TAYANG 大洋

(Stock Code : 1991)

2025

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT





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BACKGROUND



Ta Yang Group Holdings Limited (the "Company"), together with its subsidiaries (collectively, the "Group" or "we"), is pleased to present its Environmental, Social and Governance Report (the "ESG Report" or "This Report") for the financial year ended December 31, 2025 (the "Reporting Period" or "FY2025"). The ESG Report has been prepared in accordance with the Environmental, Social and Governance Reporting Code (the "ESG Reporting Code") set out in Appendix C2 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

This Report strictly adheres to the reporting principles of materiality, quantitative, balance and consistency as set out below. In This Report, the Group has strictly complied with the mandatory disclosure requirements and the "comply or explain" clause as set out in the ESG Reporting Code for disclosure of ESG issues during the Reporting Period. The content of This Report has been determined in accordance with a systematic set of procedures. The process includes identifying and ranking important stakeholders, identifying and ranking important ESG-related issues, determining the boundaries of the ESG Report, collecting relevant materials and data, and preparing This Report based on the information, and reviewing the information in This Report.

PURPOSE OF THE REPORT

This Report sets out our commitment and strategy on Corporate Social Responsibility ("CSR") and summarizes our initiatives, programs and performance on environmental, social and governance ("ESG") for sustainable development.

REPORTING SCOPE

The Group's core operations encompass four key sectors: (i) the designing and manufacturing of silicone rubber products (the "Silicone Business"); (ii) international digital marketing business (the "Digital Marketing Business"); (iii) the provision of retail services (the "Retail Business") in the United Kingdom; and (iv) healthcare and hotel services (the "Healthcare and Hotel Business"). The ESG Report details the Group's environmental and social impact, with the Silicone Business representing the primary source of the disclosed metrics.

The Group's Silicone Business production is located at its Huzhou facility in Zhejiang Province ("Huzhou Ta Yang") and Dongguan facility in Guangdong Province ("Dongguan Tai Yang") in the PRC. Consequently, ESG data from these two plants constitute a substantial portion of This Report. The reporting scope remains consistent with the previous period (January 1 to December 31, 2024; "FY2024"), with no significant changes.

The information contained in This Report has been collected and collated from a variety of sources, including but not limited to the Group's internal control policies, factual evidence of the implementation of ESG-related measures, business data and annual financial data from the Group's actual operations, as well as data derived from relevant internal statistical reports, administrative documents and other reports.

REPORTING STANDARDS AND PRINCIPLES

The Company has prepared, evaluated and presented the relevant information in This Report with reference to the ESG Guide. The following principles outlined in the ESG Guide have been incorporated into This Report:

Balance

Performance of the Group was presented impartially, avoiding choices, omissions or presentation formats that may unduly influence readers' decisions or judgements. Performance data is reported in a way that allows information users to see negative and positive year-on-year trends in impacts.

Consistency

We use consistent statistical methods and presentations for KPIs so that meaningful comparisons of relevant data can be made in the future.

Materiality

Materiality assessment has been carried out by inviting the management and key stakeholders of the Company, the annual key issues for the year have been identified and disclosed in This Report in a focused manner to ensure that the ESG Report has covered the issues that are material to the Group.

Quantitative

Quantitative disclosure has been made in This Report in accordance with the key performance indicators ("KPI(s)") set out in the ESG Guide, and the methodology, assumptions, conversion factors, and relevant references used therein have been described where applicable.

THE BOARD STATEMENT

The board of directors of the Company (the "Board") has overall responsibility for the Group's ESG strategy and reporting. The Board is responsible for evaluating and determining the Group's ESG-related risks and ensuring that appropriate and effective ESG risk management and internal control systems are in place. Our management ("Management") is delegated the responsibility of coordinating the implementation of the Group's environment, employment and service quality assurance policies.

The Board leads and provides direction to Management by instituting ESG policies and initiatives, supervising their implementation and monitoring ESG performance. The Board continues to explore ways to further strengthen the ESG governance of the Group. The Board regularly reviews and enhances the Group's ESG performance, focusing on environmental protection, labor practices, and community investment. Guided by this strategy, we prioritize three key areas: (i) strict adherence to anti-corruption policies; (ii) product health and safety; and (iii) customer satisfaction. Moving forward, we will continue to refine our approach to stay agile within an evolving operating landscape.

