Newtrend

新琪安集團股份有限公司
NEWTREND GROUP HOLDING CO., LTD.

(A joint stock company incorporated in the People's Republic of China with limited liability)

Stock Code : 2573



2025

Environmental, Social and Governance Report

Environmental, Social and Governance Report

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1. FULFILLING COMMITMENTS WITH CLEAR MISSION

1.1 Introduction to the Report

Newtrend Group Holding Co., Ltd. (hereinafter referred to as "**Newtrend**" or the "**Company**") and its subsidiaries (hereinafter referred to as "**the Group**" or "**we**") are pleased to present our first Environmental, Social and Governance (hereinafter referred to as "**ESG**") Report (hereinafter referred to as the "**Report**"). This Report elaborates on the Group's management structure and policies in the ESG and discloses our phased achievements, while aiming to respond to stakeholders' expectations for transparency in ESG information and further deepening all parties' understanding of and trust in our sustainable development.

1.2 Scope of the Report

This Report is an annual disclosure report covering the period from 1 January 2025 to 31 December 2025 (hereinafter referred to as the "**Year**" or the "**Reporting Period**"). The Group is principally engaged in the manufacturing and sale of food-grade glycine, industrial-grade glycine and sucralose, supplying them to customers such as manufacturers, designated wholesalers and other wholesalers. The scope of the Report includes two offices and three plants of the Group in Chinese Mainland, offices in Europe and Hong Kong, and one plant each in Thailand and Indonesia.

1.3 Basis of the Report

This Report is prepared in accordance with the requirements of Appendix C2, "Environmental, Social and Governance Reporting Code" (hereinafter referred to as the "**ESG Code**") of the Listing Rules of The Stock Exchange of Hong Kong Limited (hereinafter referred to as the "**Stock Exchange**"). An index of the contents of the ESG Code is provided in the appendix at the end of this Report for readers' convenient reference to the relevant disclosures.

1.4 Reporting Principles

This Report has been strictly compiled with the "mandatory disclosure requirements" and the "comply or explain" provisions in the ESG Code, and is executed in accordance with the four principles of "materiality", "quantitative", "consistency" and "balance", to present an objective and authentic ESG Report and ensure the quality and reliability of the disclosed information.

Materiality: Throughout our business development, the Group has always placed great importance on and actively responded to the expectations and concerns of stakeholders. By prioritizing ESG issues through materiality assessments, this Report focuses on disclosing issues that have a significant impact on both our business and stakeholders, thereby clearly addressing the concerns of all parties. For detailed information, please refer to the section "Responses to Stakeholder Voices – Materiality assessment".

Quantitative: To enable stakeholders to comprehensively and clearly grasp the Group's ESG operational performance, we have disclosed quantified environmental and social key performance indicators (hereinafter referred to as "**KPIs**") in the Report, along with detailed descriptions of the standards, methods, reference information sources and relevant conversion factors used in the calculations.

Consistency: The Group is committed to ensuring the continuity and comparability of ESG Report and maintaining consistency in the report format and KPIs calculation methods, to the extent reasonably practicable. If adjustments to the calculation methods or report format are required due to business development, regulatory requirements or other factors, we will clearly outline the changes in the corresponding sections and provide detailed explanations of the reasons for the changes and their impact on data comparability and interpretation.

Balance: This Report strictly adheres to the core principle of fairness and objectivity, avoiding any misleading effects on stakeholders' decisions and judgments due to content selection, information omission or inappropriate presentation formats, and ensuring the authenticity, neutrality and completeness of the report content.

1.5 Information and Feedback

This Report was reviewed and approved by the Board of Directors of the Company (hereinafter referred to as the "**Board**") on 31st March 2026, and is available in both Traditional Chinese and English versions. The public can download and browse it free of charge through the Stock Exchange website (www.hkexnews.hk) and the Group's official website (www.newtrend-group.com).

All information and data in this Report are sourced from the Group's official documents, statistical reports and financial reports, and have been strictly reviewed and summarized by relevant functional departments to ensure the authenticity and accuracy of the content. Unless otherwise specified, all amounts in this Report are denominated in Renminbi (RMB), and the Chinese version shall be the final interpretive version.

The Group highly values the opinions and suggestions of all stakeholders regarding this Report. If you have any inquiries, comments or suggestions about the report content, please feel free to contact us via email at: sales@newtrend-group.com.

2. CHAIRMAN'S STATEMENT

Dear stakeholders,

Over the past year, the Group has delved deep into our core business operations, leveraging robust research and development (R&D), production capabilities and a global footprint to provide high-quality products and services to customers worldwide. We recognize that sustainable development is the cornerstone of our long-term business success. Integrating environmental, social and corporate governance principles into our daily operations is not only an inherent requirement for our own development but also a sincere commitment to meeting the expectations of our stakeholders.

Sound and robust corporate governance serves as a vital foundation for all our business endeavors and practical implementations. We uphold the principles of transparency, integrity and compliance as our operational bottom lines, constructing a rigorous governance framework and internal control system. We strictly adhere to relevant laws, regulations and regulatory requirements to ensure the lawful, compliant and orderly operation of all our business activities. Simultaneously, we actively strengthen risk identification, quality control and business ethics initiatives, steadfastly adhering to a long-term business philosophy and striving to create stable and sustainable value for our shareholders and all stakeholders.

In practice, the Group has also focused on environmental protection and social responsibility. On environmental aspect, we actively promote green operations and optimize resource utilization and energy management, while implementing various energy-saving and emission-reduction measures, so as to minimize the environmental impact of our operations through concrete actions. On social aspect, we have always regarded our employees as the most valuable asset of the Group, committed to creating a safe, healthy and inclusive work environment, establishing a comprehensive training and career development system, and fully supporting employees in achieving growth and realizing their value. Additionally, we uphold our responsibility for product quality and safety and actively participate in community welfare and social development initiatives, so as to give back to society through practical actions, thus fostering coexistence and mutual prosperity with the community and jointly driving long-term social progress.

Looking ahead, the Group will continue to deepen our sustainable practices, integrating green operations, quality responsibility, employee development, and transparent governance into all aspects of our business. We will persist in our commitment to R&D innovation and global expansion, adopting a more efficient, stable, and sustainable development model to create long-term value for our customers, shareholders and society, thus driving industrial upgrading.

Finally, on behalf of the Board, I would like to express my heartfelt gratitude to all our shareholders and stakeholders for their long-term trust and support, to all our employees for their dedication and unwavering commitment, and to our partners and the broader community for their care and assistance. In the future, upholding our original aspirations and fulfilling our responsibilities with determination, the Group drives high-quality industrial development through professionalism and accountability, and looks forward to working hand in hand with partners from all sectors to create a bright and sustainable future together.

Wang Xiaoqiang

Chairman and general manager

3. THE BOARD'S STATEMENT

As the highest decision-making and supervisory body for ESG management, the Board assumes full responsibility for all ESG and climate-related matters within the Group. To effectively advance ESG and climate management initiatives, the Board is responsible for formulating the Group's ESG and climate management policies, overall strategies and related reports. Furthermore, the Board establishes a comprehensive ESG and climate risk management and internal control mechanism, proactively integrating ESG principles and climate actions into all business operation processes and segments of the Group. This ensures that ESG and business development mutually reinforce and advance in tandem, maintaining alignment between relevant governance efforts and the Group's overall strategic objectives.

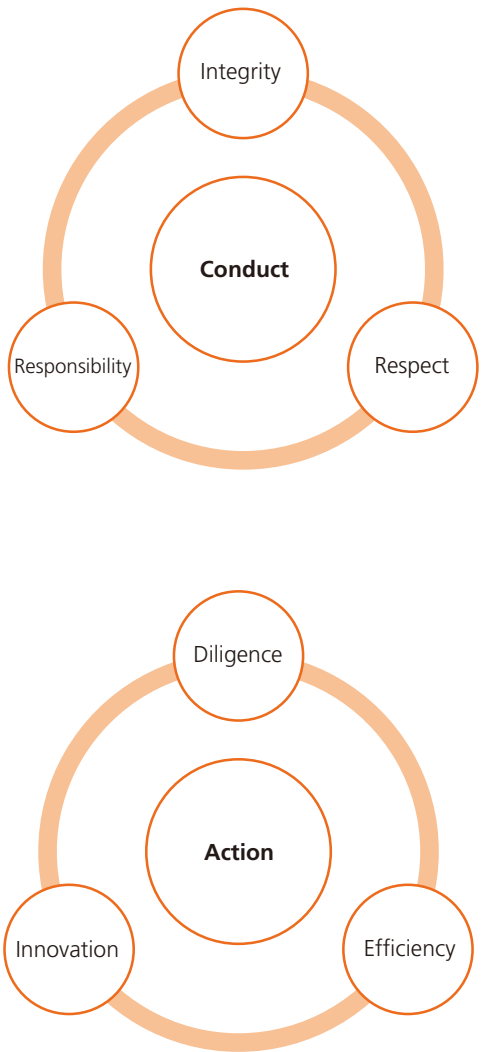
To enhance the professionalism and standardization of ESG management, the Group has engaged a third-party independent ESG consultant to provide professional support and assist in carrying out ESG-related tasks. The Board recognizes the critical importance of stakeholders to the Group's long-term and stable development. It proactively establishes diverse communication channels and regularly reviews the effectiveness of these communications, while entrusting the independent ESG consultant to conduct materiality assessments on stakeholder-related issues. Through stakeholder questionnaires, materiality mapping and professional opinion analysis, the Group identifies and prioritizes key ESG and climate issues closely related to its development, thereby providing clear direction for subsequent management efforts. To ensure progress on these issues, the Board convenes regular meetings to continuously monitor and review the implementation progress of ESG and climate-related objectives, promptly identifying and managing potential risks and opportunities for development. The implementation results of all ESG and climate management initiatives are subject to final review and confirmation by the Board to ensure governance effectiveness and drive the Group towards sustainable and high-quality development.

4. CORPORATE OVERVIEW

4.1 About Newtrend

Founded in Jiangxi, China, the Group specializes in the production and sales of food additives, including high-intensity sweetener sucralose, food-grade and industrial-grade glycine etc. Guided by our original aspiration to "Make Life Better and the World Healthier", we are committed to the R&D of food additives, and we possess proprietary core technologies and have accumulated extensive production experience, becoming a leader in the industry.

Through the three principles of "Conduct" and "Action", the Group is committed to becoming a globally leading producer and supplier of healthy food ingredients. Through our global marketing network, we successfully create value for our customers and contribute to a healthier humanity.



Three Principles of "Conduct" and "Action"

4.2 Annual Achievements Review

4.2.1 Annual performance



4.2.2 Annual honors

Industry Recognition

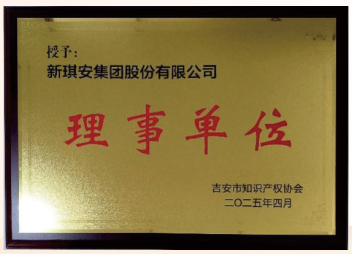
Excellent Member Enterprise Certification – Newtrend Group Holding Co., Ltd.

Issuing Authority: Jiangxi Food Additives and Ingredients Association



Ji'an Intellectual Property Association: Council Member Certification) – Newtrend Group Holding Co., Ltd.

Issuing Authority: Ji'an Intellectual Property Association



Drafting Unit Certification for "General Requirements for Clean Label Foods" (T/CAPS 064-2025) – Newtrend Group Holding Co., Ltd.

Issuing Authority: China Productivity Promotion Association Standardization Working Committee



Leading Technology and Quality Certifications

Second Prize for Jiangxi Provincial Science and Technology Progress Award: Development and Industrialization of High-Efficiency Technology for Preparing High-Purity Sucralose – Newtrend Group Holding Co., Ltd. (formerly known as Newtrend Technology Co., Ltd.)

Issuing Authority: Jiangxi Provincial People's Government


江西省科学技术奖
证 书
为表彰江西省科学技术奖获得者，特颁发此证书。
项目名称：高效率制备高纯度三氯蔗糖关键技术开发与产业化
奖励等级：科学技术进步奖二等奖
获 奖 者：
证书号：J-24-2-17-D01

Premium Quality Certificate (Jiangxi Province) – Newtrend Group Holding Co., Ltd. (formerly known as Newtrend Technology Co., Ltd.)

Issuing Authority: Jiangxi Provincial Industry and Information Technology Department & Jiangxi Provincial Market Supervision Administration


赣出精品证书

Excellence in Management and Digital Transformation

Digital Transformation Maturity Rating Certificate:
2-Star – Newtrend Group Holding Co., Ltd.

Issuing Authority: Guangzhou Saiman Certification Center Service Co., Ltd.



Jiangxi Manufacturing Enterprise Digital Development Level Evaluation Certificate (Level L7)
– Newtrend Group Holding Co., Ltd. (formerly known as Newtrend Technology Co., Ltd.)

Issuing Authority: Beijing Saisheng Technology Co., Ltd.
& Jiangxi Communication Terminal Industry Technology Co., Ltd.



4.2.3 Key annual events

Health in Action **The 28th Food Ingredients China exhibition (FIC 2025)**

In March 2025, as an international food ingredient manufacturer and supplier, the Group showcased our comprehensive capabilities spanning from raw material supply to solution development and various innovative finished product applications at the exhibition gathering over 1,500 enterprises from more than 30 countries and regions worldwide, through diverse means such as product displays, professional explanations, on-site interactions, and sample tastings. Our new product, isomalt, a next-generation sugar substitute applicable to beverages, hard candies, chewable tablets, baked goods and instant solid beverages, successfully integrated health qualities with innovation.



Craftsmanship and Innovation **Advancement of Curcumin Production Line at the Indonesian Production Sites to a new stage**

In November 2025, the Group initiated the expansion project of the curcumin production line at our Indonesian production site, constructing new production units for curcumin oleoresin and water-soluble curcumin, among other natural extract raw materials. We actively optimized our production capacity upgrades and strategic layout in the natural plant extraction sector, enhancing our global competitiveness in the natural health ingredients market and delivering high-quality and health-oriented products to our customers.



Corporate Development

Successful Listing of Newtrend Group on the Main Board of the Stock Exchange

In June 2025, the Group was officially listed on the Main Board of the Stock Exchange, marking the commencement of a new global journey. With over two decades of deep cultivation in the food additive industry, the Group stands as a core global manufacturer of food-grade glycine and sucralose, boasting a sales network spanning approximately 40 countries across six continents and operating five global production sites. According to an authoritative consulting report, based on sales volume and revenue in 2023, the Group ranked first in the global food-grade glycine manufacturing industry and fifth in the sucralose industry. Looking ahead, the Group will continue to strengthen R&D, expand global markets, optimize product structures and enhance international competitiveness.



A New Starting Point, A New Journey, A New Chapter

Name Change and Unveiling Ceremony of Newtrend Group



The Group held an unveiling ceremony at the Ji'an production site, signifying the Group's entry into a new operational phase. The ceremony commenced with a flag-raising event, witnessed by the Group's management and employee representatives, marking this pivotal moment. During the ceremony, a representative from the management expressed that the unveiling under the new name is not merely a change in nomenclature but a significant starting point for the Group's strategic upgrade, business expansion and brand rejuvenation. It embodies the Group's higher aspirations for future development, symbolizing its readiness to embrace market opportunities and challenges with greater professionalism and a broader perspective. The Group will persist in upholding the principles of diligence, efficiency and innovation, creating value for customers and contributing to society.

R&D and Innovation

Second Prize in Jiangxi Provincial Science and Technology Progress Award for "Development and Industrialization of Key Technologies for Efficient Preparation of High-Purity Sucralose"

In September 2025, the Jiangxi Provincial People's Government announced the list of winners for the 2024 Science and Technology Awards. The Group's "Development and Industrialization of Key Technologies for Efficient Preparation of High-Purity Sucralose" was honored with the Second Prize in the Science and Technology Progress Award, providing authoritative recognition for the Group's technological prowess and industrialization achievements. This overcame bottlenecks in production efficiency and product purity, realizing independent R&D and large-scale implementation of key technologies while driving technological upgrades in the food additive industry. The Group continuously leverages its provincial-level enterprise technology center, Shenzhen Innovation Research Institute and expert workstations as platforms to collaborate closely with domestic and international research institutions, promoting the transformation of technological achievements and bringing high-quality and healthy products to consumers.



