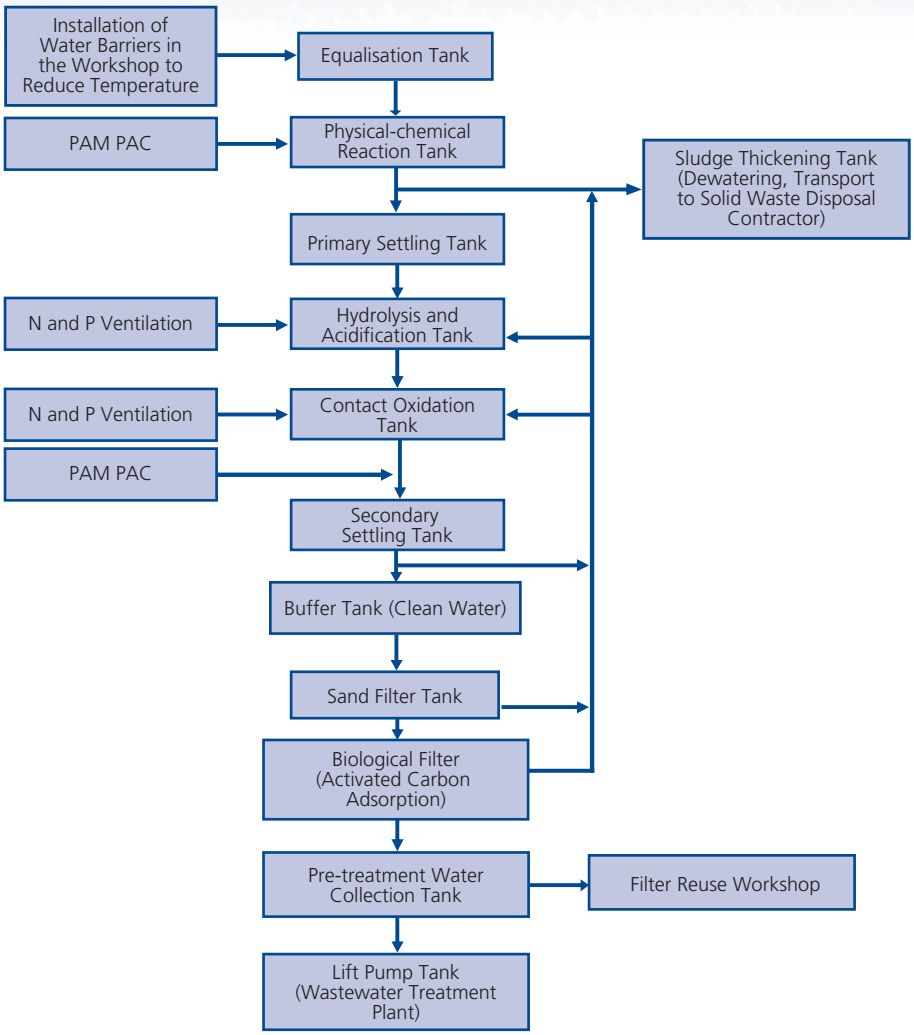
Considering that energy consumption is one of the main factors in carbon emissions, in order to reduce energy use and improve its efficiency, the Group has established and review regularly the Environmental Target Indicator Management Plan. We have implemented a series of energy-saving measures, including the replacement of LED lights in offices and staff quarters, using solar-powered lighting equipment, as well as the use of heat exchange systems to collect waste heat to provide hot water for staff quarters and canteen, as well as for use in the washing-up process. In addition, we have modified the air circulation system in the weaving mill to effectively distribute the temperature and humidity in the room evenly, avoiding energy wastage due to localised overheating or overcooling, and reducing the operating time of heating or cooling equipment, further reducing electricity consumption.

Water Resources Use

During daily operation, the Group's dyeing processes in its production operation require a large amount of water. The Group has put in place a number of measures to manage water resources to reduce water consumption and improve water efficiency. To reduce water wastage, the Group encourages employees to conserve water and regularly monitors water consumption in order to improve water usage performance. To this end, the Group has developed a series of measures, including the installation of water-saving devices in the canteen washing pool and installation of water-saving showers in the staff quarters. In addition, the Group recycles condensed water and wastewater for use and has established a wastewater recycling station where production wastewater is treated and re-used in production. Furthermore, automatic filtration systems have been installed for the wastewater from 1.2 fabric singeing machine and shrink wrapper to further improve wastewater reuse efficiency and reduce freshwater consumption. We also regularly inspect and repair the water supply system to prevent leakage due to damaged faucets or pipes. The Group did not have any problem in obtaining applicable water sources during the year.