OUR SUSTAINABILITY STRATEGY



PROMOTING AND ADVOCATING ECOLOGICALLY FRIENDLY PRODUCTS

The Group focuses on the design and manufacture of eco-friendly silicone rubber products as sustainable substitutes for conventional plastics. Unlike fossil-fuel-based plastics, silicone is derived from silicon – the Earth's second most abundant element – and is not a petrochemical byproduct, resulting in a significantly smaller environmental footprint. Its exceptional durability, including resistance to extreme temperatures and water, combined with its insulating properties, positions silicone as a superior material for sustainable applications.

1. BENEFITS OF SILICONE PRODUCTS

Silicone materials are widely used across various industries, including consumer electronics, computer keyboards, and mobile phone components, due to their exceptional characteristics. These benefits include but are not limited to:

- Air Permeability: Allows airflow, making it suitable for medical and wearable applications.
- Durability: Long-lasting and resistant to wear and tear.
- Easy to Clean: Resistant to stains and nonstick properties simplify maintenance.
- Flexibility: Adaptable to various shapes and forms.
- Malleability: Easy to mold and shape during manufacturing.
- Non-odorous: Ideal for applications requiring odor neutrality.
- Non-toxic: Safe for use in food-grade and medical applications.
- Recyclable: Can be repurposed, reducing waste.
- Temperature Resistance: Stable performance in extreme heat or cold.

2. ADVANTAGES OF SILICONE PRODUCTS OVER PLASTIC PRODUCTS

Although plastics and silicone offer comparable strength and malleability, they are distinguished by fundamentally different molecular structures. Plastics, typically synthesized from natural gas, crude oil, or plant-based hydrocarbons, present significant ecological risks due to their degradation into hazardous microplastics and the presence of toxic additives such as BPA. Conversely, silicone provides superior durability and thermal resistance while remaining environmentally friendly. Because it does not fragment into microplastics, silicone serves as a safer and more sustainable alternative to traditional polymers.

3. WHAT MAKES OUR PRODUCTS ECO-FRIENDLY?

While plastics are favored for their cost-efficiency, ease of production, and versatility, their ecological footprint is profound. Persistent polymers – such as polystyrene, nylon, and polypropylene – degrade at extremely slow rates, eventually fragmenting into microplastics (particles under 5 mm). These contaminants permeate marine ecosystems, disrupting aquatic life and infiltrating the human food chain. Ingested microplastics cause significant physiological harm to marine organisms, including stunted growth, oxidative stress, and behavioral shifts. Furthermore, nanoplastics possess the capacity to cross biological barriers, leading to tissue accumulation and potential long-term health complications.

In contrast, high-quality silicone is derived from abundant natural resources and contains no petrochemical additives. It does not degrade into microplastics or shed harmful particles, making it a durable and eco-friendly material. Silicone's lightweight and flexible nature also makes it an ideal replacement for single-use plastics, offering similar performance without the environmental drawbacks. By producing silicone, the Group contributes to reducing plastic pollution and promoting sustainable consumption.

GOOD GOVERNANCE ENHANCES GROWTH

The Group understands that ESG matters may threaten an organisation's shareholder value, reputation, supply chain, and business sustainability, which are critical to maintaining the long-term trust the Group has built with the public.

During the Reporting Period, the Group's ESG Working Group (the "Working Group") assisted the Board in fulfilling its ESG-related responsibilities to promote, develop and implement the Group's ESG-related initiatives, policies, programs, targets and indicators in accordance with all applicable legal, regulatory and supervisory requirements, which consisting of representatives from various departments, continued to deal with ESG-related issues. The Working Group is authorized by the Board to perform the following duties and responsibilities to facilitate the achievement of ESG objectives:

- Managing ESG Issues: Ensuring effective ESG risk management and internal control systems are in place.
- Complementing Risk Management: Aligning ESG practices with the Group's business needs to minimize risk exposure.
- Setting and Monitoring Goals: Establishing annual ESG targets and reviewing progress through monthly data reports to identify areas for improvement.
- Proposing Solutions: Analyzing the Group's ESG performance and recommending actionable strategies to enhance sustainability.

While the Working Group has made significant progress, the Group remains committed to continuous improvement, regularly assessing its strengths and weaknesses to optimize efficiency and effectiveness.

OUR SUSTAINABILITY GOALS

Sustainability is a foundational pillar of the Group, deeply embedded in our strategic decision-making, future planning, and operational management. To address critical environmental and social challenges like climate change, we are dedicated to decoupling our business growth from our environmental footprint while maximizing our positive societal impact. ESG remains a top management priority as we strive to create long-term value for our stakeholders and the global environment. To guide this commitment, we have identified five core sustainability goals aligned with our business strategy:



Following the Stock Exchange's rules and guidelines

- Material issues were identified in line with the provisions of the ESG Reporting Code.
- Publicly and transparently disclose issues and matters considered material by stakeholders.