5. GOVERNANCE DRIVES STEADY PROGRESS

5.1 Sustainable Development Governance

5.1.1 ESG strategy

The Group adopts the "Seven Chapters" as the core framework of our ESG strategy, guided by the "Three Principles of Conduct and Action" as our foundational values. We integrate sustainable development principles into our overall business strategy and continuously drive high-quality corporate development through robust governance mechanisms, laying a solid foundation for our future growth.

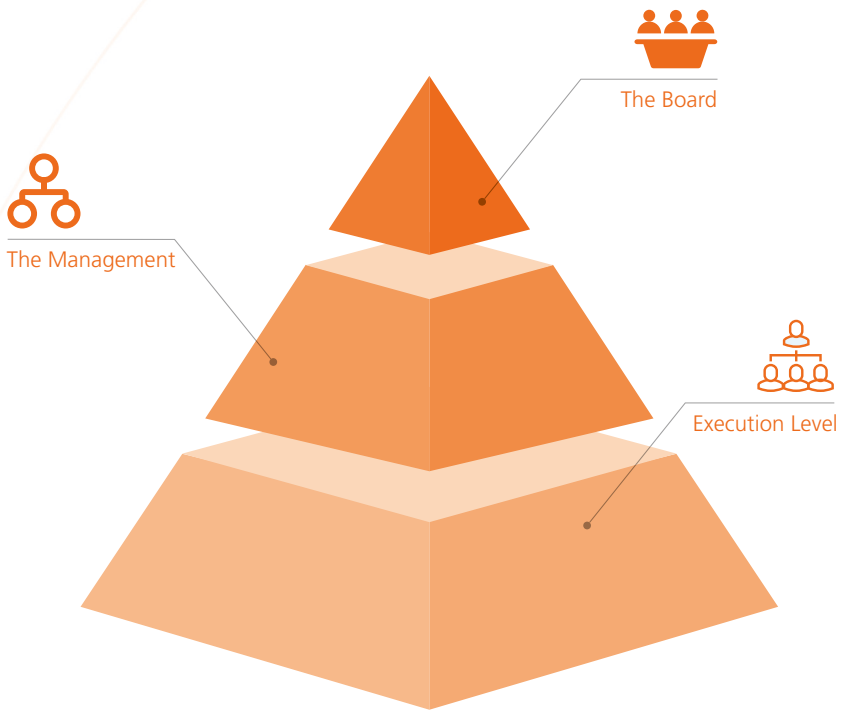
Corresponding Chapters	Content
INTEGRITY SAFEGUARDS ASSURANCE	The Group strictly adheres to domestic and international laws, regulations and listing rules, establishing a comprehensive corporate governance structure. Through rigorous risk management and a zero-tolerance policy against commercial corruption, we ensure compliance and uphold business ethics.
INNOVATION DRIVES DEVELOPMENT	Focusing on core products such as food-grade glycine and sucralose, the Group possesses proprietary core technologies and extensive production experience, maintaining a leading position in the industry. We will continue to invest in R&D and innovation, using technological advancements and product upgrades as long-term engines for sustainable and high-quality industry transformation.
STRENGTHENING THE SUPPLY CHAIN FOR MUTUAL BENEFIT	The Group values supply chain management and partnerships, adhering to principles of integrity, performance and mutual benefit. Through audits, assessments, business communications and collaborative discussions, we ensure a stable, compliant and efficient supply chain, working with upstream and downstream partners to build a healthy, sustainable industrial ecosystem that achieves shared value and long-term success.

Corresponding Chapters	Content
UPHOLDING QUALITY TO EARN TRUST	The Group considers product quality and safety as core responsibilities, strictly implementing food safety management systems and international standards. Through comprehensive quality control across the entire process, professional employee training and halal certification, we ensure reliable and stable products that meet global market concerns.
GREENING SUSTAINABLE FOUNDATIONS	The Group actively promotes green and low-carbon operations, implementing energy-saving measures, paperless offices and resource management strategies to reduce environmental impact. We also prioritize climate change response, establishing a governance framework for climate-related risks and continuously optimizing energy and water resource efficiency to integrate environmental protection into our entire production process and build a sustainable operational foundation.
GROWING TOGETHER IN UNITY	The Group views employees as our most valuable asset, creating a safe, healthy and inclusive work environment; we offer competitive compensation and benefits, a diversified training system, career development paths, and humanistic care mechanisms to safeguard labor rights, foster harmonious labor relations and enhance team cohesion.
UNITING WITH COMMUNITY FOR A BETTER FUTURE	The Group actively participates in community welfare and local economic development, demonstrating care for community residents through activities such as visiting disadvantaged families and warmth-giving initiatives. We promote local harmony and co-prosperity, leveraging corporate strength to drive community development and deepen long-term mutual assistance with society.

5.1.2 ESG governance system

The Group actively promotes sustainable development and integrates related concepts into our overall strategy and daily operations, thereby strengthening our ESG governance system. Through a three-tier management structure with clear hierarchies and responsibilities, combined with an efficient and interactive operational model, we ensure the orderly advancement and effective implementation of all ESG initiatives.

ESG Governance Structure



The Board
The Board determines the overall ESG and climate-related development direction of the Group, responsible for decision-making on major issues, and supervises overall implementation.

The Management
Responsible for driving the implementation of ESG and climate-related strategies, formulating execution plans and response measures, regularly reporting progress, and optimizing governance effectiveness.

Execution Level
Executive Level is responsible for the specific implementation and execution of ESG-related tasks, including data compilation, reporting, and cross-departmental communication to ensure stable implementation of measures.

For detailed information, please refer to the "GREENING SUSTAINABLE FOUNDATIONS – Climate Response" section.

5.2 Responses to Stakeholder Voices

5.2.1 Stakeholder communication

The Group regards stakeholders as the core driving force behind our operational development and ESG performance improvement, as their opinions serve as crucial guidance for optimizing our strategies and decision-making. To ensure stakeholders' expectations are fully heard and addressed, we have established a multi-channel communication mechanism, maintaining close, two-way dialogue with key stakeholders, promptly collecting feedback, and translating it into practical actions. During the Year, our regular communication channels, primary expectations and concerns, and specific response measures with key stakeholders are detailed below, representing our commitment to stakeholder engagement and responsibility.

Stakeholders	Expectations and Concerns	Communication and Response Methods
Government and regulatory agencies	• Compliance with national policies and laws and regulations • Promotion of local economic development • Stimulation of local employment • Timely and full tax payments • Workplace safety	• Regular information reporting • Regular meetings with regulatory bodies • Special topic reports • Inspections and supervision
Shareholders	• Return on investment • Compliant operations • Enhancement of corporate value • Information transparency and efficient communication	• General meetings • Announcements and circulars of the Group • Email, phone communication and the Company's website • Special topic reports and presentations
Suppliers/partners	• Ethical business conduct • Fair competition • Contractual compliance • Mutual benefit and win-win cooperation	• Audits and assessments • Business discussions and negotiations • Exchange workshops • Collaborative exploration

Stakeholders	Expectations and Concerns	Communication and Response Methods
Customers	• High-quality products and services • Health and safety • Contractual compliance • Business integrity	• Customer opinion surveys • Customer communication meetings • Follow-up visits
Industry associations	• Promotion of industry development	• Exchange visits
Employees	• Protection of rights and interests • Occupational health and safety • Compensation and benefits • Career development • Humanistic care	• Company newsletters and intranet • Training and workshops • Employee activities • Staff representative meetings
Community and Public	• Improvement of community environment • Participation in public welfare	• Company website • Social media platforms

5.2.2 Materiality assessment

During the Year, the Group conducted an ESG materiality assessment to identify key ESG issues closely related to our operations and business. The assessment process incorporated stakeholder opinions, industry trends, and internal risk analysis to ensure the selection of issues was scientific and targeted, helping us precisely align with stakeholder expectations and concerns. This, in turn, strengthens the relevance and effectiveness of our ESG strategies, laying a solid foundation for sustainable development.

The ESG materiality assessment was implemented in three main stages:

Identification

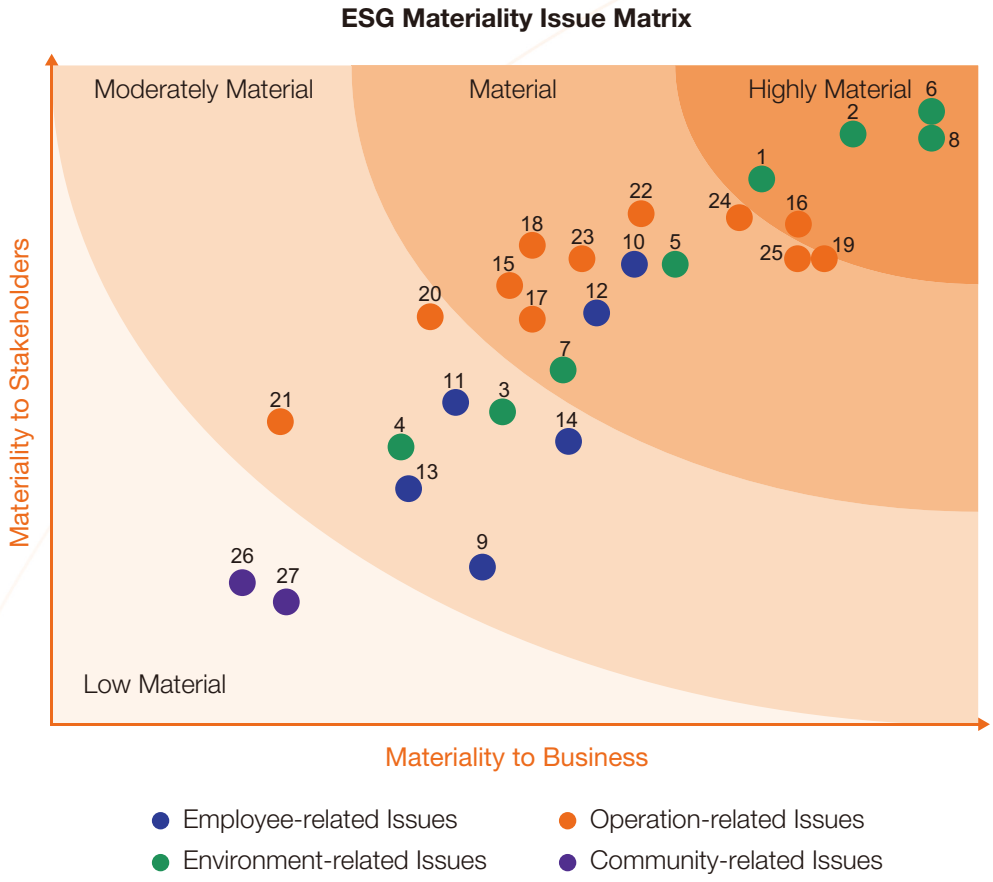
- During the initial screening phase for material issues, the Group not only referenced relevant research findings from peer companies but also systematically consulted the ESG Industry Materiality Map introduced by Morgan Stanley Capital International (MSCI). Additionally, we considered industry-specific standards from the Sustainability Accounting Standards Board (SASB), combined with the Group's business nature, operational risks, and medium to long-term development directions, to complete the preliminary screening of issues

Survey

- The Group invited internal and external stakeholders to participate in a questionnaire survey, broadly collecting their levels of concern regarding the ESG issues and gaining in-depth insights into their expectations related to the Group's ESG responses and inform disclosure

Analysis

- The Group conducted an in-depth analysis of the questionnaire survey results, plotting an ESG issue materiality matrix to clarify the priority order of each issue

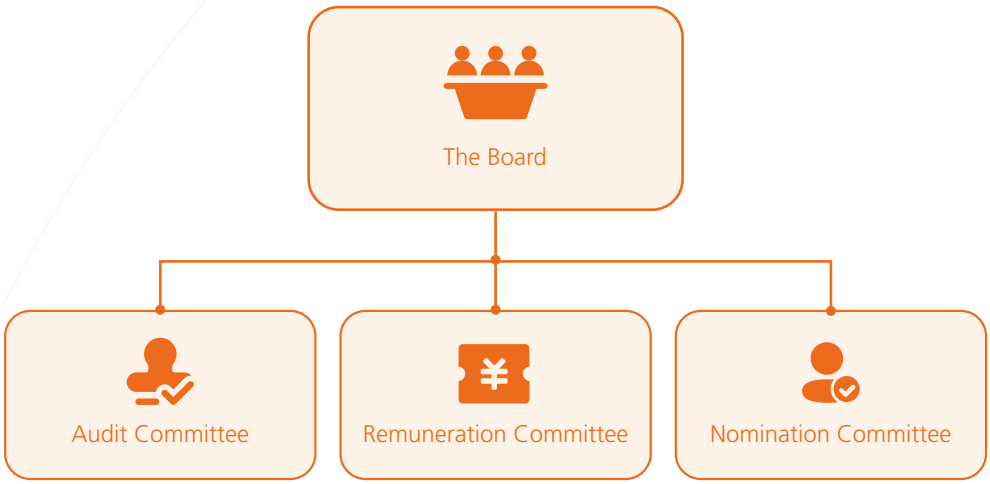

ESG Materiality Issue Matrix
Moderately Material
Material
Highly Material
Low Material
Materiality to Stakeholders
Materiality to Business
Employee-related Issues
Operation-related Issues
Environment-related Issues
Community-related Issues

Highly Material	Material	Moderately Material	Low Material
1 Greenhouse Gas Emissions	5 Climate Change Response	3 Energy and Resource Use	26 Community Investment
2 Toxic Emissions and Waste Management	7 Pollutant Emissions	4 Packaging and Raw Material Management	27 Public Welfare and Charity
6 Hazardous Materials Management	10 Occupational Health and Safety	9 Compensation and Benefits	
8 Environmental Incident Handling and Prevention	12 Labor Management	11 Training and Development	
16 Compliant Operations	15 Anti-Corruption and Integrity Management	13 Diversity and Equal Opportunities	
	17 ESG Responsibility	14 Prevention of Child and Forced Labor	
	18 Stakeholder Engagement	20 Supply Chain Management	
	19 Product Quality	21 Intellectual Property Protection	
	22 Product Safety		
	23 Customer Service Management		
	24 Data Privacy and Information Security Management		
	25 Responsible Sales and Marketing		

6. INTEGRITY SAFEGUARDS ASSURANCE

6.1 Compliance Governance

The Group is committed to operating in full compliance with local laws and regulations, establishing a robust and effective corporate governance framework. The Board is responsible for overall governance and strategic oversight, with specialized committees functioning effectively within their respective mandates to ensure compliance, transparency and stability in management and decision-making processes.



The Board

- Oversees the overall planning and implementation of compliance governance for the Group, ensuring the effective governance

Audit Committee

- Oversees the appointment, independence and non-audit services of external auditors, and reviews audit fees and procedures
- Reviews the Group's financial statements and disclosures for accuracy and fairness
- Supervises internal control, risk management and internal audit functions, coordinating between internal and external auditors
- Verifies compliance with corporate governance standards, follows up on audit recommendations, and reports to the Board and cooperates with the Supervisory Board

Remuneration Committee

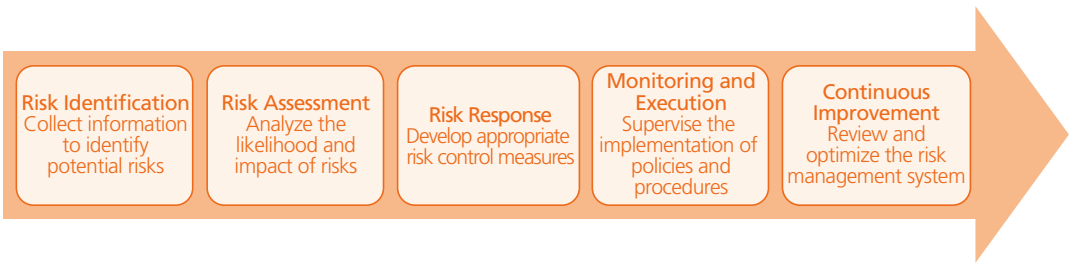
- Formulates remuneration policies and structures for directors, supervisors and senior management, referencing industry and job-specific natures
- Formulates remuneration policies, reviews remuneration proposals, approves them according to procedures, and reports to the Board for final approval
- Avoids conflicts of interest, ensuring directors do not participate in determining their own remuneration, and reviews share plans as required by Listing Rules

Nomination Committee

- Establishes criteria and procedures for selecting directors and senior management, considering core factors such as background and experience
- Identifies and reviews potential candidates, seeking their written consent before making nomination recommendations to the Board
- Annually reviews the Board's structure and independence, promotes diversity, and establishes a core talent reserve plan
- Evaluates directors' performance, make recommendations regarding their appointment, removal and succession, standardize the nomination process, and require controlling shareholders to respect the committee's recommendations

6.2 Risk Management

To effectively identify, assess and respond to potential risks throughout operations, the Group has established a Sanctions Compliance Committee and an Audit Committee, along with a rigorous risk management framework, which clearly defines roles and responsibilities at different levels in risk management, internal control and compliance, ensuring risks remain manageable and continuously improving overall control effectiveness.