The wastewater generated by the Group mainly includes industrial wastewater and domestic wastewater. Hing Tak and Hing Shing factories of the Group has obtained the pollutant discharge permit in accordance with the Measures for the Administration of Pollutant Discharge Permits (For Trial Implementation) issued by the Ministry of Ecology and Environment of the People's Republic of China and the relevant requirements in Zhongshan. The Group hires testing companies to test the discharge of sewage every year. The industrial wastewater of the plants was discharged into the municipal sewage treatment plant in accordance with the pollutant discharge standards, and the domestic wastewater was discharged into the municipal sewage pipe network. This year, we commissioned a third-party certification body to conduct wastewater testing in accordance with Version 2.1 of the "Guidelines for Zero Discharge of Hazardous Chemicals in Wastewater". Regarding the abnormal results for volatile organic compounds (VOCs) in untreated wastewater from the Hing Shing factories, we have identified the cause and implemented corrective measures. We have since conducted retesting, and the results now comply with the relevant requirements. Furthermore, concerning the results for polycyclic aromatic hydrocarbons (PAHs), we have identified that the associated risks may be linked to the use of certain dyes. Consequently, from December 2025, we have switched to dyes that comply with MRSL 3.1 requirements, with a view to continuously improving our performance in water resource and chemical management. Through the aforementioned series of measures, the Group has not only effectively reduced water consumption and resource waste but has also met environmental standards for wastewater treatment, demonstrating the Group's strong commitment to and active participation in environmental protection efforts.

Wastewater Treatment System:



During the Year, the total water consumption of Hing Shing and Hing Tak was 153,251 cubic meters and the water consumption intensity was 19.1 cubic meter per thousand yards of products. As compared with last year, the water consumption of the Group decreased by approximately 16%. The Group draws water from the municipal water supply network and has no issues in sourcing water that is fit for purpose during the Year.

Total Water Consumption	2025	2024	Unit
Total water consumption	**153,251**	182,344	cubic meter
Water intensity	**19.1**	23.5	cubic meter/thousand yard of products

Natural Environment and Natural Resources

In carrying out its ongoing business activities, the Group is committed to protecting the surrounding environment and natural resources, and strives to reduce the environmental impact of its production activities. To this end, we have formulated the Procedures for Identification, Evaluation and Control of Environmental Factors to identify and assess the environmental factors that we can control and exert influence, and determine the extent of their impact on the environment, and further identify significant environmental factors. To further minimise the environmental impact of product production, the Group prioritises the use of cotton that received regenerative agriculture certification by Regenagri as a raw material, with the aim of supporting plantations that practice sustainable farming to protect biodiversity and soil quality. In addition, we have established the Emergency Plan for Environmental Emergencies to provide the necessary emergency response guidance in case of environmental emergencies, including preventive measures, early warning systems, emergency response measures, information reporting and emergency organization structure, in order to reduce the impact on the surrounding environment and community.

Environmental Impact	Regulatory Measures	
Air pollution	**Greenhouse gas emissions** Generators and equipment used in operation emit different greenhouse gases and air pollutants that affect air quality. In addition, the refrigerant used at the operating point may leak, increasing greenhouse gas emissions.	• Regularly check and repair generators to reduce unnecessary air pollutants caused by aging units and improve equipment standards and emission requirements. • Fully changed the cooking equipment in the kitchen from diesel to natural gas to reduce carbon emissions. • Regularly check the operation of the refrigeration system to avoid leakage of refrigerant. In the event of any system damage or equipment aging, the equipment will be repaired or replaced as soon as possible.
	Dust emissions The use of production equipment will generate a corresponding degree of dust. If the relevant emissions are not collected or treated, the generated dust will bring potential risks to air quality.	• Install a filter or dust collection system at the discharge port of the equipment to prevent untreated dust from being released into the air, and further strengthen dust control measures, including a systematic upgrade of the workshop's air conditioning and dust collection systems to improve operational efficiency. At the same time, install partition curtains in the warping workshop to enhance area segregation and reduce the spread of lint and dust to other work areas.
	Fume emissions The Group has a catering service in the factory to provide lunch for employees. When using the relevant cooking equipment, the Group will generate corresponding cooking fumes, which will be discharged into the atmosphere through the extraction system and range hood, causing potential air pollution problems.	• The kitchens of Hing Tak and Hing Shing plants were combined to centralise the management of fume emissions. • Install compliant electrostatic oil fume purifiers to reduce the emission of fumes into the air. In addition, the effectiveness of the treatment system is ensured through regular cleaning and maintenance of related equipment.