Taking environmental advice from the Chinese government

- Followed waste management advice from the government.
- Taken measures to reduce emissions and raise employees' awareness of environmental protection.



Establishing effective and open relationships with stakeholders

- Communication channels were set up for the Group to hear the voices of various stakeholders, including investors, employees, customers, etc.



Creating an engaging working environment

- Efforts were put into making a comfortable, healthy, and nurturing working environment.
- Internal celebratory activities were held to strengthen the bond between employees.



Improving communication with customers

- Products and internal procedures of the sales process were reviewed to better cater to customers' needs.
- Listening to customer feedback and responding quickly to enhance trust.

By aligning its operations with these sustainability goals, the Group aims to drive long-term value creation while contributing to a healthier planet and society.

STAKEHOLDER ENGAGEMENT

In order to realize the Group's sustainable development strategy, we need to understand the views and expectations of our stakeholders on the development and success of the Group, which will help us to assess the potential impact of our future business activities on the environment and society.

Throughout the Reporting Period, we proactively engaged with diverse stakeholder groups, implementing initiatives to strengthen these partnerships and maintain transparent, collaborative relationships.

Stakeholder	Key Issues	Communication Channels
Shareholders and Investors	• Corporate Governance Structure and System • Business Strategy and Performance • Transparency and Reputation	• Annual/Extraordinary general meetings • Annual reports and announcements • Company website and email
Employees	• Rights and benefits • Remuneration and compensation • Career development and training • Working hours • Occupational health and safety • Working environment	• Employee training • Employee communication meetings • Performance reviews • Employee handbook
Customers	• Better products and services • Product safety • Protection of customers' privacy • Delivery time	• Company website • Phone and email communication • Communication with staff • Customer comment cards
Government and Regulatory Agencies	• Compliance with policies and regulations • Operational compliance	• Routine reporting and disclosure • Announcements • Press releases
Suppliers	• Fair and Open Purchasing • Environmentally friendly • Anti-corruption	• Open tender • Standardized procurement procedures • Face-to-face meetings and site visits • Industry seminars
Communities	• Community environment • Employment and community development • Social welfare	• Community activities • Employee voluntary activities • Community welfare subsidies • Charitable donations

MATERIALITY ASSESSMENT

During the Reporting Period, the Group conducted its annual stakeholder engagement process to identify material ESG concerns and prioritize key stakeholder interests. In FY2025, we used multiple engagement channels, including structured questionnaire surveys, direct consultations, telephone interviews and industry seminars, to gather comprehensive stakeholder feedback. This systematic approach enabled us to initiate substantive dialogues on ESG matters and evaluate their materiality to both the Group's operations and stakeholder expectations. The outcomes of this process have informed the ongoing development of our sustainable business strategy. The following diagram outlines our materiality assessment methodology for key ESG issues.

Identification of Material Issues

21 material ESG issues were identified based on the Group's actual business development, feedback from stakeholders, industry developments and other relevant laws and regulations.