Risk Management Process

The Group has implemented a tiered and comprehensive risk management and internal control framework. All employees actively identify risks in their respective roles and strictly adhere to internal control and compliance requirements in daily operations, ensuring frontline risk prevention and control. The Sanctions Compliance Committee oversees sanctions compliance risk management, identifying, assessing and monitoring sanctions-related risks, developing and implementing compliance policies and control measures, and ensuring effective compliance. In addition, the Audit Committee performs an independent oversight function, assisting the Board in evaluating the effectiveness of financial reporting procedures, internal controls and risk management systems, independently verifying and assessing overall risk control execution, identifying management deficiencies, proposing optimization directions, and reporting to the Board. The Group continuously optimizes internal management mechanisms, regularly reviewing and improving internal control systems and risk management processes based on internal supervision results, risk assessment conclusions and internal control defect rectifications, adjusting risk response plans as needed, and constantly enhancing the applicability and overall effectiveness of the risk management system.

6.3 Business Ethics

The Group strictly adheres to relevant laws and regulations worldwide, maintaining a zero-tolerance stance towards any form of commercial corruption or interest transfer that violates business ethics. To regulate employee behavior and strengthen integrity management, we have formulated a series of agreements, including the "Integrity and Self-Discipline Pledge" and "Anti-Bribery Agreement", along with internal management policies such as the "Employee Code of Conduct" and "Employees' Handbook". These clearly outline behavioral standards for all employees in commercial dealings and daily work, ensuring all business activities are conducted within a legal, compliant and honest framework, maintaining our excellent business reputation.

Internal Control

The Group has established a comprehensive internal integrity control, requiring all employees to sign the Integrity and Self-Discipline Pledge, which clearly outlines their obligation to strictly adhere to the "Employee Code of Conduct" and "Integrity Work Regulations" and fulfill their integrity work obligations. During the Year, the pledge achieved 100% coverage among all employees. In addition, we directly link employee integrity behavior performance with their performance evaluations, guiding employees to consciously comply with business ethics. Additionally, we provide anti-corruption and anti-money laundering training to all new hires, introducing our internal integrity policies, relevant anti-corruption and anti-money laundering laws and regulations, and the consequences of violations to help new employees establish correct integrity awareness and prevent violations from the source.

External Cooperation Control

For external partners, including suppliers and collaborators, the Group upholds the principles of honest cooperation and integrity for mutual benefit. We have formulated the "Anti-Bribery Agreement", clearly stipulating behavioral standards for both parties in commercial dealings, emphasizing the prohibition of any form of commercial bribery or interest transfer, and requiring partners to comply with business ethics alongside us to build a clean cooperation environment.

Corruption Reporting Mechanism

To encourage all employees to actively participate in our integrity management efforts, the Group has established suggestion boxes internally, welcoming employees to contribute ideas for our development and report any misconduct. Employees have the right to make verbal or written complaints to the human resources and administration department or directly reflect situations to our senior management through email, the internal office collaboration system or other formal channels. All opinions, suggestions, reports, and complaints must be signed, and we strictly keep employee information confidential to protect their legitimate rights and interests.

Violation Handling

The Group has formulated corresponding violation handling measures for employees who violate business ethics, internal integrity policies, or relevant laws and regulations. Depending on the severity of the violation, employees will face appropriate disciplinary actions and be held accountable for any economic losses caused to us. If the violation is criminal offenses, the Group will immediately transfer the case to judicial authorities for legal processing and pursue criminal responsibility for the relevant personnel. For whistleblowers who truthfully report violations, save us from losses or prevent major risks, the Group will provide corresponding rewards. During the Reporting Period, the Group and all its employees were not involved in any corruption-related lawsuits.

6.4 Information and Privacy Protection

The Group has formulated comprehensive information system security management systems in accordance with local relevant laws and regulations, covering full-scenario management requirements such as system access, account termination and data recovery to regulate information management behaviors and strengthen the information security foundation for our enterprise, customers and employees. To further promote privacy protection, we require all employees to sign confidentiality agreements. During the customer personal information collection stage, we only collect and use customer information through legal means, strictly limiting the scope of use to the purposes agreed upon in the contract and explaining to employees the norms related to customer information processing. We implement various protective measures to ensure the security of information systems and databases, safeguarding customer information security.

The Group primarily conducts information security management from the following aspects to ensure the implementation of information and privacy protection:



Information Security Management

Formulate information access control management, regulate password settings, accounts, and permission management, maintain system log records, and ensure information traceability.



Network Security Management

Regulate network usage behaviors, regularly upgrade antivirus software and conduct virus scans, strictly manage network device passwords, and complete registration and filing.



System Backup and Recovery Management

Formulate information system data backup specifications, regularly check and verify backup effectiveness, establish standardized information recovery procedures, regularly conduct recovery tests, and maintain records to ensure information recoverability.



Computer Room Management

Regulate daily management and personnel access to the computer room, implement various security measures, establish equipment inventories, and conduct regular inspections and maintenance to prevent the use of unidentified storage media.

7. INNOVATION DRIVES DEVELOPMENT

7.1 R&D and Innovation

To actively respond to the evolving market consumption trends, the Group continues to invest in research and development innovation and plans to collaborate with the experienced third-party institutions based on the nature of the R&D projects. For product development projects, we collaborate with institutions possessing relevant invention patents and various intellectual property rights; for projects requiring third-party testing, we partner with renowned testing institutions accredited by the Certification and Accreditation Administration of the People's Republic of China and the National Health and Family Planning Commission; for projects involving analytical testing, we work with testing institutions equipped with corresponding testing capabilities and professional equipment. Concurrently, we focus on the independent R&D of core technologies, achieving multiple technological breakthroughs and patent accomplishments. Notably, our patent for "A synthesis of sucrose-6-ethyl -ester" was honored with the Third Prize for Patents in Ji'an City, Jiangxi Provincial. "Development and Industrialization of Key Technologies for Efficient Preparation of High-Purity Sucralose" was honored with the Second Prize of the Jiangxi Provincial Science and Technology Progress Award in 2024, which represents that the Group's R&D capabilities and industrialization competence have received authoritative recognition. Additionally, we pioneered the use of the organic tin method instead of the atomic method for producing sucralose products, leading the nation in product yield and continuously strengthening our core competitiveness through solid technological accumulation.

7.2 Intellectual Property Protection

The Group places great emphasis on intellectual property protection, strictly adhering to relevant intellectual property laws and regulations. All software used internally is licensed with genuine versions, and their usage strictly complies with the relevant licensing agreements. Employees are required to formally apply before installing any software to prevent intellectual property infringement from the outset. The Group pays great attention to patent layout and management, having formulated the "Intellectual Property Procedures and Management System Documents" to further strengthen intellectual property protection, covering patent registration, daily management and dispute resolution. Simultaneously, we have established a reward and punishment mechanism to inspire employees' awareness of independent innovation and activate their innovative potential. The General Affairs Department also conducts unified commercial secret confidentiality training for new employees during their onboarding phase to standardize the behavior of all employees and build a robust intellectual property protection barrier comprehensively.

As of the end of this Year, the Group has acquired the following intellectual property rights:

Invention Patents:
15

Utility Model Patents:
26

To further strengthen intellectual property control and ensure that intellectual property protection work covers all operational aspects, the Group regularly conducts intellectual property-related training for all employees. During the Year, we organized specialized training for employees in procurement, logistics, warehousing and other positions, focusing on the compliance essentials of intellectual property management in supplier management to enhance their protection awareness and practical abilities.



Intellectual Property Thematic Training

8. STRENGTHENING THE SUPPLY CHAIN FOR MUTUAL BENEFIT

8.1 Supply Chain Management

8.1.1 Supplier management

Adhering to the principle of sustainable procurement, the Group has established a comprehensive supplier management system covering the entire process from access review, daily management to exit mechanisms, ensuring that all links in the supply chain comply with strict quality, safety, environmental and social responsibility standards.



Comprehensive Supplier Management System

New suppliers must undergo the "New Supplier Access Approval Form" to ensure they meet the Group's quality, safety and compliance requirements. The approval process encompasses multiple stages, including basic information review, certificate verification, company profile assessment, quality control inspection, process technology verification, sample testing and production trials; joint evaluations are conducted by multiple departments, including the procurement department, technical quality department, production department and finance department, with final approval from management before inclusion in the list of qualified suppliers. We also use the "Supplier Product Use Evaluation Form" as a core tool, where the inspection leader thoroughly inspects sample quality, the production leader verifies production conditions on-site, and professional opinions from various functional departments are summarized for a comprehensive evaluation and final signature. Only when all departments agree and there are no significant deviations can the supplier be approved for formal cooperation. This approval mechanism effectively reduces supply chain risks and ensures that raw materials and auxiliary materials meet food safety, environmental protection and sustainable development requirements from the source, providing a solid guarantee for product quality safety and long-term stable supply.

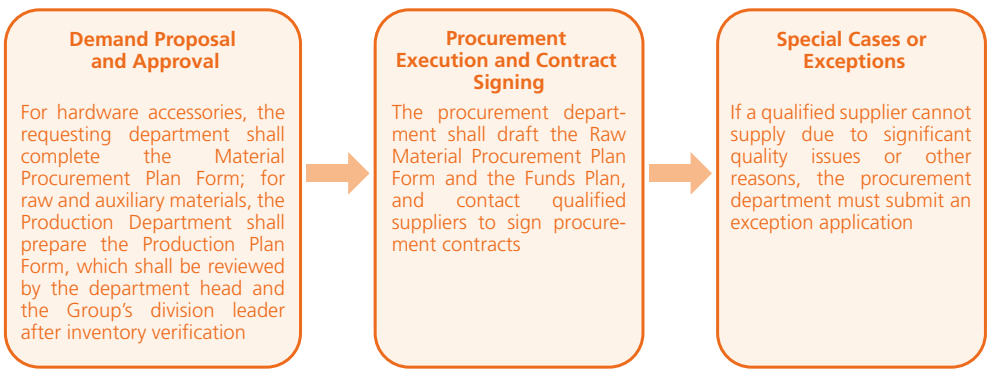
In daily management, the Group has established the "Supplier Evaluation Management Procedure", focusing on annual performance evaluations and multi-dimensional on-site audits to ensure that qualified suppliers continuously meet our high standards. The evaluation framework is divided into internal and external audits, covering various dimensions such as plant facilities and equipment, material pass rates, delivery times, price stability, payment terms, service attitude, traceability systems and risk assessments; multiple departments, including the Procurement Department, Technical Quality Department, and Production Department, participate in the scoring. For suppliers that fail to meet evaluation standards or exhibit significant deviations, we immediately activate a warning mechanism, requiring them to submit a written corrective action plan and track its implementation to ensure risks are effectively controlled, thus strengthening supply chain resilience.

For material suppliers, the Group evaluates them based on material properties and usage, ensuring full compliance and stability throughout the supply chain through a multi-department collaborative annual evaluation mechanism and dynamic risk monitoring. Each year, the Technical Quality Department organizes a Risk Assessment Team to identify and rate supplier risks using the Failure Mode and Effects Analysis (FMEA) tool in accordance with the "Supplier Risk Assessment Procedure"; control measures, including on-site audits and process validations, are formulated based on risk values and historical data, along with supplier training and rectification requirements. The Quality Management Department supervises the implementation of these control measures throughout, activating warning mechanisms immediately for risk escalations or deviations to ensure suppliers continuously meet our product quality, safety and sustainable development standards, thereby maintaining long-term cooperative relationships.

When suppliers exhibit significant quality, safety, environmental, or compliance violations, fail to complete corrective actions, or severely conflict with the Group's policies, we initiate an exit mechanism to ensure long-term sustainable development through closed-loop management. According to the "Supplier Qualification Certification and Cancellation Procedure", we first suspend cooperation and require the unqualified supplier to submit a detailed corrective and preventive action plan, jointly reviewed by the Technical Quality Department, Procurement Department, and relevant departments. If the supplier fails to meet standards within the specified period or violates regulations again, we formally cancel its qualified supplier status and remove it from the list. After exit, we reassess alternative suppliers to ensure supply chain stability and product quality are unaffected.

8.1.2 Responsible procurement

Adhering to the principle of responsible procurement, the Group has established the "Procurement Control Procedure" to ensure the entire procurement process is under control. All raw materials, auxiliary materials, packaging materials, and materials that come into direct contact with our products must meet the requirements for hygiene quality, delivery, services, and user requirements. Furthermore, materials used for certified products must obtain approval from the Halal Certification (LPPOM/MUI). Departments collaborate closely, with the procurement director responsible for plan approval and qualified supplier procurement; the Procurement Department coordinating plan preparation, contract signing, data statistics, and transmission; the Technical Quality Department responsible for raw material monitoring, measurement, and Quality Determination; and the Finance Department warehouse employee responsible for arrival inspection, storage, and safekeeping – jointly ensuring that the procurement control mechanism effectively guarantees final product quality and strengthens supply chain compliance.



Sustainable Procurement System

The Group has formulated and strictly implemented the "Guaranteed Supply Emergency Plan" and the "Procurement Emergency Plan" to build a supply continuity assurance system and ensure supply chain resilience. When there is a shortage or inability to deliver raw and auxiliary materials and spare parts on time, we immediately activate the emergency response mechanism and establish an Emergency Working Group led by the general manager and procurement director. Urgent instructions and plans issued by the Production Department and requesting departments are prioritized within the specified time. The general manager supervises and assesses the entire process and regularly reviews the plan's effectiveness to fully ensure the supply chain maintains high efficiency even under extreme conditions, guaranteeing product quality and customer delivery. For abnormal situations such as power outages, water supply disruptions, gas supply interruptions or equipment failures, departments must promptly repair and report to the emergency leadership team. The general manager supervises and assesses the entire process, while regularly reviewing the plan's effectiveness, so as to fully ensure the supply chain maintains high efficiency even under extreme conditions and guarantee product quality and customer delivery.

8.1.3 Supplier layout

During the Year, the Group has collaborated with 87 suppliers for its major products from various regions, including Chinese Mainland, Hong Kong and Southeast Asia. We procure raw materials and utilities from these suppliers for producing food-grade glycine, industrial-grade glycine, and sucralose, which are then sold to customers, including manufacturers, designated wholesalers and other wholesalers, providing robust and reliable support for our overall operations and long-term development.

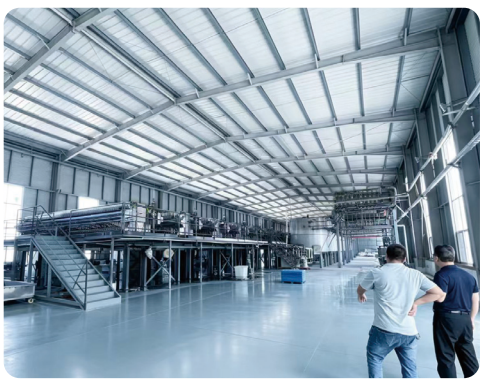
8.1.4 Supplier empowerment

The Group actively carries out supplier exchange and training activities to strengthen sustainable supply chain management and risk prevention and control. During the Year, we regularly organized on-site visits to suppliers and conducted specialized training, inviting qualified suppliers to participate. The content covered quality control, environmental protection standards, etc., helping suppliers enhance their management capabilities and comply with national and international standards. Through face-to-face exchanges, online seminars, and annual review mechanisms, we promptly collect supplier opinions and needs and jointly formulate improvement plans to ensure supply chain stability, safety and compliance with ESG principles, so as to effectively reduce environmental and social risks and promote long-term cooperative win-win and sustainable development.