Environmental Impact	Regulatory Measures	
	Odour emissions The use of chemicals and production processes emit odours, especially during dyeing. The odour emitted will not only affect nearby residents and ecology, but will also pose a negative impact on air quality and may spread to other areas.	• Install effective ventilation and odour management systems to reduce odour emissions. At the same time, use materials and procedures with low impact as far as possible to avoid odour and impact on the surrounding environment.
	Fire Equipment used in operation may cause fire due to dust generated, aging lines or improper operation, resulting in the emission of a large amount of air pollutants and greenhouse gases. At the same time, the use of fire extinguishing systems in the process will generate different levels of carbon emissions or air pollutants, increasing air pollution and climate change.	• Regularly check and repair production equipment to detect wear and tear, aging or malfunctioning of equipment at an early stage, reduce overheating and short-circuiting, and clean up flammable materials such as dust and oil to prevent fires and reduce carbon emissions and air pollutants from the use of fire suppression systems. At the same time, commission an independent third-party organization to conduct a comprehensive inspection and assessment of the company's electrical systems to identify potential risks of aging or overloading, and to strengthen preventive maintenance measures to further reduce the likelihood of fire.
Water pollution	**Chemical discharge** Depending on business operations, different types of chemicals and dyes are involved in the production process. If the use of related chemicals is not properly handled, it may lead to chemical leakage and water pollution.	• Establish procedures for the operation and handling of chemicals and dyes to ensure that the relevant departments or employees understand and comply with the procedures. Also, install recycling and treatment systems to ensure that discharged water resources meet relevant standards.

Environmental Impact	Regulatory Measures	
	Domestic water discharge Daily operations generate a certain amount of water for office, dormitory and cafeteria use, which is treated and discharged to the appropriate sites. Although the environmental impact of domestic water use is relatively low, there is a risk that improper treatment practices and aging channels may lead to water not meeting relevant standards or being improperly discharged or leaked.	• Regularly check and repair to prevent leakage or environmental pollution due to aging channels. At the same time, water saving slogans are posted at conspicuous places to remind employees to save water resources.
	Production wastewater discharge Industrial water used in the production process is contaminated by washing and dyeing processes, and may contain chemicals to varying degrees. If the produced water is not properly recycled and treated, the discharged wastewater will pollute water resources and pose environmental and health risks.	• Establish guidelines and procedures for recycling and treating production wastewater to ensure that all relevant industrial water is recycled and treated in accordance with the procedures after use to avoid environmental and health problems caused by improper discharge or leakage.
Waste discharge	**Non-hazardous and hazardous waste** Regardless of daily operations or product production, non-hazardous and hazardous wastes must be recycled and disposed of. If the waste generated is not properly handled and disposed of, it may lead to environmental impacts such as soil pollution and water pollution.	• Formulate clear guidelines for the recycling and disposal of hazardous and non-hazardous wastes to ensure that the generated wastes can be fully recycled or disposed of in accordance with relevant procedures to avoid polluting the precious environment.
Noise pollution	**Noise pollution** The use of machinery and equipment will cause different levels of noise pollution, which will negatively affect the surrounding residents and ecology.	• Regularly check and repair the equipment used in the production process, and ensure that the environmental requirements of the relevant machinery and equipment comply with relevant laws, regulations or guidelines. At the same time, ensure that relevant operations comply with established procedures and guidelines to avoid unnecessary noise caused by improper operation.

Climate Change

The Group recognises the serious global impact of climate change and recognises the importance of developing and implementing relevant internal control measures. We have initiated internal discussions and plan to introduce appropriate internal control regulations in due course to mitigate the impact of climate change-related issues.

During the Year, to further understand and assess the potential impact of climate change on the Group's operations and to support the ongoing improvement of related management practices, the Group engaged a third-party consultant to conduct climate-related risks and opportunities identification. Based on the assessment results, we have identified key physical risks associated with extreme weather and changing climate conditions. The potential impacts are summarized as follows:

Physical risk		
Type	**Risk**	**Potential impact**
Acute Risk	Flooding	Flooding may disrupt operational facilities, warehousing, and logistics, resulting in damage to equipment, raw materials, and finished goods, and may affect normal operations due to infrastructure disruptions. If suppliers or logistics services are similarly affected, this may also lead to delays in raw material supply, shipment disruptions, and extended delivery times, thereby adversely affecting overall operational efficiency. From a financial perspective, such risks may result in potential impacts such as increased repair and asset replacement costs, as well as higher insurance premiums.
	Storm	Storms may cause damage to factories, warehouses, and other facilities, and may also result in power outages, communication disruptions, traffic congestion, and difficulties in personnel deployment, thereby affecting operations and production schedules. Storms may also disrupt supply chains and logistics networks, potentially leading to delays in the supply of raw materials, shipment disruptions, and extended delivery times. At the same time, these risks may also incur additional costs related to facility repairs, asset replacement, insurance, and emergency response arrangements.