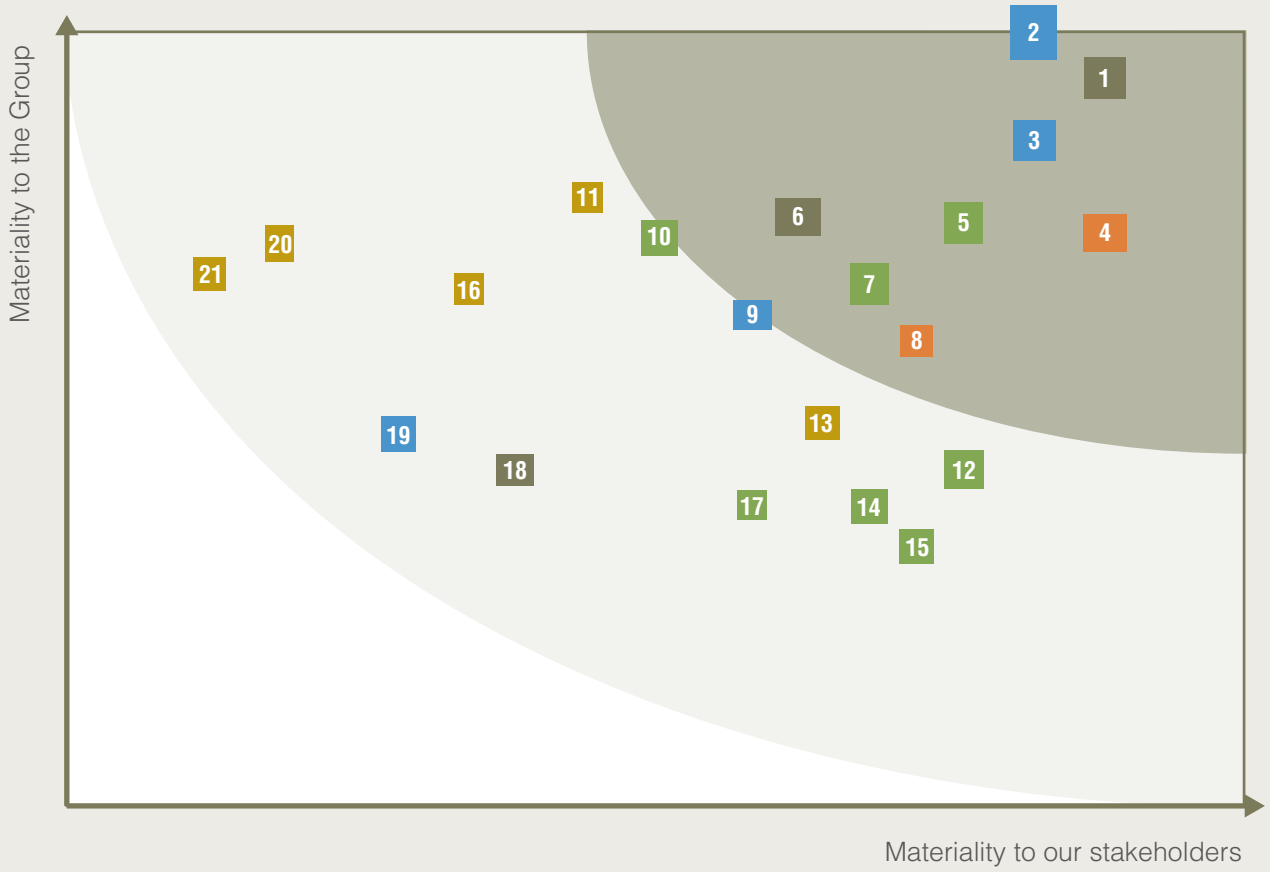
Stakeholder Survey

In-depth exchanges were conducted with various stakeholders to collect their views on the above 21 material issues, and the views and expectations of the stakeholders were incorporated into the assessment and ranking of the issues.

Integration of Assessment Results

Based on the results of the assessment, a matrix of ESG-related issues was compiled by integrating the 'Importance of ESG issues to external stakeholders' and 'Importance of ESG issues to the Group' to determine the materiality ranking of the 21 issues.

ESG Materiality Assessment Matrix of the Group



All 21 issues represent critical areas of concern for the Group's sustainable development, with those positioned in the upper right quadrant of the matrix being of relatively higher importance. During the Reporting Period, we have identified and prioritized seven key issues that demand the most significant attention, as outlined below:

- Anti-corruption policies and procedures;
- Product health and safety;
- Customer satisfaction;
- Selection and monitoring of suppliers (Clean and Green Procurement);
- Energy and water use;
- Training provided to directors and employees (including anti-corruption training); and
- Use of materials (e.g. packaging, raw materials).

The above 7 issues are categorized as the key elements that drive the Group's sustainable business and are further elaborated in the following sections of This Report.

Materiality	Classification	ESG Issues
1	Compliance and Governance	Anti-corruption policies and procedure
2	Product and Services	Product health and safety
3	Product and Services	Customer satisfaction
4	Operating Practices	Selection and monitoring of suppliers (Clean and Green Procurement)
5	Environmental Impacts	Energy and water use
6	Compliance and Governance	Training provided to directors and employees (including anti-corruption training)
7	Environmental Impacts	Use of materials (e.g. packaging, raw materials)
8	Operating Practices	Environmental risks and social risks of the suppliers
9	Product and Services	Customer information and privacy
10	Environmental Impacts	Climate change
11	Employment and Labour Practices	Occupational health and safety
12	Environmental Impacts	Greenhouse gas emissions
13	Community Investment	Community support (e.g. donation, volunteering)
14	Environmental Impacts	Hazardous waste production
15	Environmental Impacts	Air emissions
16	Employment and Labour Practices	Employee remuneration, benefits and rights (e.g. working hours, rest periods, working conditions)
17	Environmental Impacts	Non-hazardous waste production
18	Compliance and Governance	Observing and protecting intellectual property rights
19	Product and Services	Marketing and Promotion
20	Employment and Labour Practices	Preventing child and forced labour
21	Employment and Labour Practices	Diversity and equal opportunity of employees

STAKEHOLDERS' FEEDBACK

The Group promotes effective communications with all stakeholders through regular newsletter, notices, announcements, and reports via its Facebook, WeChat and Weibo accounts as well as the company website.