Case Sharing

Technical Exchange and Inspection of Raw Material Suppliers for Seaweed Extract

During the Year, the Group focused on quality control and supply of raw materials for seaweed extract, visiting seaweed and carrageenan supplier factories to conduct exchanges. We emphasized inspecting the preparation processes of raw seaweed front-end processing techniques. Through this exchange, we strengthened mutual cooperation trust and provided a stable and high-quality raw material guarantee for our seaweed extract products, achieving mutual benefit and win-win results for the enterprise and suppliers.



9. UPHOLDING QUALITY TO EARN TRUST

9.1 Quality Foundation

9.1.1 Quality system establishment

The Group is committed to the goal of "Making Life Better and the World Healthier" and strives to establish a high-standard quality management system to ensure that every product meets strict food safety and health requirements. We have obtained FSSC 22000 Food Safety Management System Certification and BRCGS Global Food Safety Standard Issue 9 (Grade A). Through systems such as the Procurement Control Procedure, Supplier Risk Assessment Procedure, and Guaranteed Supply Emergency Plan, we implement full traceability and risk management from raw material admission, production process control to final delivery. Our quality management system not only safeguards product safety and stable quality but also integrates the "health" concept into every aspect of the supply chain and operations, providing consumers with reliable and high-quality products while contributing to global sustainable development and human well-being.

FSSC 22000 Food Safety System Certification



BRCGS Global Food Safety Standard Issue 9 (Grade A)



9.1.2 Quality control commitment

The Group is dedicated to building a sustainable product quality management system and has formulated strict Internal Control Standards for Finished Product Quality and Quality Control Standards for Raw and Auxiliary Materials to ensure the safety and compliance of our main product, food-grade glycine, and procured raw and auxiliary materials. We reference national standards such as GB 25542, GB 7300, GB 13104, as well as international standards like the Food Chemicals Codex (FCC) and the United States Pharmacopeia (USP), setting corresponding internal control indicators based on food types, covering limits such as content, chlorides, heavy metals, drying reduction, ignition residue, pH value, microorganisms and pathogenic bacteria. Some items undergo annual third-party testing to enhance traceability. Through self-inspection, audit and continuous optimization mechanisms, we effectively reduce quality risks, safeguard consumer health and integrate product responsibility into our ESG strategy, providing a solid foundation for long-term sustainable development.

As a producer of food-grade additives, the Group places great emphasis on the hygiene and cleanliness of product storage to prevent deterioration and contamination. We have formulated the "Food Additive Storage Management System" to prevent contamination during storage from non-halal or unclean substances. Through the following systematic storage control measures, we successfully maintain stable product quality and ensure safety and company compliance:

- Dedicated warehouses for food additives, with raw and auxiliary materials, semi-finished products and finished products stored separately; no toxic or hazardous substances or debris are allowed in the warehouse;
- Installation of rodent, insect, moisture and mold prevention facilities, with regular ventilation and cleaning to maintain dryness and cleanliness;
- Implementation of a "one batch number, one quality certificate, one material inventory card" system, with all materials classified and stored off the ground and away from walls, with clear markings;
- Detailed recording of names, batch numbers, specifications, inbound and outbound quantities and balance quantities, with signatures from handlers for confirmation;
- Warehouse managers and quality inspectors must be familiar with system requirements and immediately report any expired or prohibited additives for handling; and
- Inbound and outbound inspections are carried out by designated personnel in accordance with the "Product Protection Management Procedure" and "Shipping Control Procedure" to ensure containers and tools are clean, non-toxic and meet temperature requirements.

The Group places great importance on product safety and customer rights and has formulated the "Returned Product Handling Procedure", establishing a full-process management mechanism from returned product approval, non-conforming product disposal, to preventive measures. Returned products are classified and assessed for risk based on biological, chemical, physical and other hazards. The returned product safety team composed of the sales business headquarters, technical quality department, equipment power department and other departments leads the review process. After strict approval, non-conforming products are inspected, returned and properly disposed of, and a product review team leader convenes a quality analysis meeting as appropriate to issue corrective and preventive action forms.

For safety risks associated with delivered products, the Group initiates withdrawal procedures in accordance with the Product Withdrawal and Recall Control Procedure to ensure rapid and effective control of emergencies. Through strict approval, classification management and continuous improvement mechanisms, we successfully safeguard consumer health and company reputation, winning market trust and long-term cooperation.

I Withdrawal and Recall:

For products that have or may cause severe health damage or even death after consumption, the Group will initiate withdrawal and recall procedures within 24 hours of becoming aware of the product safety risk and report the plan to the county-level or higher local market supervision and management department

II Withdrawal and Recall:

For products that have or may cause general health damage after consumption, the Group will initiate withdrawal and recall procedures within 36 hours of becoming aware of the product safety risk and report the plan to the county-level or higher local market supervision and management department

III Withdrawal and Recall:

For products with false labeling, the Group will initiate withdrawal and recall procedures within 48 hours of becoming aware of the product safety risk and report the plan to the county-level or higher local market supervision and management department

Product Withdrawal and Recall Safety Classification and Procedure

9.2 Responsible Marketing

The Group adheres to the principle of responsible marketing and strictly implements the "Sales Workflow" and Guidelines to ensure transparency, professionalism and customer-centricity throughout the pre-sales, sales and after-sales processes. We require sales personnel to comply with email norms, quotation validity periods and contract review systems to avoid any misleading or concealed behavior and incorporate customer feedback into management reviews to strengthen product quality and service responsibility, achieving customer satisfaction improvement and long-term cooperative win-win situations, fully reflecting the ESG core values of responsible marketing.

Pre-sales	Sales	After-sales
Develop letter templates, track customer files, provide quotations, conduct questionnaires and prepare samples	Follow customer plant audits, contract signing, order placement and payment tracking processes	Respond to customer complaints in a timely manner through complaint handling, satisfaction surveys and customer follow-ups

Sales Workflow

The Group adheres to the principle of responsible marketing and ensures transparency, fairness and compliance with regulations in all transactions through standardized sales contract templates. Our sales contracts clearly list product names, specifications, quantities, tax-exclusive unit prices, tax-inclusive total amounts, transportation responsibilities, acceptance periods and other terms, as well as dispute resolution methods, force majeure clauses for natural disasters, policy adjustments, epidemic prevention and control, and applicable laws, effectively safeguarding the interests of both parties. Once the contract takes effect, we strictly enforce the terms and never re-price, requiring customers to raise objections within the acceptance period, which is deemed full compliance if no objections are raised after the period expires. We use this mechanism to eliminate any misleading or concealed behavior, safeguard customer's right to information and legal rights, and represent our commitment to honest operation and sustainable development.

Case Sharing **Responsible Marketing Training Process**

During the Year, the Group's departmental training plan has particularly emphasized relevant capability building. Through 10 systematic courses, including interpretation of the GB 2760-2024 Food Additive Standard, business etiquette and market research report writing, we enable sales and related teams to deeply understand the importance of regulatory compliance, honest communication, data-driven decision-making and consumer rights protection, ensuring high ethical standards in our product promotions and thereby strengthening customer trust and brand sustainability.



9.3 Warm-hearted Service

To ensure immediate response to customer complaints, the Group strengthens cooperation and coordination among departments and subsidiaries and has established the "Customer Complaint Handling Management System" to enhance customer satisfaction and corporate image. Through a customer-centric approach, we not only quickly resolve issues but also transform customer feedback into drivers for product quality improvement, strengthening long-term customer-supplier relationships and corporate trust.

The Group's system clearly defines departmental responsibilities and and divides functions and management into two major categories:

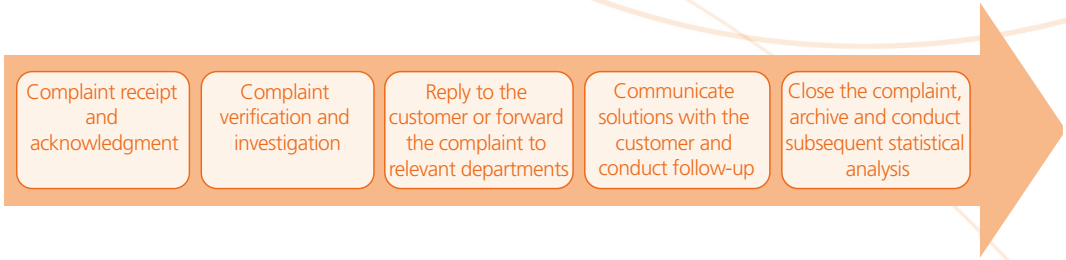


Complaints related to transportation, such as packaging damage caused by transportation; and



Complaints related to product characteristics, technical metrics, delivery dates, work quality accidents and packaging materials.

Upon receiving a complaint, the complaint handler fills out the "Product Quality Information Feedback Form" and determines the complaint type, then forwarding it to the corresponding product responsible person and relevant department for handling, finally deciding whether to notify the president based on the importance of the issue. The sales business headquarters is responsible for business replies, while the deputy general manager in charge of technical and quality-related complaints coordinates investigation and analysis, and the Quality Control Section performs retention sample testing and traceability. All complaints strictly adhere to 24/48/72-hour response time limits to ensure rapid response and efficient issue resolution. Major complaints are immediately reported and assessed across departments. The Technical Center formulates corrective and preventive measures and tracks their effectiveness, conducting follow-up visits to verify satisfaction after handling, closing the complaint, archiving it for 5 years, and regularly statistically analyzing it for inclusion in management reviews.



Customer Complaint Management Process

To comprehensively improve customer satisfaction, the Group has established a perfect customer satisfaction survey and continuous improvement mechanism through the "Product-Related Requirements Review Procedure". We annually distribute the "Customer Satisfaction Survey Form" to customers, covering ten indicators including product impression, specifications, sweetness, usage effectiveness, packaging, delivery schedule, transportation, relevant documents, contact personnel quality and after-sales service. Additionally, we implement an annual customer follow-up system to regularly maintain relationships. In response to feedback received from customers, our departments collaborate promptly to formulate and execute targeted corrective and preventive measures. Consequently, we not only ensure that both explicit and implicit customer requirements are fully met but also actively exceed customer expectations, further strengthening customer-supplier relationships and market competitiveness.

During the Year, the Group achieved a 100% response rate for the customer satisfaction survey, with an overall satisfaction rate of 98.5%, successfully surpassing the target of 98%. The survey covered ten metrics including corporate impression, product specifications, quality, packaging, delivery time, transportation, service attitude, and product suggestions, fully representing the effectiveness of our quality management system and our strict control over the entire process from raw material procurement to delivery. We are committed to continuously listening to our customers' voices and further optimizing our products and services, so as to create greater value for customers and reinforce long-term customer-supplier relationships.

10. GREENING SUSTAINABLE FOUNDATIONS

10.1 Climate Response

Facing the increasingly significant challenges of global climate change, the Group actively responds to the various impacts and development potentials that climate change poses to our business, operational models and long-term value creation. Starting from 2025, the Group will disclose climate-related information based on the four pillars of "Governance, Strategy, Risk Management, Metrics and Targets" in accordance with relevant ESG Code.

10.1.1 Governance

Climate-related risks and opportunities have been integrated into the governance framework at all levels of the Group. The Board, as the highest supervisory body, is responsible for formulating and promoting management policies and strategies related to sustainable development, as well as undertaking deliberation, decision-making, management and oversight functions on climate-related matters. The Board holds at least one regular meeting annually to discuss climate-related issues, assess the climate risks and opportunities faced by the Group, and review the effectiveness of management measures implemented by the management to ensure that the potential impacts of climate change on the Group are appropriately managed. The Board also annually reviews and monitors the progress of climate-related goals, while adjusting and optimizing corresponding strategies, when appropriate, based on changes in the operating environment and the Group's long-term development needs, so as to ensure alignment with the Group's overall development direction. Furthermore, when overseeing the overall corporate strategy, major transaction reviews, risk management systems and various internal policies, the Board also incorporates identified climate-related risks and opportunities for holistic assessment and comprehensive balancing.

To enhance the Board's oversight effectiveness on climate issues and ensure that directors possess relevant expertise, the Group continuously strengthens the climate-related knowledge and performance capabilities of directors. This is achieved by providing learning resources, such as organizing internal specialized training sessions and arranging for relevant employees to participate in external professional climate-related courses and seminars, to assist the Board in staying abreast of the latest trends in climate risks and opportunities and continuously improving its ability to identify, assess, and make decisions on related issues.

Under the leadership and supervision of the Board, the day-to-day management of climate-related matters has been delagated to the management. The management's primary responsibilities include implementing relevant strategies and goals, supervising the progress of various climate action plans, and regularly reporting to the Board on related work progress, thereby strengthening the Group's overall climate resilience. Relevant control and execution processes have been integrated into the operational activities of various business departments, thereby assisting the Group in identifying potential climate risks and opportunities; data analysis serves as the foundation for decision-making, ensuring that various climate action plans are effectively promoted and implemented.

10.1.2 Strategy

The Group continuously strengthens its business resilience to climate change and enhances its risk assessment processes, through analyzing the various impacts that climate change may have on the Group's operations and value chain, so as to identify potential risks and formulate corresponding management strategies. To facilitate the implementation of relevant measures and address the limitations of traditional risk assessment processes in identifying long-term climate impacts, the Group conducted its first comprehensive climate scenario analysis in 2025. This assessment scope encompasses physical risks, transition risks and climate-related opportunities, with a thorough identification and evaluation of various risks and potential opportunities.

To effectively grasp potential climate-related risks and opportunities during the operation process, the Group comprehensively considers important issues such as global temperature rise trends, climate policy directions and impact timelines, and uses the scenario settings and parameters of the Intergovernmental Panel on Climate Change ("**IPCC**") Sixth Assessment Report (AR6) and the Network for Greening the Financial System ("**NGFS**") Phase V report as the analytical basis. The selected climate scenarios not only align with the Group's business development strategy but also with the national "Dual Carbon" strategy. The Group anticipates that climate-related risks and opportunities will have a key impact on the business in the short-term (2030), medium-term (2040) and long-term (2050). These time horizons are established based on the Group's financial budget and business development cycle.

In this scenario analysis, the Group assumes that emission reduction policy requirements and reporting statistical scopes remain unchanged during the risk impact period. The following sets out the scenario models used by the Group in its climate-related assessments to evaluate the overall impact of climate-related issues on the Group's overall operations.

Scope	Consistent with the reporting scope, covering the Group's operational sites in China and overseas.
Scenario Analysis Models	
Physical Risk Analysis under IPCC scenario framework:	• Shared Socioeconomic Pathways (SSP) 1–2.6 scenario: Global temperature rise is controlled at approximately 2.0 degrees Celsius. Socioeconomic development and clean energy transition proceed along historical trends, and strict policy environments will exacerbate transition risks for enterprises while physical risks remain significant. • SSP 5–8.5 scenario: Global temperature rise exceeds 4.0 degrees Celsius. Overall climate action by countries is relatively slow, with insufficient promotion of emission reduction and adaptation measures and incomplete related policy systems, leading to an intensification of extreme weather events and a significant increase in both short-term and long-term physical risks faced by enterprises.
Transition Risk Analysis under NGFS scenario framework:	• 2050 Net Zero Emissions scenario: Countries implement rigorous climate policies early on, striving to control global temperature rise within 1.5 degrees Celsius and achieve global carbon dioxide net zero emissions by 2050 through energy conservation, emission reduction and the promotion of low-carbon technologies. • Current Policy scenario: Only maintaining currently implemented climate policies, with greenhouse gas emissions continuing to rise, and global temperature rise expected to exceed 3.0 degrees Celsius, triggering higher-intensity physical risks.