In addition to physical risks, the Group has also identified policy, market, and technology-related transition risks and opportunities that are expected to impact the Group's business model, compliance requirements, cost structure, and supply chain management in the future. The key identified transition risks and opportunities are summarised below:

Transition risk/opportunity		
Type	**Risk/ opportunity**	**Potential impact**
Policies and regulation	Increased pricing of GHG emissions	Risk: As energy-intensive processes face rising carbon prices, operating costs will increase, accelerating the need for companies to upgrade their energy efficiency. Opportunity: Rising emissions costs are driving companies to accelerate the adoption of energy-efficient and carbon-reduction technologies, thereby lowering long-term operating costs and strengthening their sustainable competitiveness.
	Mandates on and regulation of existing products and services	Risk: Rising compliance costs; failure to meet requirements may also result in products being delisted or the loss of market access. Opportunity: Tighter regulatory requirements can help companies accelerate product upgrades, enhance market competitiveness, and expand market opportunities for sustainable products.
Technology	Substitution of existing products and services with lower emissions options	Risk: Capital investment is required to upgrade to low-emission production processes or technologies. Opportunity: Low-emission alternatives offer companies the opportunity to expand their green product lines, helping to increase market share and strengthen their sustainable brand image.
Market	Increased cost of raw materials	Risk: Rising raw material costs are driving up overall production costs. Opportunity: Rising raw material costs are prompting companies to enhance supply chain optimization and material innovation, thereby improving cost resilience and exploring more sustainable alternative materials.
Reputation	Shifts in consumer preferences	Risk: As brands and consumers place greater emphasis on sustainability, companies may lose orders or market opportunities if they fail to meet these demands. Opportunity: If companies can promptly adapt to shifting consumer preferences for sustainable products, they can turn this into a competitive advantage and enhance their appeal to customers.

In response to identified physical and transition climate-related risks, the Group is progressively implementing adaptation and mitigation measures to enhance its ability to respond to climate change and strengthen overall operational resilience. These efforts include strengthening storm and flood preparedness and optimizing emergency management arrangements.

As the Group's geographical location is subject to the impact of typhoons, Hing Shing and Hing Tak have set up a typhoon and flood prevention and control working group and formulated a Typhoon and Flood Prevention and Control Contingency Plan, which clearly states the responsibilities of the members of the working group and provides staff with guidelines on emergency response to extreme weather conditions and post-disaster situations. The typhoon and flood prevention working group, including a general commander, team leaders, team members, logistics support, power group and equipment group, is responsible for deploying staff and materials, maintaining normal power supply and equipment operation, and assisting in the safe evacuation of staff during typhoons. At the same time, the team will liaise with the government to ensure the flow of information.

In the face of extreme weather, we will take measures in advance, such as:

- Clean and dredge drainage ditches during the rainy season to ensure smooth drainage in production and living areas
- Raise the level of materials that are susceptible to dampness and deterioration to prevent them from being soaked by water
- Check the roofs of office buildings, warehouses, workshops and dormitories for timely repair of leakage and water seepage
- Regularly inspect factories and enclosure walls to identify and repair potential safety hazards in time

In addition, we provide emergency response knowledge and skills training to our staff and conduct emergency drills on typhoon and flood prevention and control, and conduct timely review afterwards to ensure the safe evacuation of our staff in times of typhoons. These measures will ensure the continued stability of our business operations and protect the safety of our employees.

Looking ahead, the Group will continue to refine its internal policies, procedures, and management mechanisms related to climate change. By incorporating the findings from our climate-related risk and opportunity identification, we will progressively establish a more comprehensive climate response framework to continuously enhance our business resilience and adaptability. In addition, the Group will continue to advance energy conservation, emissions reduction, and related environmental management initiatives. While supporting business growth, we will also fulfil our environmental responsibilities to lay a more solid foundation for sustainable development.

COMMUNITY INVESTMENT

The Group firmly believes that business operations and community development are closely linked. As a responsible company, we not only focus on business activities, but also actively give back to the community and practice corporate social responsibility. Our Community Investment Policy aims to promote the prosperity of our communities while also enhancing our social impact. We share success with the community through various measures such as sponsoring community events, providing educational support, and participating in community building.

During the Year, Hing Shing and Hing Tak participated in the Red Cross' village revitalisation activities, donating a total of RMB40,000 to help improve the quality of life of local residents. Hing Shing and Hing Tak further contributed to the community by organising 50 staff members to dedicate a total of 70 hours on cleaning the riverbank, contributing to the beautification of the community and helping to build a more stable living environment in the local area.





In the future, the Group will formulate policies related to community investment and donation based on community needs and its operation and develop additional community investment projects to bring more positive impact to the community.