The Group welcomes its stakeholders' feedback on its ESG approach and performance. Please give your suggestions or share your views with us by email at wailun.sze@tayanggroup.com.

PURSUING ENVIRONMENTAL EXCELLENCE



In line with the Group's sustainability mission and vision, the Group is continuously improving its environmental performance with the contribution and support of its employees, business partners, the public and stakeholders. The Group has established the "Procedures for Compliance with Regulations, Standards and Other Requirements", which stipulates that national laws and regulations relating to the environment should be identified and reviewed on an ongoing basis to ensure that its business activities are in compliance.

During the Reporting Period, the Group complied with national and local laws and regulations relating to environmental protection and pollution prevention, including but not limited to:

- Environmental Protection Law of the PRC;
- Air Pollution Prevention and Control Law of the PRC (2018 Revision);
- Water Pollution Prevention and Control Law of the PRC;
- Solid Waste Prevention and Control Law of the PRC (2020 Revision);
- Law of the PRC on Prevention and Control of Environmental Noise Pollution (2021 Revision);
- Energy Conservation Law of the PRC (2018 Revision);
- Environmental Protection Act 1990 (UK);
- Single-Use Plastic Bag Charge (UK);
- Climate Change Levy (UK); and
- Climate Change Act 2008 (UK).

During the Reporting Period, no violations of laws and regulations concerning air and greenhouse gas ("GHG") emissions, discharges to water and land, and the generation of hazardous and nonhazardous wastes were found to have a significant impact on the Group.

The Group places a high priority on sustainable development and has implemented a comprehensive suite of environmental management practices. To ensure the Group's sustainable development and green operations, the following policies have been established to regulate processes related to environmental protection and energy management.

- Huzhou Ta Yang
  - A1-1 Emergency Response Plan for Environmental Emergencies;
  - A2-1 Energy and Resource Management Procedure;
  - A2-2 Guidelines for Water and Electricity Conservation;
  - A3-1 Greenhouse Gas Management Procedure;
  - A3-1 Environmental Monitoring and Measurement Control Procedure;
  - A3-2 Environmental Aspect Identification and Evaluation Procedure; and
  - A3-2 Hazardous Substance Identification and Evaluation Control Procedure.
- Dongguan Tai Yang
  - RBA35 – Energy Consumption and Greenhouse Gas Emissions Management Procedure;
  - EP04 – Waste Management Procedure;
  - EP06 – Environmental Monitoring and Measurement Procedure;
  - A1.6 Waste management control procedures; and
  - A2 Wastewater, exhaust gas, plant noise management program.

PROGRESS ON EMISSIONS CONTROLS

During the Reporting Period, the Group strictly adhered to and fully complied with all applicable national and local laws and regulations in every country and region where it operates, particularly with regard to the management of discharges and wastes generated from its operations. This commitment to legal compliance includes, but is not limited to, the following areas:

- GB 39731-2020: Discharge standard of water pollutants for electronic industry (PRC);
- GB 8978-1996: Integrated Wastewater Discharge Standard (PRC);
- GB 18599-2020: Standard for pollution control on the non-hazardous industrial solid waste storage and landfill (PRC);
- GB 3095-2012: Ambient Air Quality Standards (PRC);
- GB 37822-2019: Standard for fugitive emission of volatile organic compounds (PRC);
- GB 18597-2023: Standard for pollution control on hazardous waste storage (PRC);
- HJ 1276-2022: Technical specification for setting identification signs of hazardous waste (PRC);
- National Hazardous Waste Directory (2021 Edition) (PRC);
- Waste Management Licensing Regulations 1994 (UK);
- Food Waste Disposal Regulations (UK); and
- Waste Disposal Ordinance (Cap. 354) (Hong Kong).