The Group believes that combining quantitative and qualitative analysis can provide a more comprehensive and complete assessment of climate-related risks and opportunities. However, due to the dispersion of operational data across various business units and the lack of a unified and credible calculation standard in the industry at present, the Group is currently unable to establish reliable cross-industry climate quantification metrics in a cost-effective and reasonable manner. Furthermore, the Group's climate-related management measures have been integrated into daily operations (such as continuously tracking new climate policies and regulatory developments), and related response behaviors are not separately categorized as dedicated projects; therefore, the Group is currently unable to provide quantified data on the current and expected financial impacts.

Nevertheless, the Group has identified the core financial impacts corresponding to major climate risks and opportunities, providing a detailed qualitative description in the following table. Meanwhile, the Group is continuously strengthening internal data integration and scenario analysis methods to gradually improve the quality of climate-related information quantification disclosure. If there are significant adjustments to the Group's operational strategy in the future, the Group will disclose the quantified impacts on its financial condition, operational performance and cash flow timely.

Through this climate scenario analysis, the Group has identified five major climate-related risks and opportunities. The detailed qualitative assessment results are as follows.

Qualitative assessment results of risk and opportunity analysis:

Physical Risks					
Risk Category		**Major Affected Scope**	**Materiality level**	**Impact on Business**	**Impact on Financial Performance**
Acute	Extreme climate events	Operational sites in China and overseas	Short-term Mid-term Long-term	**Business model:** • May cause operational interruptions, hinder employee attendance, affect on-site work and service stability, and increase personnel safety risks **Value chain:** • Disrupt supply chain operations, damage warehouses and equipment, delay delivery schedules, and affect customer satisfaction and brand image	• Increased costs: Climate disasters interrupt operations, leading to increased emergency maintenance and operational contingency costs • Decreased revenue: Operational interruptions and work delays result in potential revenue losses
Chronic	Changes in precipitation patterns		Short-term Mid-term Long-term		

Transition Risks					
Risk Category		Major Affected Scope	Materiality level	Impact on Business	Impact on Financial Performance
Policy and Regulatory Tightening	Due to stricter market ESG information disclosure and sustainability-related regulations	Procurement, production and sales businesses of the Group	Short-term Mid-term Long-term	**Business model:** • Need to continuously comply with low-carbon, ESG disclosure and environmental regulatory requirements; non-compliance may affect corporate reputation and customer trust **Value chain:** • Increased environmental protection and carbon emission costs for suppliers may drive up procurement costs. • Operational processes require carbon management and disclosure, increasing operational management complexity	• Increased compliance costs: Failure to meet climate disclosure or emission reduction obligations may result in administrative fines • Increased governance costs: Purchasing carbon management tools, optimizing ESG reports and other management expenditures increase • Increased procurement costs: Supplier cost transfers drive up procurement costs and compress profit margins
Raw Material Price Fluctuations	Global energy price fluctuations, low-carbon policy promotion, market supply-demand imbalances, and other factors may cause continuous increases or significant fluctuations in key raw material prices		Short-term Mid-term Long-term	**Business model:** • Raw material price fluctuations affect the stability of production and service costs, and increase operational planning difficulty **Value chain:** • Supply chain cost pressures are transmitted, potentially affecting pricing strategies and overall profitability	• Increased operational costs: Raw material price fluctuations drive up production/service costs and compress gross profit margins • Narrowed revenue space: If pricing strategies cannot be adjusted in a timely manner, the profitability of core businesses will decline

Opportunities					
Opportunity Category		**Major Affected Scope**	**Materiality level**	**Impact on Business**	**Impact on Financial Performance**
Operational Energy Efficiency Optimization	By optimizing operational energy efficiency, enhance operational resilience and reduce costs	The Group's operational sites in China and overseas	Short-term Mid-term Long-term	**Business model:** • Strengthen energy management and resource utilization efficiency to establish a more resilient operational model **Value chain:** • Reduce overall resource consumption through energy-saving equipment and process optimization	• Saved energy costs: Decreased electricity and other energy consumption drive up overall operational profit margins

Note: : Follow current standard procedures; : Continuously monitor and track; : Formulate management strategies and implement tracking.

Mitigation measures for risk and opportunity assessment results:

Risk Category	Mitigation Measures
Extreme climate events and changes in precipitation patterns	• Establish crisis and emergency management mechanisms to enhance operational flexibility and response capabilities • Regularly conduct evacuation drills, continuously review and optimize emergency response mechanisms • Purchase comprehensive property insurance for facilities and assets vulnerable to extreme weather and climate change to reduce related risks • Continuously monitor weather forecasts from the observatory and immediately notify employees and relevant personnel to implement corresponding protective measures in case of extreme weather conditions
Policy and Regulatory Tightening	• Continuously track global and local climate-related policy and regulatory updates to ensure timely awareness of the latest requirements • Regularly conduct policy compliance checks, identify operational processes for potential compliance risks, and adjust business behaviors in a timely manner to comply with regulatory standards • Strengthen employee compliance training to enhance awareness of climate-related policies and regulations among all employees
Raw Material Price Fluctuations	• Establish a list of diversified suppliers to avoid over-reliance on a single supply source and enhance supply chain stability • Regularly analyze raw material price trends, reasonably plan procurement cycles and inventory levels to reduce the impact of price fluctuations • Establish long-term cooperation mechanisms with core suppliers to ensure raw material supply and price stability through negotiations

Opportunity Category	Response Measures
Operational Energy Efficiency Optimization	• Continuously optimize operational systems and equipment, select energy-saving equipment to reduce energy consumption, and enhance overall energy efficiency • The Company will continuously assess the feasibility of using renewable energy and plan its usage ratio based on actual conditions in the future to gradually reduce reliance on traditional energy sources

At present, the Group has not yet formally formulated a systematic climate transition plan but has coordinated and allocated professional teams and project resources to steadily promote the implementation of climate mitigation and adaptation measures. Although this is the Group's first ESG report, related climate response work has been continuously promoted. During the Year, the Group has identified material Scope 3 category related to its operations and comprehensively promoted decarbonization actions and climate resilience enhancement work. Meanwhile, the Group has not yet arranged dedicated capital expenditures, financing plans and investment projects for climate-related risks and opportunities. Related matters are being comprehensively studied in conjunction with the Group's strategic development goals and industry trends.

Although relevant response measures have been continuously promoted, the Group still faces certain major uncertainties that may affect the effectiveness of future climate resilience planning. These uncertainties include unclear changes in global and regional climate policies, continuous changes in the intensity and development speed of physical risks caused by climate change, and the implementation level and stringency of future climate-related regulatory requirements applicable to the Group remain to be determined. Faced with such changing factors, the Group possesses mature adaptability and can flexibly adjust its overall strategy and operational model in the short-, medium- and long-term in response to climate change-related issues. Relevant adjustment mechanisms have been incorporated into the Group's daily strategic planning and operational management system, so as to ensure that it can cooperate with climate risk changes and regulatory updates to optimize business directions, operational processes, and industrial chain collaboration models timely.

Looking ahead, the Group will continuously monitor climate-related risks and opportunities and assess the effectiveness of emission reduction measures, so as to adjust corresponding strategies based on operational conditions through regular supervision and tracking of the progress of various climate-related work. The Group will also optimize emission reduction and response measures in accordance with operational conditions and climate development trends. Related work will ensure the steady progress of various climate actions and further strengthen the Group's adaptability and overall resilience in the face of climate change challenges.

10.1.3 Risk management

The Group actively identifies various risks and potential opportunities brought about by climate change and gradually establishes a comprehensive assessment and prioritization process. In the future, relevant management procedures will be incorporated into the overall risk management framework timely, so as to continuously optimize operational measures and promote the close integration of climate risk management with daily operations, effectively responding to the various challenges brought about by climate change. This adjustment is consistent with the Group's existing risk management framework, and the Group has not made significant revisions to the overall risk management process during the Year.

In promoting climate-related risk management work, the Group comprehensively considers issues such as asset locations, types, historical impacts of extreme weather and energy consumption patterns, analyzed in conjunction with publicly available climate scenario data and internal operational records. The Group's management process for climate-related risks and opportunities is described as follows:

1. Identification

- By tracking climate change trends, staying abreast of domestic and international industry developments and technological innovations, conducting peer benchmarking analyses, collecting stakeholder opinions, and combining the Group's operational status and business nature, conduct climate-related scenario analyses. Based on the above research, benchmarking, and analysis work, objectively identifying the potential climate risks and opportunities faced by the Group's operational sites in China and overseas, ensuring that the list of risks and opportunities comprehensively covers the core links of the overall business process.

2. Assessment

- The Group conducts a comprehensive assessment to analyze the potential impact of climate-related risks and opportunities on the Group's operational model, value chain operations and financial performance, as well as assessing their probability of occurrence and impact severity.

3. Prioritization

- Based on the comprehensive assessment results of climate-related risks and opportunities, prioritize the identified items according to their probability of occurrence and potential impact severity. Relevant prioritization work is carried out in accordance with the Group's overall risk management framework and is consistent with the Group's overall operational objectives.

4. Monitoring

- The management regularly assesses and monitors identified climate-related risks and opportunities, while evaluating the effectiveness of related response and mitigation measures. The management regularly reports to the Board on the identification, assessment and management process results of climate-related risks and opportunities, strengthening the Board's oversight function and ensuring the effective implementation of the risk control and opportunity measures.

10.1.4 Metrics and targets

The Group regards enhancing climate adaptability and establishing a sustainable operational model as long-term development priorities. The Group actively promotes sustainable development goals and action plans in line with internationally recognized sustainability standards. In terms of target setting, the Group primarily relies on the national "Dual Carbon" strategy as the main basis, and related targets also cooperate with the overall work of the country in fulfilling its climate commitments under the Paris Agreement.

To align with the climate management framework, the Group continuously reviews and assesses ESG performance indicators and has set specific greenhouse gas emission reduction and management targets which are formulated with reference to the national climate and sustainable development framework. At present, these targets have not been independently verified by a third party and have not been formulated in accordance with industry decarbonization methodologies. Given the continuous expansion of the Group's business scale, the Group has optimized and adjusted relevant targets this Year to better match actual operational needs and more objectively and truly reflect the progress of various sustainable development initiatives.

To transform the set emission reduction targets into actual emission reduction results, the Group primarily promotes emission reduction through measures such as improving energy use efficiency and optimizing operational processes. At present, the Group has no plans to use carbon credits to achieve emission offsets. Meanwhile, the Group will continue to pay attention to the development trends of the carbon market and related policy updates and will appropriately use relevant tools as auxiliary measures to achieve its long-term carbon neutrality sustainable development vision when conditions are right in the future.

The Group's emission reduction targets are as follows:

Target Category	Target Description
Greenhouse Gas Emissions	Using 2025 as the base year, reduce greenhouse gas (Scope 1 and Scope 2) emission intensity by 15% in 2030.
Energy Consumption	Using 2025 as the base year, reduce energy consumption intensity by 10% in 2030.
Water Consumption	Using 2025 as the base year, reduce water consumption intensity by 10% in 2030.

In addition, during the Year, the Group has conducted greenhouse gas identification, assessment, and inventory work to effectively manage its greenhouse gas emissions. Related work covers the operational scope of three production sites in Chinese mainland, and the accounting of Scope 1 and Scope 2 emissions has been completed in accordance with the requirements of the "Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004)". Meanwhile, by referring to the "Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011)", the Group has completed data organization for Scope 3 emission sources.

Based on a comprehensive assessment of the operational attributes, emission scale estimates, data availability feasibility of each production base of the Group, and referring to relevant business and research results of peers, the Group has included the following items in the calculation scope of Scope 3 emissions:

- Category 5: Waste generated in operations
- Category 6: Business travel

Note: For details on the Group's greenhouse gas emissions, please refer to "Appendix I – Environmental KPIs" in this ESG Report.

The Group's strategic core focuses on optimizing the operational performance of core businesses and accumulating long-term corporate value, and related development directions are consistent with the existing risk management framework. During the Year, the Group has not yet incorporated internal carbon pricing mechanisms and climate-related influencing factors into its governance framework and salary management policies, as the core reason is that such elements have not yet formed a direct and significant correlation with the industry attributes, current operational development priorities and financial decision-making core needs of the Group. The Group will continue to track updates on climate-related regulatory metrics, industry best practices and internal carbon pricing mechanism application trends, and assess their applicability through policy research, industry benchmarking and internal evaluations. Upon the clarification of regulatory requirements, the establishment of industry standards and the materiality of climate-related operational impacts, the Group will actively evaluate the feasibility of incorporating the above climate-related factors into its governance framework and salary policies and promote the formulation and implementation of relevant systems when appropriate.

10.2 Environmental Management

Having adhered to the concept of sustainable development and firmly fulfilled its environmental protection responsibilities, the Group remains steadfast in protecting natural ecosystems and mitigating climate change pressures, while continuously intensifying pollution prevention and energy conservation efforts, so as to actively promote a green and low-carbon transition.

In terms of environmental compliance management, the Group strictly adheres to all relevant environmental laws, regulations and standards in the locations where it operates. We establish a comprehensive environmental compliance review mechanism and regularly conduct compliance assessments, while promptly identifying and rectifying any non-compliance issues. This ensure that our environmental management practices are lawful and compliant, and fulfill our responsibilities for environmental protection.

Internal Audit

The Group promotes standardized management of daily operations through specialized departments in accordance with the "Environmental, Occupational Health, and Safety Manual". For key links such as production wastewater, organic waste gas treatment, and hazardous waste storage, specialized operation control procedures are formulated to ensure that pollutant emissions such as exhaust gas, wastewater and noise comply with relevant norms and standards.

The Group establishes a compliance review and environmental monitoring mechanism and conducts at least one compliance evaluation annually to proactively identify potential risks during the operation process. We promptly implement improvements and tracking for non-compliance issues. Through continuous inspection, strengthening supervision and optimizing control processes, the management system is continuously improved to consolidate the foundation of operational compliance.

External Audit

The Group's business operations encompass production processes, and we enforce more strict control standards for environmental monitoring. We regularly commission independent third-party organizations to monitor environmental indicators such as wastewater, waste gas, and hazardous factors in the workplace, ensuring that all data is authentic and reliable and that emissions comply with regulatory requirements. To further standardize our environmental management system, we have established a management framework in accordance with the requirements of the ISO 14001:2015 Environmental Management System and international standards. This includes clarifying departmental responsibilities, improving control measures, and strengthening environmental risk management.

10.3 Green Operations

As the Group's operational scale continues to expand, the consumption of electricity and water resources in our production and operations has also increased accordingly. In response to these environmental challenges during our development, our subsidiaries have proactively addressed them by implementing various energy-saving and emission-reduction initiatives across all aspects of production and operations. We are striving to forge a green and low-carbon operational model, continuously enhance the efficiency of resource utilization, and effectively minimize the impact of our overall operational activities on the ecological environment.

In the terms of product environmental management, to deepen our understanding and management of product greenhouse gas emissions, we have commissioned an independent third-party organization to conduct annual audits of greenhouse gas emissions for one of our core products, thereby promoting transparency in environmental information disclosure. Looking ahead, we plan to gradually expand the product coverage and strive to meet the requirements of the ISO 14067:2018 product carbon footprint certification standard for more products.

ISO 14067:2018 Product Carbon Footprint Certification (Sucralose)



ISO 14067:2018 Product Carbon Footprint Certification (Glycine)



10.3.1 Water resource management

The Group strictly complies with all environmental laws, regulations and standards in the regions where we operate, promoting water conservation management in our daily operations and actively facilitating the rational use of water resources. Our water consumption primarily meets the daily operational needs of office areas and production sites, and we have implemented diverse measures to enhance water efficiency and wastewater control.

In water management, the Group continuously optimizes water-saving facilities and posts water-saving slogans in public areas such as restrooms to raise employee awareness. In addition, the Group adjusts water pressure to a reasonable range and regularly inspect water meter data, promptly identifying and repairing potential leaks. During the Year, our water resource management efforts have progressed smoothly, with no incidents of water wastage, pipeline leaks or excessive wastewater discharge violations.

10.3.2 Energy management

The Group adheres to relevant laws and regulations in the regions where we operate, with energy use primarily divided into two categories: direct energy use from stationary equipment fuel consumptio and vehicle fuel; indirect energy use from purchased electricity and steam. To standardize the entire energy management process and achieve energy-saving goals, we have formulated the "Energy and Resource Control Procedures" and implemented multiple energy-saving measures at our operational sites.