COMPLIANCE PERFORMANCE

The Group recognises the importance of compliant operation and complies with the relevant laws and regulations in the place where it operates. During the Year, the Group did not violate any relevant laws and regulations on the environmental, employment, health and safety, labour standards, product responsibility and anti-corruption aspects that have a significant impact on the Group.

Aspects	Relevant laws and regulations that have a significant impact on the Group
Emissions	Environmental Protection Law of the People's Republic of China Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution Water Pollution Prevention and Control Law of the People's Republic of China Law of the People's Republic of China on Prevention and Control of Pollution from Environmental Noise Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste Cleaner Production Promotion Law of the People's Republic of China Energy Conservation Law of the People's Republic of China Regulation of Guangdong Province on Environmental Protection Administrative Measures on Trading of Scraps from Processing Trade in the Domestic Sales Network in Guangdong Province Administrative Measures for Pollutant Discharge Licensing (For Trial Implementation) National Ambient Air Quality Standard of the People's Republic of China (GB 3095-2012) Environmental Impact Assessment Law of the People's Republic of China Discharge Standard for Water Pollutants in Textile Dyeing and Finishing Industry (GB 4287-2012)
Employment	Labour Law of the People's Republic of China Labour Contract Law of the People's Republic of China Social Insurance Law of the People's Republic of China
Health and Safety	Production Safety Law of the People's Republic of China Prevention and Control of Occupational Diseases Law of the People's Republic of China Regulation on Work-related Injury Insurance of the People's Republic of China Regulation on Work-related Injury Insurance Regulation on Labour Safety and Health of Guangdong Province Regulation for the Safe Use of Chemicals in Workplaces Convention concerning the Safe Use of Chemicals in Workplaces (International Convention No. 170) Hazardous Waste Storage Pollution Control Standard (GB 18597-2023) General Code for Fire Protection Facilities (GB 55036-2022) Technical Specification for the Setting of Hazardous Waste Identification Marks (HJ 1276-2022)

Aspects	Relevant laws and regulations that have a significant impact on the Group
Labour Standards	Labour Standards Labour Law of the People's Republic of China Labour Contract Law of the People's Republic of China Social Insurance Law of the People's Republic of China Production Safety Law of the People's Republic of China Provisions on the Prohibition of Using Child Labour Order No. 364 of the State Council
Product Responsibility	Product Quality Law of the People's Republic of China Contract Law of the People's Republic of China Advertising Law of the People's Republic of China Patent Law of the People's Republic of China Tort Liability Law of the People's Republic of China Trademark Law of the People's Republic of China Instruction for Use of Products of Consumer Interest — Part 4: Textiles and Apparel (GB5296.4–2012) National General Safety Technical Code for Textile Products (GB18401) Code for Maintenance and Labeling of Textile Products Technical (GB/T 8685) Guidelines for Exports of Knitwear Trade Descriptions Ordinance
Anti-corruption	Criminal Law of the People's Republic of China Anti-money Laundering Law of the People's Republic of China Anti-corruption and Anti-commercial Bribery Regulations Bidding Law of the People's Republic of China

KEY PERFORMANCE INDICATORS OVERVIEW

Environmental Performance

Environmental Key Performance Indicators[7]	2025	2024	Unit
Air pollutant emissions			
Nitrogen oxides	**251.4**	297.4	kg
Sulphur oxides	**0.2**	0.2	kg
Respirable suspended particulates	**27.4**	32.9	kg
Greenhouse gas emissions			
Scope 1	**255.1**	285.8	tonnes of CO_2-e
Scope 2	**10,534.4**	11,572.3	tonnes of CO_2-e
Scope 3	**2.5**	1.2	tonnes of CO_2-e
Total greenhouse gas emissions	**10,792.1**	11,859.4	tonnes of CO_2-e
Greenhouse gas intensity	**1.35**	1.53	tonnes of CO_2-e/thousand yard of products
Hazardous waste consumption			
Total hazardous waste	**4.6**	8.6	tonnes
Intensity of hazardous waste	**0.6**	1.1	kg/thousand yard of products
Non-hazardous waste consumption			
Total non-hazardous waste	**805.4**	837.4	tonnes
Recycled	**592.5**	596.3	tonnes
Others	**212.9**	241.1	tonnes
Intensity of non-hazardous waste	**100.6**	107.8	kg/thousand yard of products

[7] Emissions and energy consumption were calculated with reference to the Environmental Key Performance Indicators Reporting Guidelines published by the Hong Kong Stock Exchange, the Benchmark Emission Factors published by the Ministry of Ecology and Environment of the People's Republic of China and National Bureau of Statistics of the People's Republic of China, the Guidelines on Greenhouse Gas Accounting Methodology and Reporting published by the National Development and Reform Commission of the People's Republic of China and the U.S. Environmental Protection Agency Emission Factor Manual.