OUR TARGET

Regarding environmental performance metrics, including GHG emissions, waste generation, and resource utilisation, the Group established specific reduction targets in FY2022 (January 1, 2022 to December 31, 2022). These targets were established to drive a year-on-year reduction in emissions intensity. During the current period, while our total greenhouse gas (GHG) emissions decreased by 7.15%, the emissions intensity experienced a marginal increase. We recognize that while total output has improved, there remains significant opportunity for further optimization. We are committed to refining our operational efficiency as we progress steadily toward our long-term objectives. Detailed data on the above targets and progress in reducing emissions for the Reporting Period are provided in the corresponding sections below.



The overall intensity of the GHG emissions by the Group was 30.21 $tCO_2eq./HK\$'m$ revenue of the Group's silicone rubber business.

AIR POLLUTION

Our Huzhou and Dongguan factories are both certified under the ISO 14001:2015 environmental management system. In order to ensure that emissions do not exceed provincial and industry emission regulations, the Group has engaged a third-party expert to conduct routine inspections of exhaust pollutants generated from the 2 production plants.

During the Reporting Period, the Group's emissions of air pollutants was mainly attributable to Silicone Business, such as the use of transportation and refrigerants, the procurement of government power resources, and employee business trips.

Detailed indicators of the Group's air emissions during the Reporting Period are set out below:

Emission	Indicators	Unit	FY2025	FY2024
Air Emissions[1]	Nitrogen oxides (NO_x)	kg	138.78	365.15
	Sulphur oxides (SO_x)		0.58	1.15
	Particle matters (PM)		13.39	35.33

WASTE MANAGEMENT

The Group has established comprehensive Waste Management Control Procedures. These procedures are designed to ensure the effective management, segregation, and recycling of all waste generated across our operations, while minimizing our environmental impact.

HAZARDOUS WASTE MANAGEMENT

The Group's operations generate various categories of hazardous waste, including but not limited to:

- Waste activated carbon
- Oil-containing sludge
- Contaminated oil rags
- Oil-impregnated iron filings

In compliance with national environmental regulations and our corporate sustainability policies, we have implemented a rigorous hazardous waste management protocol:

(a) Segregation and Storage

- All hazardous waste is properly classified according to its chemical properties and potential risks
- Designated storage containers with appropriate secondary containment are provided
- Clearly labeled storage areas are established with proper ventilation and safety measures
- Incompatible materials are stored separately to prevent chemical reactions

(b) Handling and Disposal

- The General Affairs Department coordinates with licensed environmental protection contractors
- All waste transfers are documented through a manifest system
- Disposal methods comply with recycling contracts and regulatory requirements
- Detailed exit slips and tracking documents are maintained for audit purposes

[1] *Air emissions are emissions from the combustion of unleaded petrol and diesel fuel in a moving vehicle, which are calculated with reference to the Stock Exchange's "How to Prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs".*

NON-HAZARDOUS WASTE MANAGEMENT

The Group's non-hazardous waste primarily originates from:

- Employee daily activities (general waste, food waste)
- Office operations (paper waste, discarded supplies)
- Packaging materials (cardboard, plastics, wrapping materials)
- Canteen operations (food preparation waste)

Our non-hazardous waste management system follows a circular economic approach:

(a) Recyclable Waste

- Collected at designated "General Waste Storage Points"
- Segregated into categories (paper, plastics, metals, etc.)
- Periodically collected by certified recycling partners
- Processed according to material-specific recycling protocols

(b) Non-Recyclable Waste

- Regular collection by municipal sanitation services
- Transported to approved waste treatment facilities
- Disposed through environmentally responsible methods
- Volume reduction through compaction where applicable

Through these comprehensive measures, we aim to minimize our environmental footprint while maintaining full compliance with all applicable environmental regulations and corporate sustainability goals.

During the Reporting Period, the intensity of hazardous waste emissions was 0.03 tonnes per HK$ million in revenue for the Silicone Business, representing the same intensity as FY2024 (0.03). Additionally, the non-hazardous waste emission intensity was 0.40 tonnes per HK$ million in revenue for the Silicone Business, a 6% increase from the previous year's intensity of 0.34 tonnes.