In office aspect, the Group have implemented numerous energy-saving measures targeting three core energy-consuming sectors: office equipment, air conditioning systems and lighting systems, as follows:

Office Equipment

- Set computers to automatic standby/sleep mode when idle and completely shut down all electronic devices during non-working hours
- Unplug electric kettles and microwaves during rest days and holidays and turn off the main office power supply
- Prioritize the procurement of electronic devices with energy efficiency labels
- Adopt a computer virtualization solution, leveraging cloud-based IaaS and PaaS platforms to reduce hardware procurement needs and lower overall power consumption

Air Conditioning Systems

- Set office air conditioning to a moderate temperature and turn it off when unnecessary
- Adopt a variable refrigerant flow system to precisely optimize refrigerant delivery flow
- Use high-energy-efficient air conditioners to reduce power consumption
- Regularly clean filters/coil fans

Lighting Systems

- Maximize the use of natural light in office areas to reduce the frequency and duration of artificial lighting
- Regularly clean lighting fixtures to ensure luminous efficiency and install independent switches in different lighting zones for zoned, on-demand control
- Appropriately reduce the number of fixtures in well-lit areas to eliminate excessive lighting
- Comprehensively adopt high-energy-efficient lighting fixtures such as T5 fluorescent lamps and light-emitting diodes (LEDs) to replace traditional high-power lighting equipment

In addition to implementing the above energy-saving measures at our production and operation sites, we strictly require all new construction, renovation, expansion, and technological transformation projects to adopt reasonable and advanced processes and equipment, ensuring that overall energy consumption does not exceed domestic advanced metrics. Concurrently, we plan to implement an energy-saving technological transformation project on the sucralose production line. By optimizing production processes, we aim to enhance the stability of chemical reactions, effectively reduce waste gas emissions, and lower electricity and gas consumption during production while maintaining original output levels. Furthermore, we will optimize by-product treatment processes to eliminate the generation of acidic by-product hydrochloric acid.

The Group continues to advance energy-saving technological upgrades, introducing advanced energy-saving processes and equipment. We also regularly conduct specialized environmental protection training to strengthen energy-saving and environmental awareness among all employees, promoting energy conservation and consumption reduction as a conscious behavior across the organization, and gradually building a comprehensive corporate energy-saving culture.

10.3.3 Noise management

The Group strictly adheres to environmental regulations in its jurisdictions and has formulated the "Noise Pollution Control Procedures" for noise management, ensuring that noise emissions at plant boundaries comply with regulatory and local authority standards, thereby safeguarding the physical and mental health of employees and residents in communities surrounding the plant area.

The Group clearly defines noise management requirements at each operational stage, requiring all personnel to operate and maintain equipment in accordance with the control procedures such that any abnormal noise levels must be reported promptly for handling. For high-noise facilities such as production machinery and air compressors, we strengthen routine lubrication and maintenance management and equip relevant devices with soundproofing measures, while regulating their operation in enclosed spaces. Additionally, we regulate vehicle movement within the plant premises, prohibiting horn honking to reduce noise generation at the source.

In terms of monitoring, the Group entrusts qualified third-party organizations to conduct annual noise monitoring at plant boundaries. If new high-noise production equipment is introduced, monitoring frequency is appropriately increased. Relevant departments properly retain all noise monitoring records and conduct compliance analysis against relevant regulations based on monitoring results, reporting the analysis findings to management. If noise emissions are found to exceed standards during monitoring, the Group will promptly investigate the causes together with relevant units and initiates emergency response measures in accordance with the Emergency Preparedness and Response Control Procedures, taking timely corrective actions. Furthermore, the Group strictly enforces operational and maintenance procedures for noise-source equipment on a daily basis, addressing any abnormalities promptly to ensure continuous compliance with noise emission standards.

10.3.4 Control of the three wastes

Wastewater

In terms of wastewater treatment and discharge management, our production sites in Chinese Mainland have obtained pollution discharge permits in accordance with the law and established a classification treatment mechanism. Domestic wastewater generated from restrooms and related facilities is treated through septic tanks, with cleaning operations conducted every six months. Grease traps are installed in kitchen areas to prevent grease and pollutants from entering water bodies, and monthly cleaning and maintenance are carried out. Wastewater generated in production areas is treated through dedicated on-site wastewater treatment stations before being discharged into municipal sewage networks once the water quality meets legal discharge standards.

The Group also regularly monitors wastewater discharge data to ensure compliance with regulations. Moving forward, we will continue to expand the scale of recycled water recovery and utilization to further enhance water resource efficiency, balancing operational costs with environmental protection.

Exhaust Gas

The Group's exhaust emissions primarily originate from fuel consumption by stationary equipment and fuel usage by on-site vehicles. To standardize air pollution control efforts, we strictly adhere to relevant laws and regulations in our operational jurisdictions and have formulated the "Air Pollution Control Procedures and Procedures" for the "Control of Air, Water, and Noise Pollution". Among them, our production sites in Chinese Mainland have obtained pollution discharge permits in accordance with the law, ensuring that all air emissions and pollution control measures comply with legal requirements.

In terms of exhaust emissions source control, for air emission generated by the on-site fleet operations, the Group implements vehicle management measures, conducting regular inspections and maintenance to ensure vehicles are in optimal operating condition, reducing fuel consumption and air emission emissions. Simultaneously, we provide specialized training on low-carbon driving to employees to strengthen environmental awareness across the organization and guide standardized driving practices to minimize vehicle exhaust emissions. For exhaust gas generated by boiler operation, we will install energy-saving facilities on boiler exhaust pipes to enhance waste heat utilization, reduce steam consumption, and thereby lower greenhouse gas emissions. Additionally, we have planned to advance the upgrading and renovation project for volatile organic compound treatment technologies, which is expected to achieve an annual emission reduction of approximately 40 tons upon implementation.

In terms of emission regulations and information disclosure, local environmental protection authorities regularly verify the Group's pollutant emission levels, and we also engage third-party professional institutions for regular testing to continuously monitor key environmental factors such as air, water and soil, ensuring that all emission indicators remain compliant with regulations. Meanwhile, we have established a comprehensive environmental management ledger recording system, strictly adhering to the requirements of pollution discharge permits, regularly compiling and publishing pollution discharge permit execution reports, and truthfully and accurately disclosing corporate environmental management activities and data through official public channels such as the National Pollution Discharge Permit Management Information Platform to ensure transparency in our control efforts.

Waste

The Group strictly complies with all relevant laws and regulations in its operational locations to ensure that all waste disposal processes meet legal standards. We have formulated the Solid Waste Control Procedures to strengthen the full-process management of solid waste classification, recycling, and disposal, while striving to reduce the generation of non-utilizable materials.

For general non-hazardous waste management, such waste generated by the Group mainly includes office garbage and food waste. Focusing on waste classification, we promote resource-based treatment by using food waste for composting and recycling waste paper to reduce the total volume of waste sent to landfills. Additionally, we implement green office incentive measures and enforce a paperless policy to minimize printing consumables and paper consumption, thereby reducing waste generation at the source and further compressing non-hazardous waste volumes through recycling. For example, the Xizang plant recycles woven bags used for transporting raw materials to the Yujiang plant and sends them back to the plant for reuse. For hazardous waste such as ink cartridges, waste fluorescent tubes, and waste batteries, we uniformly engage property management units or legally qualified third-party institutions for professional collection and disposal. Each year, we assess inventory trends at various hazardous waste storage points and formulate corresponding strategies to mitigate potential environmental pollution risks.

10.3.5 Packaging material management

The Group places significant emphasis on the rational utilization and environmental friendliness of packaging materials, actively optimizing relevant management processes pertaining to packaging. Moreover, we collaborate with suppliers to jointly advance environmental protection initiatives. During the partner selection process, priority is given to partners with environmental management certifications and low-carbon product certifications, working hand in hand to enhance the environmental benefits of packaging and the efficiency of resource utilization.

10.4 Environmental Incident Prevention and Handling

The Group strictly adheres to relevant environmental protection laws and regulations and has formulated the "Environmental, Occupational Health and Safety Manual", which serves as the core management basis for environmental incident prevention and handling. It clearly outlines process control requirements, departmental responsibilities, and implementation standards to ensure the standardized execution of all aspects related to environmental incident prevention, emergency response and disposal.

In environmental incident prevention efforts, the Group comprehensively identifies significant environmental factors throughout its production and operational processes. By considering the three tenses of "past, present and future" and the three states of "normal, abnormal, and emergency", and taking into account seven categories of scenarios including water discharges, air emissions, noise, soil emissions, resource consumption, energy consumption and community impacts, the Group identifies key environmental risks and formulates corresponding control lists and measures. For new, modified and expanded projects, the Group strictly implements the environmental impact assessment and the "Three-Simultaneous" environmental protection system to ensure compliance with relevant national laws and regulations.

The Group has established a dedicated department to coordinate related work, with the Safety and Environmental Protection Department taking the lead in formulating environmental incident emergency response plans, which clearly define the emergency response responsibilities of each position and the requirements for the entire incident handling process. Specific response plans are developed for key potential risk areas in production and operations, such as chemical safety and environmental protection facilities, to minimize the environmental pollution, personal injuries, and property losses that may result from environmental incidents. We organize at least one emergency response plan exercise annually and evaluate its effectiveness. Based on the exercise results or actual incident situations, we promptly revise and improve the plans. Meanwhile, we maintain complete records of emergency drills, plan revisions, and related documents as a basis for post-incident management and traceability. In the event of an environmental incident or related environmental non-compliance issues, immediate emergency control and corrective measures, such as cutting off pollution sources, will be taken to properly handle the aftermath of the incident. The Safety And Environmental Protection Department is responsible for investigating, handling, reporting and statistically managing the incident, conducting an analysis of the incident causes, and formulating and implementing corrective measures to prevent similar incidents from recurring. If necessary, the Environmental, Occupational Health And Safety Management System and related operational procedures will be revised to continuously optimize environmental incident management efforts.

11. GROWING TOGETHER IN UNITY

11.1 Rights and Benefits Protection

The Group adheres to a people-oriented business philosophy and is devoted to fostering a work environment characterised by inclusion, fairness and care. We strictly comply with applicable local laws and regulations. Through a systematic management framework and comprehensive employee care initiatives, we effectively safeguard employee rights and interests while enhancing their work experience. We are committed to enhancing the stability of the workplace and creating an ideal working environment where employees can confidently commit, steadily contribute, and truly experience the warmth of the Company.

11.1.1 Compliant employment

The Group regards diverse backgrounds as a key driver of organisational innovation. We are committed to equal employment and have established open, transparent and diverse recruitment channels. We strictly prohibit all forms of discrimination and ensure that factors such as age, gender, race, religious belief, physical condition or trade union membership do not influence decisions throughout the entire human resources management process such as recruitment, promotion, transfer, remuneration incentives and education and training.

The Group regards ethical employment as the cornerstone of corporate social responsibility. We strictly comply with all relevant laws and regulations as well as the SA8000 social responsibility standard, and adopt a zero-tolerance policy towards child labour and forced labour. We establish the "Child Labour and Juvenile Protection Control Procedure" and implement a rigorous pre-employment screening system. During the recruitment process, we mandatorily verify original legal documents such as identification cards and academic certificates to ensure the authenticity and validity of each applicant's age, identity and educational background, thereby preventing illegal labour at the source. Once any non-compliant employment is identified, we immediately activate our emergency response mechanism, proactively report to the local labour authorities, fully cooperate with investigations, rigorously hold management accountable, and bear the costs of safely returning child labourers to their places of residence. During the Year, no child labour, forced labour or discrimination incidents occurred.

In terms of employee rights and interests, the Group adheres to the social responsibility standards advocated by the Business Social Compliance Initiative ("**BSCI**") and the Ethical Trading Initiative ("**ETI**"), integrating employee rights protection into an institutionalised and standardised management system. We have established the BSCI/ETI/COC Social Responsibility Policy, under which we reasonably arrange production schedules and working hours, ensure that employees enjoy at least one rest day after six consecutive working days, and strictly adhere to the principle of voluntary overtime. In the management of labour contract, we clearly define key terms such as regular working hours, remuneration, and potential relocation requirements depending on the job role, provide necessary labour protection equipment. We protect the rights and interests of both employers and employees in accordance with the law, thereby putting internationally recognised social responsibility standards into practice through concrete actions.

11.1.2 Remuneration and benefits

The Group upholds a remuneration philosophy that balances fairness with market competitiveness. We have established a comprehensive remuneration management framework such as the "Wage Payment Management System", which systematically standardises the wage calculation and payment process. We regularly benchmark against market remuneration levels and assess employees from multiple dimensions, including work capability, work attitude, educational background, professional knowledge and experience, and contribution to the Company. We are committed to ensuring that remuneration decisions are free from interference by non-performance factors. Based on the principles of "transparency", "fairness and distribution" according to work, we ensure that employees who create equal value receive fair returns.

In terms of remuneration calculation and distribution, the Group has established the "Salary Remuneration and Benefits Control Procedure". The Remuneration and Benefits Specialist of each company's General Administration Department is responsible for calculating employee attendance, social insurance, rewards and penalties, utility costs and production workers' wages. We clearly specify the remuneration and benefits structure for different types of positions in the employee handbook, and provide a detailed breakdown on monthly payroll slips, enabling employees to fully understand the composition of their entitlements and thereby safeguarding their due benefits.

In terms of employee protection, the Group strictly complies with national labour laws and relevant regulations, contributing to the "Five Social Insurances and One Housing Fund" for all employees and fully implements basic benefits such as statutory public holidays, paid annual leave, maternity leave and paternity leave, thereby safeguarding employees' legitimate rights and interests. We attach great importance to employees' physical and mental health and quality of life. We have equipped a variety of recreational and entertainment facilities at our operating bases, including outdoor basketball courts, a billiards room and a karaoke room, to help employees relax and promote work-life balance. At the same time, we have built modern employee canteens and provide a comfortable and safe living environment. We also subscribe to newspapers, magazines and other reading materials to enrich employees' leisure time. In the unfortunate event of a work-related injury resulting in disability or even death, we handle the case in accordance with the relevant insurance regulations, promptly initiate claims and support procedures to ensure that the rights and interests of the affected employees and their families are fully protected. This reflects our core principle of "Placing Employee Well-being First".

11.2 Talent Pipeline Development

The Group firmly believes that employees' career development should not be confined to a single role. We regularly publish internal transfer information and encourage employees to transcend departmental boundaries and explore diverse development paths across different business areas. The Human Resources Department assesses interested employees based on the principle of equal competition, ensuring the standardisation and credibility of internal mobility. In addition, we encourage employees to recommend suitable candidates, selecting the best candidates based on merit to ensure the optimal match between talent and position. This closed-loop mechanism not only enhances employee engagement and participation but also promotes the optimal allocation of talent resources within the Group, ultimately achieving a mutually beneficial outcome for both employee growth and business development.

The Group attaches great importance to enhancing employee awareness of food safety and has established and strictly implements the "Food Safety Knowledge Training Record System", providing systematic and ongoing training and assessment mechanisms for frontline employee, quality control personnel and equipment maintenance personnel. The training content covers food safety, halal regulations, product standards, process procedures, quality management knowledge and job-specific operational skills. Training is delivered through various methods, including internal classroom teaching, hands-on practical guidance, external institutional training and expert seminars, ensuring that employees are competent in their roles and continuously improve their professional standards. Given that our products are exported to more than 60 countries and regions, including South America, Europe, Asia-Pacific and Africa, we arrange for our employees to participate in Indonesian halal certification (LPPOM/MUI) training at least once every two years and obtain the relevant qualification certificates, in order to meet international market requirements and further strengthen their professional capabilities.

To enhance the effectiveness of training, the Group conducts an annual "Required Knowledge and Skills" assessment for all employees at the end of each year, incorporating a comprehensive evaluation based on virtue, ability, diligence, performance and job-specific knowledge. Monthly random spot checks are also carried out. Employees who fail the assessment are required to undergo targeted retraining. Those who still fail the make-up examination will be transferred from their current positions or have their employment contracts terminated. The Management Department is responsible for establishing complete training records, documenting training time, content, assessment results and certificates in detail, ensuring that the training process is traceable and verifiable. Through this rigorous training and assessment system, the Group not only enhances the overall competence and food safety awareness of its employees, but also provides a solid human resources foundation for stable product quality and sustainable development.