Environmental Key Performance Indicators[7]	2025	2024	Unit
Energy consumption			
Petrol	**77.9**	71.6	MWh
Diesel	**49.5**	64.9	MWh
Natural gas	**1,022.4**	1,144.0	MWh
Acetylene	**0.3**	0.1	MWh
Purchased electricity	**6,726.2**	7,202.7	MWh
Purchased steam	**17,082.1**	18,960.4	MWh
Total energy consumption	**24,958.4**	27,443.7	MWh
Energy intensity	**3.1**	3.5	MWh/thousand yard of products
Water consumption			
Total water consumption	**153,251**[8]	182,344	cubic meter
Water intensity	**19.1**	23.5	cubic meter/thousand yard of products
Consumption of packaging materials			
Total consumption of packaging material	**54.5**	70.0	tonnes
Packaging material intensity	**6.8**	9.0	kg/thousand yard of products

[8] The decline in water consumption is primarily attributable to new and improved water-saving measures.

Social Performance

Social Key Performance Indicators		2025	2024
Number of employees[9]			
Gender	Male	**169**	169
	Female	**137**	138
Age group	Below 30	**4**	11
	30–50	**145**	164
	Above 50	**157**	132
Employment type	Full-time	**306**	307
	Part-time	**0**	0
Rank	General staff	**276**	287
	Middle management	**28**	18
	Senior Management	**2**	2
Total		**306**	307
Turnover rate (percentage)[10]			
Gender	Male	**14%**	20%
	Female	**9%**	12%
Age group	Below 30	**0%**	27%
	30–50	**11%**	13%
	Above 50	**13%**	19%
Total		**12%[11]**	16%
Ratio of new employees (percentage)[12]			
Gender	Male	**14%**	30%
	Female	**8%**	19%
Age group	Below 30	**25%**	55%
	30–50	**12%**	20%
	Above 50	**10%**	28%
Total		**11%[13]**	25%

9 All employees were from China.

10 Turnover rate (percentage)= Number of lost employees in the category/total number of employees in the category at the end of the reporting year x 100%

11 Due to the overall economic environment, market liquidity has been low, and employee turnover has decreased.

12 Ratio of new employees (percentage)= number of new employees in the category/total number of employees in the category at the end of the reporting year x 100%

13 Due to business needs, the number of new hires has decreased.

Social Key Performance Indicators		2025	2024
Health and safety			
Number of work-related injuries		**18**	14
Lost days due to work injury		**155**[14]	114
Work injury rate (per 100 employees)[15]		**5.9**	4.6
Number of work-related fatalities		**1**	0
Percentage of work-related fatalities (per 100 employees)		**33%**	0%
Percentage of employees trained[16]			
Gender	Male	**71%**	67%
	Female	**37%**	48%
Rank	General staff	**57%**	55%
	Middle management	**43%**	100%
	Senior Management	**100%**	100%
Total		**56%**	58%
Average training hours of employees (hours)[17]			
Gender	Male	**15.0**	17.6
	Female	**6.8**	8.6
Rank	General staff	**11.1**	13.2
	Middle management	**12.6**	17.8
	Senior Management	**24.0**	26.0
Total		**11.3**	13.6

14 Two employees took longer leaves in 2025 due to work injuries, resulting in an increase in the number of lost days due to work injury.

15 Work injury rate (per 100 employees) = Number of work injuries/total number of employees in the category at the end of the reporting year x 100%

16 Ratio of trained employees (percentage) = Number of trained employees in the category/total number of employees in the category at the end of the reporting year x 100%

17 Average training hours of employees = Total hours of trained employees in the category/total number of employees in the category at the end of the reporting year.

REPORT CONTENT INDEX

Aspects	Content	Page Index/ Remarks
A1. Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	21, 23–25, 27, 35
A1.1	The types of emissions and respective emissions data.	22, 37
A1.3	Total hazardous waste produced and intensity.	23, 37
A1.4	Total non-hazardous waste produced and intensity.	23, 37
A1.5	Description of emission target(s) set and steps taken to achieve them.	10–11
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.	23
A2. Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	21, 23–25, 27
A2.1	Direct and/or indirect energy consumption by type in total and intensity.	25, 38
A2.2	Water consumption in total and intensity.	27, 38
A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	10–11
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.	10–11
A2.5	Total packaging material used for finished products and with reference to per unit produced.	24, 38
A3. The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	27
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	28–29