The waste data generated by the Group in FY2025 and FY2024 are as follows:

Hazardous/ Non-hazardous waste	Type of waste	Unit	FY2025	FY2024
Hazardous wastes	Waste engine oil and others (HW12\49\08\09)	tonnes	5.90	8.33
	Total hazardous waste intensity[2]	tonnes/HK$'m revenue (Silicone Business)	0.03	0.03
Non-hazardous wastes	Domestic garbage and others	tonnes	88.70	84.00
	Total non-hazardous waste		**88.70**	**84.00**
	Total non-hazardous waste intensity[2]		**0.40**	**0.34**

The Group is committed to fostering a culture of environmental responsibility among its employees. Guided by the principle of "turning waste into treasure," the Group has implemented the "3Rs" waste reduction strategy – Reduce, Reuse, and Recycle – as part of its comprehensive waste management program. The specific initiatives are outlined below:

- Reduce
  - Double-Sided Printing: The Group mandates double-sided printing for all internal documentation to optimize paper consumption.
  - Digital Transformation: We actively promote a paperless environment by utilizing digital platforms like WeChat for internal communication and record-keeping.
  - Catering Planning: Strategic meal planning has been implemented to minimize food waste across office cafeterias and corporate events.
- Reuse
  - Paper Repurposing: Single-sided printouts are systematically reclaimed for use as draft paper, maximizing the utility of office supplies.
  - Material Circularity: Packaging components – including paper, plastic, and expanded polyethylene (EPE) foams – are reintegrated into our operations whenever feasible to extend material lifecycles and minimize waste.

[2] *During the Reporting Period, sales of the Group's Silicone Business amounted to HK$223 million (FY2024: HK$244 million) and the waste generation intensity was calculated by dividing the total waste by the sales of Silicone Business (measured in millions of Hong Kong dollars).*

- Recycle
  - Source Segregation: Waste is systematically sorted at the point of origin to facilitate efficient treatment and maximize recycling rates.
  - Certified Recycling Partnerships: The Group engages with accredited recycling specialists to ensure all recoverable materials are collected and processed responsibly.
  - Enhanced Recycling Infrastructure: Recycling stations are strategically positioned throughout office premises to promote active employee participation in waste segregation initiatives.

Through these initiatives, we aim to minimize the environmental footprint, promote sustainable practices, and inspire employees to actively contribute to a greener future.

SEWAGE MANAGEMENT

The Group's sewage is mainly production and domestic wastewater. We have established the "Wastewater, exhaust gas, plant noise management program" to standardize the treatment of wastewater. According to the policy, the principles of wastewater management and control are as follows:

- Pre-discharge Treatment: All wastewater must undergo rigorous treatment protocols before being directed to the centralized treatment facility.
- Monitoring and Labeling: Treatment stations must be explicitly labeled with identified pollutant types. Furthermore, the Group mandates regular pH monitoring of effluent from treatment ponds to ensure consistent quality.
- Zero External Discharge: The Group maintains a strict "Zero Discharge" policy; no production-related wastewater is permitted to be released into the external environment.

For domestic wastewater, we take the following measures to reduce the wastewater generated:

- Sanitation & Chemical Restrictions: All restrooms are equipped with septic tanks to prevent unauthorized discharge into wastewater networks. To mitigate water pollution, the use of phosphorus-based detergents is strictly prohibited.
- Grease and Oil Mitigation: Living areas and Toilets are fitted with grease traps and filters. The direct discharge of oily wastewater is forbidden, and a rigorous maintenance schedule is enforced to ensure these systems function effectively.
- Oil drums must not be cleaned at living area faucets, and any oil leaked from cleaned equipment should not be disposed of in the gutter.
- Professional Maintenance: Restrooms and bathing facilities are managed by specialized sanitation teams. To prevent overflow and system failure, septic tanks undergo mandatory servicing by qualified technicians every six months.
- Organic Waste Diversion: The cafeteria implements a waste segregation policy where "rice water" and organic food scraps are collected in designated containers for subsequent recycling and repurposing.

Since production wastewater is more specific, we implement the following measures for its management and control:

- Centralized Wastewater Processing: All production effluent is uniformly collected and routed to specialized treatment ponds for processing.
- Hazardous Waste Management: Concentrated wastewater is secured in specialized containers, clearly labeled by responsible departments, and periodically transferred to licensed third-party specialists for disposal.

- Zero External Discharge: The facility maintains a strict policy of zero external discharge for all production-related wastewater.

- Qualified Industrial Disposal: All industrial wastewater is consolidated and dispatched to accredited units for centralized, high-standard treatment.

The Group maintains rigorous oversight of its wastewater treatment facilities. Throughout the Reporting Period, all treated effluent parameters – including pH levels, suspended solids, ammonia nitrogen, biochemical oxygen demand, and chemical oxygen demand – remained fully compliant with the regulatory thresholds established by the GB 8978-1996 Integrated Wastewater Discharge Standard.