During the Year, in order to comprehensively enhance employee professional capabilities and product quality management standards, the Group implemented the 2025 training plan, comprising 43 targeted courses. The trainees included all employees, management, frontline production employee, new hires, and key positions such as quality control, warehousing and procurement. The training content covers food safety management, occupational health and safety, equipment maintenance, change management, internal auditing, product recall, food defence and human resources policies, and strictly complies with national regulations and international standards. Through presentations, practical exercises and written examinations, we have effectively strengthened employees' compliance capabilities and risk prevention awareness, laying a solid foundation for product quality and safety as well as the sustainable development of the Company.

11.3 Building a Warm Workplace Together

The Group firmly believes that an open and transparent communication mechanism is a cornerstone of team cohesion and sustainable development. By continuously enhancing employee feedback channels, we have established an institutionalised, multi-tiered communication platform so that employees' voices are heard and responded to in a timely and thorough manner. Building on this foundation, we continue to deepen our employee care system, addressing employees' multifaceted needs across all dimensions from material security to emotional support, and from career development to work-life balance, thereby stimulating employees' intrinsic motivation and creative potential, and providing strong momentum for both the long-term stable development of the Company and the realisation of employees' personal value.

11.3.1 Humanistic care

The Group firmly believes that humanistic care serves as an intrinsic driving force behind sustainable corporate development. We not only prioritise employee well-being in our daily work, but also strengthen team cohesion and emotional connection through annual events, striving to ensure that every employee feels respected, supported in their growth, and part of the team.

Case Sharing **"Moving Forward Together, Building Our Future" Annual Company Gala**

During the Year, we successfully held the 2025 Annual Gala under the theme "Moving Forward Together, Building Our Future". All employees gathered to review the efforts and achievements of the past year, share stories of personal growth, and look ahead to the future development blueprint. We also arranged employee recognition sessions, cultural performances, lucky draws and interactive activities, as well as speeches by the management, fostering a culture of care and mutual support, and helping employees and the Company move forward together in pursuing their shared dreams.



11.3.2 Democratic communication

The Group respects and safeguards employees' right to form and join trade unions in accordance with the law, and actively supports trade unions in playing a vital role in safeguarding employees' legitimate rights and interests, promoting harmonious labour relations, and enriching employees' cultural lives. In 2022, in accordance with the Regulations of Jiangxi Province on Staff Representative Meeting, we successfully established employee representative meeting our subsidiaries, namely Ji'an Company, Xizang Company and Ansun Company. These meetings are overseen by the deputy general managers responsible for human resources at each company, with the Management Department or Human Resources Department and the Party Branch handling the practical organisation, and the Legal Manager supervising the process. Both the Party branches and trade union aim to strengthen communication and interaction among employees by regularly organising employee forums, opinion-gathering activities, and cultural and sports events, thereby establishing open channels for employees and listening to their feedback regarding various internal issues of the Company, and jointly building a harmonious and stable labour relations.

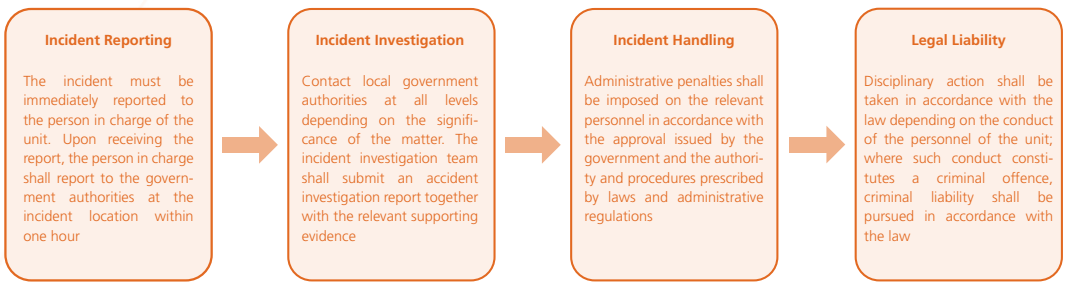
The Group upholds a "People-Oriented" philosophy, strictly safeguards the legitimate rights and interests of every employee, and has established a multi-tiered, transparent and efficient complaints and appeals mechanism. We have set up internal suggestion boxes, facilitating all employees to raise concerns, report breaches of regulations or file complaints regarding any matters relating to the Company's operations and management, personal rights and interests, fair treatment or misconduct on a named basis. Employees may also submit written or verbal complaints via email, internal systems, directly to the Human Resources Department or Administration Department, or raise concerns and file appeals with their line managers, department managers, general managers or senior management. We undertake that all opinions, suggestions, reports and complaints received will be kept strictly confidential, and that no form of retaliation will be taken against the reporting or complaining party. Any information involving personal privacy or confidential company matters will be handled on a confidential basis and will not be disclosed. The entire process of handling complaints, reports and appeals is subject to the supervision of all employees. Through the above mechanism, we ensure a smooth channel for the expression of opinions of our employees and a fair handling procedure, as well as a timely and transparent outcome so as to create a workplace environment characterised by fairness, respect, and harmony.

11.4 Safeguarding Occupational Health

As a manufacturer of food additives, the Group places great emphasis on compliance and safety within the production environment to safeguard the occupational health and safety of its employees. We have established and strictly implement the "Environmental, Occupational Health and Safety and Measurement Control Procedure" as well as the labour protection equipment management system. We provide employees with personal protective equipment and supervise its correct use, while continuously enhancing occupational health and safety management standards through safety training, regular inspections, hazard identification and control, and emergency drills. During the Year, we conducted lightning strike emergency drills and comprehensive work safety accident drills in April and August respectively, striving to raise employees' awareness of safety precautions.

To implement the principle of "Safety First, Prevention Foremost, and Comprehensive Management", the Group has formulated the "Work Safety Rules and Regulations, the Safety Inspection" and "Hazard Rectification Management System", and other related policies in accordance with relevant laws and regulations. We also conduct regular safety inspections to ensure that the operations of all departments are conducted in a lawful and compliant manner. In the case of any non-compliance or substandard condition being identified, corrective and remedial actions will be taken in accordance with the "Environmental, Occupational Health and Safety Non-Conformance Control Procedure".

In the unfortunate event of a work safety accident, the Group will activate the company's emergency procedures as defined in the four-tier accident classification (extraordinarily serious, serious, major and general) in strict accordance with the "Regulations on Reporting, Investigation and Handling of Work Safety Accidents". The Group will preserve the scene, organise rescue efforts, and cooperate with the investigation team to determine the cause and responsibility. The findings of the investigation will be documented in a written report. Responsible parties will be held accountable in accordance with the law, and corrective measures will be incorporated into safety training and drills for all employees. We also conduct regular risk assessments and preventive education through the Occupational Health and Safety Committee to prevent accidents before they occur. During the past three years (including the Reporting Period), no work-related fatalities were recorded by the Group, demonstrating that our high-standard production provides a solid human resources foundation for sustainable development.



Four-Step Process for Work Safety Incident Investigation

In terms of employee health management, the Group strictly implements the "Personnel Health Management System" and the "Employee Medical Examination Management System", providing systematic health protection for food-related personnel, including frontline production, quality control, equipment maintenance, warehouse and canteen staff. All employees are required to undergo health checks before commencing work and annually thereafter. Only after obtaining a health certificate can they engage in work involving direct contact with food. Should an employee be diagnosed with a contagious disease, skin disease or other health conditions that may compromise food safety, the employee will be immediately transferred from his relevant position and arranged for further examination or treatment. In addition, we maintain comprehensive employee health records, conduct regular occupational health monitoring, and strengthen personal hygiene awareness and habits through internal training such as the four diligences requirements, regular changing and laundering of work uniforms, and prohibitions against unhygienic practices, thereby ensuring that both employee health and well-being and product safety are fully safeguarded.

In terms of compliance and safety training and assessment, the Group has implemented the "Work Quality Assessment Measures for Team Leaders and Frontline Employees" to strengthen the development of frontline production teams. Through daily on-site inspections based on the "Production Operation Standards On-Site Inspection Checklist", pre-shift briefings, and targeted supplementary training, we effectively enhance employee safety awareness and operational skills, ensuring that production processes are carried out in a safe and correct manner. Employees who violate labour discipline, process discipline or operational standards will be dealt with in accordance with the "Reward and Punishment System" and will be required to undergo specialised retraining to prevent the recurrence of similar issues.

Case Sharing **Safety Risk Education and Training**

During the Year, the Group conducted in-person training sessions covering practical knowledge such as risk identification and hazard inspection, reinforcing employees' awareness of the principle of "Safety First, Prevention Foremost", and ensuring that every employee master self-protection skill and emergency procedure. Through continuous training, we aim to achieve the long-term safety goal of "Zero Accidents and Zero Injuries".



12. UNITING WITH COMMUNITY FOR A BETTER FUTURE

Upholding the philosophy of "Taking From Society and Giving Dack To Society", the Group actively engages in community care initiatives. Through concrete actions, we fulfil our social responsibility, demonstrate a spirit of benevolence, and sow the seeds of care in the community, inspiring more forces to participate in public welfare and contributing to the building of a harmonious and warm community environment.

Case Sharing **"Bringing Warmth in Winter, Delivering Sincere Care" – Community Support Initiative**

During the Year, the Group's Party branch launched a care initiative titled "Bringing Warmth in Winter, Delivering Sincere Care" to deliver daily necessities such as rice, cooking oil and noodles to families in need. It also engaged in in-depth conversations with residents to understand their living and health conditions, ensuring that they could stay warm through the winter and welcome the spring with peace of mind.



APPENDIX

Appendix I: Summary of KPIs

Environmental KPIs

Indicators	Unit	2025	2024
Air pollutant			
Nitrogen oxides	Tons	**10.47**	9.00
Sulphur oxides	Tons	**1.15**	0.82
Particulate matter	Tons	**0.37**[1]	1.97
Greenhouse gas[2–3]			
Scope 1 Direct emissions[4]	tCO_2e	**20,306.11**[4]	30,878.26[4]
Scope 2 Energy indirect emissions[5]	tCO_2e	**75,165.97**[5]	55,254.87
Scope 3 Other indirect emissions[6]	tCO_2e	**312.63**[6]	414.07
Total greenhouse gas emission	tCO_2e	**95,784.71**	86,547.20
Greenhouse gas emission intensity	tCO_2e/Tons of products	**2.99**	2.80
Energy consumption			
Total direct energy consumption[7]	MWh	**98,012.57**[7]	128,303.95[7]
Gas consumption	MWh	**97,695.85**	127,063.39
Fuel consumption	MWh	**316.73**	1,240.56
Total indirect energy consumption[8]	MWh	**172,618.00**[8]	120,978.43
Purchased steam	MWh	**47,131.76**	40,679.78
Purchased electricity	MWh	**125,486.24**	80,298.65
Total energy consumption	MWh	**270,630.57**	249,282.38
Total energy consumption intensity	MWh/Tons of products	**8.44**	8.07
Water resources			
Total water consumption	m^3	**775,655.00**	852,163.00
Water consumption intensity	m^3/Tons of products	**24.18**	27.60
Waste			
Total non-hazardous waste	Tons	**239.11**[9]	166.31
Non-hazardous waste intensity	tons/Thousand tons of products	**7.45**	5.39
Total hazardous waste	Tons	**180.22**	208.81
Hazardous waste intensity	tons/Thousand tons of products	**5.62**	6.76
Packaging materials			
Total packaging materials	Tons	**435.97**	/
Packaging material intensity	Tons/Thousand tons of products	**13.59**	/

Note:

* Unless otherwise stated, the environmental KPIs are prepared and calculated in accordance with the "Appendix 2: Reporting Guidance on Environmental Key Performance Indicators" issued by the Stock Exchange.

1. The decrease in particulate matter emissions was primarily due to a significant decrease in vehicle usage across each operation site.

2. Greenhouse gas emissions are calculated using the operational control approach. This method defines the scope of calculation based on the Group's authority to control its various business operations, allowing for a more accurate reflection of the Group's actual responsibility in carbon emission management. At the same time, it strengthens emission monitoring and improvement efforts, ensuring that the calculation outcomes align with the Group's sustainable development goals.

3. The Group's greenhouse gas emission calculation methodology is formulated in accordance with the "GHG Protocol: A Corporate Accounting and Reporting Standard (2004)". The Group's greenhouse gas accounting covers carbon dioxide, methane and nitrous oxide. To enhance data readability, all emissions are uniformly presented in tCO_2e.

4. Scope 1 Direct emissions arise from stationary combustion equipment at production facilities, refrigerant use in air conditioning systems, and fuel use in vehicles. The emission factors used in the calculations are based on the Reporting Guidance on Environmental KPIs issued by the Stock Exchange, the Guidelines on Greenhouse Gas Emission Accounting and Reporting issued by the National Development and Reform Commission ("**NDRC**") of the PRC, the Sixth Assessment Report issued by the IPCC and the National Greenhouse Gas Emission Factor Database. Certain items related to Scope 1 have been reclassified and redefined. Accordingly, the data for the financial year 2024 has been adjusted and restated. This Year witnessed a significant decline in emissions, primarily attributable to the reduced usage of refrigerants and lower vehicle fuel consumption.

5. Scope 2 Indirect emissions arise from indirect greenhouse gas emissions resulting from purchased steam and electricity. The emission factors used in the calculations are based on the national average grid emission factor issued by the Ministry of Ecology and Environment of the People's Republic of China, as well as the 2024 ESG reports issued by PT PLN (Persero) in Indonesia and 2024 ESG reports issued by the Electricity Generating Authority of Thailand (EGAT). The increase in emissions was primarily due to a rise in production volume, which led to a corresponding increase in the consumption of purchased steam. Last year, due to the production expansion at the Thailand production site, there was a partial temporary suspension of production during the Year, leading the decreased consumption of purchased electricity, which in turn led to discrepancies in the Year's data.

6. Scope 3 Other indirect emissions cover other indirect emissions generated outside the Group, including:

   – Category 5 (Waste generated in operations) covers the household waste, production waste, food waste, and electricity consumption for wastewater treatment generated during the Group's operations in the Reporting Period. The emission factors used are based on the China Products Carbon Footprint Factors Database (CPCD), the Thailand Greenhouse Gas Management Organisation, Sustainable Water Resource Management and Sustainable Environment (Second Edition) – Comparative Life Cycle Assessment Study on Carbon Footprint of Water Treatment Plants: Case Study of Indonesia and Taiwan, Department for Environment, Food & Rural Affairs (Defra), United Kingdom, "Study on Energy Consumption of Urban Water Supply System in China" published by Tsinghua University, and "Statistical analysis and quantitative identification of the law of energy consumption in urban sewage treatment plants in China" published by Tsinghua University and the National Urban Water Supply and Drainage Engineering Technology Research Centre.

   – Category 6 (Business travel) covers aviation carbon emissions arising from employee business travel at the production facilities during the Reporting Period. The emission factors are based on the Carbon Emissions Calculator of the International Civil Aviation Organisation (ICAO).

   Last year, the Scope 3 inventory scope covered electricity consumption in waste paper handling, water supply, sewage treatment processes and business travel. This Year, the Group has reviewed and revised the classification criteria for Scope 3, reclassifying the aforementioned items as follows: Paper waste is disposed of in the same manner as general office waste, and is therefore consolidated into this category for inventory recording. Meanwhile, business travel activities have decreased this Year. Affected by both the classification adjustment and changes in activity levels, the overall Scope 3 emissions for this Year have declined.

7. Direct energy consumption arises from fuel consumption by vehicles and stationary equipment. The Group has reclassified and redefined the items related to Scope 1, and the data for the fiscal year 2024 has been adjusted and restated accordingly. The reduction in emissions this Year is primarily attributable to a decline in vehicle usage and a decrease in production volumes at the production sites in Indonesia and Xizang.

8. Indirect energy consumption arises from energy use resulting from purchased steam and purchased electricity. The increase in energy consumption was primarily due to a rise in production volume of Ji'an production site, which led to a corresponding increase in the consumption of purchased steam.