Aspects	Content	Page Index/ Remarks
B1. Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, antidiscrimination, and other benefits and welfare.	12–14, 35–36
B1.1	Total workforce by gender, employment type, age group and geographical region.	14, 39
B1.2	Employee turnover rate by gender, age group and geographical region.	39
B2. Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	15, 35–36
B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	16, 40
B2.2	Lost days due to work injury.	16, 40
B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	16, 40
B3. Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	16
B3.1	The percentage of employees trained by gender and employee category.	17, 40
B3.2	The average training hours completed per employee by gender and employee category.	17, 40

Aspects	Content	Page Index/ Remarks
B4. Labour Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	14, 36
B4.1	Description of measures to review employment practices to avoid child and forced labour.	14
B4.2	Description of steps taken to eliminate such practices when discovered.	14
B5. Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	20–21
B5.1	Number of suppliers by geographical region.	21
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.	20–21
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	20–21
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	20–21
B6. Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	17–19, 36
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	19
B6.2	Number of products and services related complaints received and how they are dealt with.	19
B6.3	Description of practices relating to observing and protecting intellectual property rights.	18
B6.4	Description of quality assurance process and recall procedures.	18
B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	18

Aspects	Content	Page Index/ Remarks
B7. Anti-corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	19, 36
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.	19
B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	19
B7.3	Description of anti-corruption training provided to directors and staff.	19
B8. Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	34
B8.1	Focus areas of contribution.	34
B8.2	Resources contributed to the focus area.	34

Part D: Climate-related Disclosures			Page Index/ Remarks
(I)	**Governance**		
19.	An issuer shall disclose information about:		
	(a)	the governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities. 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; (ii) how and how often the body(s) or individual(s) is informed about climate-related risks and opportunities; (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; (iv) how the body(s) or individual(s) oversees the setting of, and monitors progress towards, targets related to climate-related risks and opportunities (see paragraphs 37 to 40), including whether and how related performance metrics are included in remuneration policies (see paragraph 35); and	Sustainable Development Governance — ESG Risk Management
	(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 (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.	Sustainable Development Governance — ESG Risk Management

Part D: Climate-related Disclosures		Page Index/ Remarks
(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;	Environmental Protection — Climate Change
	(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;	
	(c) specify, for each climate-related risk and opportunity the issuer has identified, over which time horizons — short, medium or long term — the effects of each climate-related risk and opportunity could reasonably be expected to occur; and	
	(d) explain how the issuer defines 'short term', 'medium term' and 'long term' and how these definitions are linked to the planning horizons used by the issuer for strategic decision-making.	
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	Environmental Protection — Climate Change
	(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).	

Part D: Climate-related Disclosures	Page Index/ Remarks
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; (ii) current and anticipated adaptation and mitigation efforts (whether direct or indirect); (iii) any climate-related transition plan the issuer has (including information about key assumptions used in developing its transition plan, and dependencies on which the issuer's transition plan relies), or an appropriate negative statement where the issuer does not have a climate-related transition plan; (iv) how the issuer plans to achieve any climate-related targets (including any greenhouse gas emissions targets (if any)), described in accordance with paragraphs 37 to 40; and	Environmental Protection — Climate Change
(b) information about how the issuer is resourcing, and plans to resource, the activities disclosed in accordance with paragraph 22(a).	We are taking initial steps to assess this disclosure.
23. An issuer shall disclose information about the progress of plans disclosed in previous reporting periods in accordance with paragraph 22(a).	
24. An issuer shall disclose qualitative and quantitative information about:	
(a) how climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period; and	We are taking initial steps to assess this disclosure.
(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. The issuer shall provide qualitative and quantitative disclosures about:	
(a) how the issuer expects its financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities, taking into consideration: (i) its investment and disposal plans; and (ii) its planned sources of funding to implement its strategy; and	We are taking initial steps to assess this disclosure.
(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.	

Part D: Climate-related Disclosures	Page Index/ Remarks
26. An issuer shall disclose information that enables an understanding of the resilience of the issuer's strategy and business model to climate-related changes, developments and uncertainties, taking into consideration the issuer's identified climate-related risks and opportunities. An issuer shall use climate-related scenario analysis to assess its climate resilience using an approach that is commensurate with an issuer's circumstances. In providing quantitative information, the issuer may disclose a single amount or a range. Specifically, the issuer shall disclose:	
(a) the issuer's assessment of its climate resilience as at the reporting date, which shall enable an understanding of: (i) the implications, if any, of the issuer's assessment for its strategy and business model, including how the issuer would need to respond to the effects identified in the climate-related scenario analysis; (ii) the significant areas of uncertainty considered in the issuer's assessment of its climate resilience; and (iii) the issuer's capacity to adjust, or adapt its strategy and business model to climate change over the short, medium or long term;	We will explore the feasibility of conducting climate scenario analysis in the future.
(b) how and when the climate-related scenario analysis was carried out, including: (i) information about the inputs used, including: a. which climate-related scenarios the issuer used for the analysis and the sources of such scenarios; b. whether the analysis included a diverse range of climate-related scenarios; c. whether the climate-related scenarios used for the analysis are associated with climate-related transition risks or climate-related physical risks; d. whether the issuer used, among its scenarios, a climate-related scenario aligned with the latest international agreement on climate change; e. why the issuer decided that its chosen climate-related scenarios are relevant to assessing its resilience to climate-related changes, developments or uncertainties; f. time horizons the issuer used in the analysis; and g. what scope of operations the issuer used in the analysis (for example, locations of the operation 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.	We will explore the feasibility of conducting climate scenario analysis in the future.