9. The volume of non-hazardous waste emissions has increased, mainly due to the expansion of the accounting scope this Year to include food waste in the statistics.

Social KPIs

Indicators		Unit	2025	2024
Employment				
Total number of employees		Person	636	728
By gender	Male	Person	479	493
	Female	Person	157	235
By age	≤30	Person	135	135
	31–50	Person	285	352
	>50	Person	216	241
By geographic region	Chinese Mainland	Person	470	/
	Indonesia	Person	94	/
	Thailand	Person	71	/
	Myanmar	Person	1	/
By employment type	Full-time	Person	616	/
	Other[1]	Person	20	/
Employee turnover rate*		%	63	39
By gender	Male	%	60	38
	Female	%	69	41
By age	≤30	%	106	52
	31–50	%	69	39
	>50	%	30	30
By geographic region	Chinese Mainland	%	62	/
	Indonesia	%	44	/
	Thailand	%	89	/
	Myanmar	%	0	/
Training and development				
Employee training coverage		%	89	/
By gender	Male	%	90	/
	Female	%	87	/
By employee level	Senior management	%	59	/
	Middle management	%	81	/
	General employee	%	93	/

Indicators		Unit	2025	2024
Average trained hours of employees		Hour	16	/
By gender	Male	Hour	16	/
	Female	Hour	16	/
By employee level	Senior management	Hour	11	/
	Middle management	Hour	15	/
	General employee	Hour	17	/
Occupational health and safety				
Lost days due to work injury		Day	822	/
Supplier				
Number of Suppliers		No.	87	/
By geographic region	Chinese Mainland	No.	71	/
	Hong Kong	No.	1	/
	Southeast Asia	No.	15	/
Customer service and product responsibility				
% of products that have been sold or returned and subsequently reclaimed recalled due to health and safety issues		%	0	/
Number of product and service complaints		Cases	4	/
Anti-corruption				
Number of corruption lawsuits filed against the Company and its employees that have been concluded		Cases	0	/

Note:

* The social KPIs are prepared and calculated in accordance with the "Appendix 3: Reporting Guidance on Social Key Performance Indicators" issued by the Stock Exchange. Except for the employee turnover rate, the calculation formula is: number of employees who left during the Year/(number of employees at the beginning of the year + number of employees at the end of the year)/2 × 100. Separate statistical analyses were conducted for different demographic groups, including gender, age and geographical region.

1. The category of other consists of labour despatch workers of the Group.

Appendix II: ESG Reporting Code Content Index

Subject areas, aspects, general disclosures and KPIs		Corresponding sections
Environmental Aspects		
Aspect A1: Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	GREENING SUSTAINABLE FOUNDATIONS
KPI A1.1	The types of emissions and respective emissions data.	GREENING SUSTAINABLE FOUNDATIONS – Green Operations
KPI A1.2	(Repealed 1 January 2025)	
KPI A1.3	Total hazardous waste produced (in tonnes) and intensity (e.g. per unit of production volume, per facility).	Appendix I: Summary of KPIs-Environmental KPIs
KPI A1.4	Total non-hazardous waste produced (in tonnes) and intensity (e.g. per unit of production volume, per facility).	Appendix I: Summary of KPIs-Environmental KPIs
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	GREENING SUSTAINABLE FOUNDATIONS – Green Operations
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them Use of Resources.	GREENING SUSTAINABLE FOUNDATIONS – Green Operations

Subject areas, aspects, general disclosures and KPIs		Corresponding sections
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	GREENING SUSTAINABLE FOUNDATIONS – Green Operations
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in'000s) and intensity (e.g. per unit of production volume, per facility).	Appendix I: Summary of KPIs-Environmental KPIs
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Appendix I: Summary of KPIs-Environmental KPIs
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	GREENING SUSTAINABLE FOUNDATIONS – Climate Response, Green Operations
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	GREENING SUSTAINABLE FOUNDATIONS – Green Operations
KPI A2.5	Total packaging material used for finished products (in tonnes) and with reference to per unit produced.	Appendix I: Summary of KPIs-Environmental KPIs
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	GREENING SUSTAINABLE FOUNDATIONS
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	
Aspect A4: Climate Change		
KPI A4.1	(Repealed 1 January 2025)	Please refer to the appendix on "Climate-related Information Disclosures" below

Subject areas, aspects, general disclosures and KPIs		Corresponding sections
Social Aspects		
Employment and Labour Practices		
Aspect B1: Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	GROWING TOGETHER IN UNITY – Rights and Benefits Protection
KPI B1.1	Total workforce by gender, employment type (for example, full – or part-time), age group and geographical region.	Appendix I: Summary of KPIs-Social KPIs
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Appendix I: Summary of KPIs-Social KPIs
Aspect B2: Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	GROWING TOGETHER IN UNITY – Safeguarding Occupational Health
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	GROWING TOGETHER IN UNITY – Safeguarding Occupational Health
KPI B2.2	Lost days due to work injury.	Appendix I: Summary of KPIs-Social KPIs
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	GROWING TOGETHER IN UNITY – Safeguarding Occupational Health

Subject areas, aspects, general disclosures and KPIs		Corresponding sections
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	GROWING TOGETHER IN UNITY – Talent Pipeline Development
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Appendix I: Summary of KPIs-Social KPIs
KPI B3.2	The average training hours completed per employee by gender and employee category.	Appendix I: Summary of KPIs-Social KPIs
Aspect B4: Labour Standards		
General Disclosure	Information on: (a) policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	GROWING TOGETHER IN UNITY – Rights and Benefits Protection
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	GROWING TOGETHER IN UNITY – Rights and Benefits Protection
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	GROWING TOGETHER IN UNITY – Rights and Benefits Protection
Operating Practices		
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	STRENGTHENING THE SUPPLY CHAIN FOR MUTUAL BENEFIT – Supply Chain Management
KPI B5.1	Number of suppliers by geographical region.	Appendix I: Summary of KPIs-Social KPIs
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	STRENGTHENING THE SUPPLY CHAIN FOR MUTUAL BENEFIT – Supply Chain Management
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	STRENGTHENING THE SUPPLY CHAIN FOR MUTUAL BENEFIT – Supply Chain Management
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	STRENGTHENING THE SUPPLY CHAIN FOR MUTUAL BENEFIT – Supply Chain Management

Subject areas, aspects, general disclosures and KPIs		Corresponding sections
Aspect B6: Product Responsibility		
General Disclosure	Information on: (a) 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.	UPHOLDING QUALITY TO EARN TRUST
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Appendix I: Summary of KPIs-Social KPIs
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Social KPIs; UPHOLDING QUALITY TO EARN TRUST – Warm-hearted Service
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	INNOVATION DRIVES DEVELOPMENT
KPI B6.4	Description of quality assurance process and recall procedures.	UPHOLDING QUALITY TO EARN TRUST – Quality Foundation
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	INNOVATION DRIVES DEVELOPMENT
Aspect B7: Anti-corruption		
General Disclosure	Information on: (a) 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.	INTEGRITY SAFEGUARDS ASSURANCE – Business Ethics
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Appendix I: Summary of KPIs-Social KPIs
KPI B7.2	Description of preventive measures and whistle blowing procedures, and how they are implemented and monitored.	INTEGRITY SAFEGUARDS ASSURANCE – Business Ethics
KPI B7.3	Description of anti-corruption training provided to directors and staff.	INTEGRITY SAFEGUARDS ASSURANCE – Business Ethics

Subject areas, aspects, general disclosures and KPIs		Corresponding sections
Community		
Aspect B8: Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	UNITING WITH COMMUNITY FOR A BETTER FUTURE
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	UNITING WITH COMMUNITY FOR A BETTER FUTURE
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	UNITING WITH COMMUNITY FOR A BETTER FUTURE

Climate-related Information Disclosures		Corresponding sections
Governance	**Governance**	**Governance**
Strategy	Climate-related Risks and Opportunities	Strategy
	Business Model and Value Chain	
	Strategy and Decision-making	
	Financial Condition, Financial Performance and Cash Flow	
	Climate Resilience	
	Financial Impacts of Climate-related Risks and Opportunities	
Risk Management	**Risk Management**	**Risk Management**
Metrics and Targets	GHG Emissions	Metrics and Targets
	Climate-related Transition Risks	
	Climate-related Physical Risks	
	Climate-related Opportunities	
	Capital Operations	
	Internal Carbon Pricing	
	Remuneration	
	Industry Indicators	
	Climate-related Targets	
	Cross-industry Indicators and Industry specific Indicator Applicability	

Appendix III: List of Policies and Regulations

INTEGRITY SAFEGUARDS ASSURANCE
Company Law of the People's Republic of China
Securities Law of the People's Republic of China
Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
Corporate Governance Code
Anti-Money Laundering Law of the People's Republic of China
Anti-Unfair Competition Law of the People's Republic of China
Interim Provisions on Prohibition of Commercial Bribery
Criminal Law of the People's Republic of China
Anti-Unfair Competition Law
Cybersecurity Law of the People's Republic of China
Data Security Law of the People's Republic of China
Personal Information Protection Law of the People's Republic of China
Information Security Technology – Personal Information Security Specification (GB/T 35273–2020)
Information security technology – Baseline for classified protection of cybersecurity (GB/T 22239–2019)
INNOVATION DRIVES DEVELOPMENT
Copyright Law of the People's Republic of China
Patent Law of the People's Republic of China

STRENGTHENING THE SUPPLY CHAIN FOR MUTUAL BENEFIT
Tendering and Bidding Law of the People's Republic of China
UPHOLDING QUALITY TO EARN TRUST
Product Quality Law of the People's Republic of China
Advertising Law of the People's Republic of China
Measures on the Administration of Internet Advertising
GREENING SUSTAINABLE FOUNDATIONS
Water Law of the People's Republic of China
Energy Conservation Law of the People's Republic of China
Water Pollution Prevention and Control Law of the People's Republic of China
Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution
Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes
Regulations on the Safety Administration of Dangerous Chemicals
General Rules for the Hazardous Chemicals Warehouse Storage
GROWING TOGETHER IN UNITY
Labor Law of the People's Republic of China
Labor Contract Law of the People's Republic of China
Law of the People's Republic of China on the Protection of Minors
Law of the People's Republic of China on the Prevention and Control of Occupational Diseases
Fire Protection Law of the People's Republic of China
Regulation on Work-Related Injury Insurance

Appendix IV: Feedback Form

Dear Stakeholders,

Thank you for your constant trust and support in the Group. Your opinions and expectations serve as our guiding principles as we strive to enhance our ESG governance, improve our disclosure practices and advance sustainable development. We sincerely invite you to participate in this survey so as to make the ESG report for the Year more responsive to your needs and concerns. Your feedback will enable us to more accurately identify material issues, refine our strategic direction, and ensure that our ESG practices truly reflect the voices of our stakeholders. We are committed to taking every piece of feedback seriously and transforming them into a vital driving force for our continuous improvement.

1. Relationship with the Group:
   ☐Supplier/Partner ☐Investor/Shareholder ☐Community Representative
   ☐Customer ☐Employee ☐Other (please specify:_____)

2. Satisfaction with the overall quality of the ESG report for the Year:
   ☐Satisfied ☐Fair ☐Dissatisfied

3. Do you consider that the Report has fully covered the ESG issues of your concern?
   ☐Yes ☐Not sufficiently presented

4. Regarding the optimization directions for next year's ESG report, which aspects are you most concerned about?
   ☐Enhancing data quantification and transparency ☐Adding case studies and practical details
   ☐Optimising content structure and readability
   ☐Expanding the scope of topic coverage ☐Other (please specify: _____)

5. Suggestions or expectations for the Group's future ESG work:
   ☐Developing a long-term ESG strategy ☐Expanding the scope of external communication
   ☐Enhancing the participation and impact of public welfare initiatives
   ☐Strengthening climate risk response ☐Other (please specify: _____)

Appendix V: Verification Report

SHINEWING
Sustainability Advisory Services Limited
17/F, Leighton Centre, 77 Leighton Road,
Causeway Bay, Hong Kong

信永方略可持續發展諮詢服務有限公司
香港銅鑼灣禮頓道77號
禮頓中心17樓

Verification Statement

To the Board of Directors of Newtrend Group Holding Co., Ltd.,

SHINEWING Sustainability Advisory Services Limited ("**SHINEWING Sustainability**") has been engaged by Newtrend Group Holding Co., Ltd. (HKSE Stock Code: 2573) and its subsidiaries (collectively referred to as "**Newtrend**") to undertake an independent verification on Environmental, Social and Governance Report 2025 ("**ESG Report**"). The ESG Report set out the environmental and social performance of Newtrend from 1 January 2025 to 31 December 2025. The scope of the verification statement is limited to the data and information in the ESG Report. Newtrend selected several specified performance information in the ESG Report for the verification purpose, which included the Scope 1&2 greenhouse gas emissions data[1], electricity consumption data[2], water consumption data[3], employment data[4] and occupational health and safety data[5] (collectively referred to as "**Specified Performance Information**").

Reporting Criteria

The Specified Performance Information are presented in accordance with the criteria set out under "Reporting Standard, Principles and Scope" in the ESG Report ("**Reporting Criteria**"). Such Reporting Criteria are specifically designed for the purpose of the preparation of the Specified Performance Information included in the ESG Report and, as a result, those Specified Performance Information may not be suitable for another purpose.

Responsibilities of Newtrend

Newtrend is responsible for the data collection, calculation, making estimates and preparation of the ESG Report. Newtrend is also responsible for implementing sound internal control procedures to ensure the content and presentation of the ESG Report are free from material errors.

1 Refer to ESG Report Summary of Key Perfor mance Indicators: Data of Greenhouse Gas Emission

2 Refer to ESG Report Summary of Key Performance Indicators: Data of Electricity Consumption

3 Refer to ESG Report Summary of Key Performance Indicators: Data of Water Consumption

4 Refer to ESG Report Summary of Key Performance Indicators: D ata of Employment

5 Refer to ESG Report Summary of Key Performance Indicators: Data of Occupational Health and Safety

Responsibilities of SHINEWING Sustainability

SHINEWING Sustainability is responsible to provide an independent verification statement to stakeholders based on the scope and methodology described. We do not assume responsibility or accept liability to any other person for the contents of this report.

Independence and Quality Control

SHINEWING Sustainability has maintained our independence with reference to the Code of Ethics for Professional Accountants issued by the Hong Kong Institute of Certified Public Accountants. We have also taken reference to Hong Kong Standard on Quality Management 1 (HKSQM 1), Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements, and maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We have the required competencies and experience to conduct this engagement.

Inherent Limitation

The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, measures and measurement techniques and can affect comparability between entities. Further, greenhouse gas quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

Reporting Framework and Procedures Performed

We conducted our verification under limited assurance engagement with reference to International Standard on Assurance Engagements 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information ("**ISAE 3000 (Revised)**") issued by the International Auditing and Assurance Standards Board. The standard requires that we plan and perform this engagement to obtain limited assurance about whether the Specified Performance Information is free from material misstatement. A limited assurance engagement undertaken with reference to ISAE 3000 (Revised) involves assessing the suitability in the circumstances of Newtrend's use of applicable criteria as the basis for the preparation of the Specified Performance Information, assessing the risks of material misstatement of the Specified Performance Information whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the Specified Performance Information. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

Within the scope of our work, SHINEWING Sustainability performed amongst others the following procedures:

- Interview the managers responsible for sustainability performance and data collection;
- Review the preparation process of the Specified Performance Information, including stakeholders engagement and materiality assessment;
- Verify the samples of the representative data and information selected, including review on conversion data and calculation as well as inspect the original data and supporting evidence of the data selected during the verification process;
- Perform analytical procedures over the Specified Performance Information; and
- Compare the definition as included in the Reporting Criteria against the definitions used by Newtrend to prepare the Specified Performance Information.

Conclusion

Based on the procedures that SHINEWING Sustainability has performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Specified Performance Information is not prepared, in all material respects, in accordance with Reporting Criteria of the ESG Report.

SHINEWING Sustainability Advisory Services Limited
Hong Kong
30 April 2026

Newtrend

新琪安集團股份有限公司

NEWTREND GROUP HOLDING CO., LTD.