Part D: Climate-related Disclosures	Page Index/ Remarks
(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, data sources and the scope of operations covered in the processes); (ii) whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related risks; (iii) how the issuer assesses the nature, likelihood and magnitude of the effects of those risks (for example, whether the issuer considers qualitative factors, quantitative thresholds or other criteria); (iv) whether and how the issuer prioritises climate-related risks relative to other types of risks; (v) how the issuer monitors climate-related risks; and (vi) whether and how the issuer has changed the processes it uses compared with the previous reporting period;	Environmental Protection — Climate Change
(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	Environmental Protection — Climate Change
(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.	Sustainable Development Governance
(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 CO2 equivalent, classified as:	
(a) Scope 1 greenhouse gas emissions;	Environmental Protection — Climate Change Key Performance Indicators Overview
(b) Scope 2 greenhouse gas emissions; and	
(c) Scope 3 greenhouse gas emissions.	

Part D: Climate-related Disclosures		Page Index/ Remarks
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;	Key Performance Indicators Overview
	(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; (ii) the reason why the issuer has chosen the measurement approach, inputs and assumptions it uses to measure its greenhouse gas emissions; and (iii) any changes the issuer made to the measurement approach, inputs and assumptions during the reporting period and the reasons for those changes;	Key Performance Indicators Overview
	(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	Environmental Protection — Air Pollutants and Greenhouse Gas Emissions
	(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).	
30.	An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related transition risks.	We will explore the feasibility of conducting climate-related risk and financial impact analyses in the future.
31.	An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related physical risks.	We will explore the feasibility of conducting climate-related risk and financial impact analyses in the future.

Part D: Climate-related Disclosures	Page Index/ Remarks
32. An issuer shall disclose the amount and percentage of assets or business activities aligned with climate-related opportunities.	We will explore the feasibility of conducting climate-related risk and financial impact analyses in the future.
33. An issuer shall disclose the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.	We are taking initial steps to assess this disclosure.
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	We do not currently incorporate carbon pricing into our decision-making. We will assess the feasibility of using carbon pricing in future reports.
(b) the price of each metric tonne of greenhouse gas emissions the issuer uses to assess the costs of its greenhouse gas emissions; or an appropriate negative statement that the issuer does not apply a carbon price in decision-making.	
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).	We do not currently factor climate-related considerations into senior management compensation.
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.	–

Part D: Climate-related Disclosures		Page Index/ Remarks
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:	Sustainable Development Highlights
	(a) the metric used to set the target;	
	(b) the objective of the target (for example, mitigation, adaptation or conformance with science-based initiatives);	
	(c) the part of the issuer to which the target applies (for example, whether the target applies to the issuer in its entirety or only a part of the issuer, such as a specific business unit or geographic region);	
	(d) the period over which the target applies;	
	(e) the base period from which progress is measured;	
	(f) milestones or interim targets (if any);	
	(g) if the target is quantitative, whether the target is an absolute target or an intensity target; and	
	(h) how the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target.	
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;	Sustainable Development Highlights Currently, the target has not been verified by a third party.
	(b) the issuer's processes for reviewing the target;	
	(c) the metrics used to monitor progress towards reaching the target; and	
	(d) any revisions to the target and an explanation for those revisions.	
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.	

Part D: Climate-related Disclosures			Page Index/ Remarks
40.	For each greenhouse gas emissions target disclosed in accordance with paragraphs 37 to 39, an issuer shall disclose:		
	(a)	which greenhouse gases are covered by the target;	Sustainable Development Highlights Our GHG intensity target is a gross target. The target was not derived using a sectoral decarbonisation approach and we have not yet purchased carbon credits to offset our emissions. The company is focused on optimizing its operations to achieve high energy efficiency and climate resilience. We will continue to assess the need to purchase carbon credits in the future.
	(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; and	
	(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 paragraphs 28 to 35) and (ii) industry-based metrics (see paragraph 36).		–