USE OF RESOURCES

To optimize resource utilization, the Group has established the 'Energy and Resource Management Procedures.' This robust framework enables the effective oversight of natural gas, electricity, water, and raw materials, alongside packaging and office supplies. By streamlining these consumption patterns, the Group aims to significantly bolster energy efficiency and drive waste reduction across all operations.

In our operations, the Group relies on government water supplies for both domestic activities and industrial production. We are pleased to report that we have not encountered any issues in securing water sources to date, ensuring a consistent and reliable supply for our needs.

Additionally, the Group purchases product packaging and protective materials from suppliers who primarily utilize nonrenewable raw materials for their production. However, recognizing the importance of sustainability, we are actively exploring alternative packaging options that incorporate a higher percentage of renewable materials. This initiative aligns with our broader sustainability objectives, as we seek to reduce our environmental impact and promote more sustainable practices throughout our supply chain. By prioritizing these efforts, the Group aims not only to enhance resource efficiency but also to contribute positively to environmental stewardship.

Resource utilization intensity for the Reporting Period was lower than the previous year, primarily due to more efficient operational practices and optimized resource management (total resource utilization covers the entire Group, but the revenue used to calculate the intensity includes only the revenue from the Silicone Business). During the Reporting Period, the Group's use of resources and packaging is shown below:

Resource	Unit	FY2025	FY2024
Direct and indirect energy consumption			
Petrol	MWh	216.01	303.32
Diesel		165.36	459.50
Electricity		10,225.63	11,791.94
Total energy consumption		10,607.00	12,554.76
Energy intensity[3]	MWh/HK$'m revenue (Silicone Business)	47.57	51.45

Resource	Unit	FY2025	FY2024
Water usage			
Total water consumption	m^3	74,316.00	98,342.00
Water consumption intensity[3]	m^3/HK$'m revenue (Silicone Business)	333.26	403.04
Package usage			
Packaging material PE type – plastic bags	tonnes	1.88	2.15
Carton		72.88	88.59
Film paper		25.16	33.10
Packing tape, stretch film, transparent tape, locking bags		503.14	622.55
Cardboard box, packaging box		177.40	220.26
Pearl cotton		232.70	332.50
L-shaped protection sheet		124.88	138.00
Used plastic matting		1,752.43	2,345.30
Paperboard		236,867.32	311,930.68
Total package consumption		**239,757.79**	**315,713.13**
Package consumption intensity[3]	tonnes/HK$'m revenue (Silicone Business)	**1,075.15**	1,293.91

[3] *During the Reporting Period, since most of the resource use comes from the Silicone Business, we use the sales revenue of the Silicone Business to calculate the intensity of resource use. Sales of the Group's Silicone Business amounted to HK$223 million (FY2024: HK$244 million). Packaging consumption intensity and resource use intensity (direct and indirect energy consumption and water usage) were calculated by dividing the total consumption by the sales of the Silicone Business (measured in millions of Hong Kong dollars).*

The Group has adopted several measures to enhance overall energy and resource efficiency. General energy-saving initiatives include turning off all air-conditioning units, lighting, and office equipment during non-office hours, as well as regulating the use of heating and cooling systems to optimize energy consumption.

STEPS TAKEN TO ACHIEVE THE TARGETS

Additionally, the Group has established specific environmental targets, as outlined above, and actively monitors the performance to minimize energy usage and carbon emissions. We meticulously track its monthly electricity consumption and employ various strategies to control and reduce this usage, including:

- Developing an electricity consumption system to calculate, compare and analyze total electricity consumption;
- Adopting energy-efficient lighting wherever possible;
- Selecting energy-efficient vehicles and equipment;
- Air-conditioning temperature control at 23–25 degrees Celsius;
- Save fuel consumption by enforcing regulations;
- Combining trips to reduce fuel use;
- Educating employees to optimize productivity and reduce unnecessary electricity use;
- Promoting electricity conservation to employees; and
- Regular inspection and maintenance of transmission piping. Repair piping as soon as leaks are detected.

The Group continues to conserve water resources and has taken measures to minimize water consumption, such as:

- Installation of new energy-saving water meters in factories;
- Installation of touchless water-saving taps in office buildings and staff dormitories;
- Prohibiting the use of drinking water for other purposes, such as cleaning;
- Promoting cleaning workers to conserve water in their daily cleaning work; and
- Enhancing the maintenance and repair of pipes, valves, joints and fixtures to improve water efficiency.

During the Reporting Period, The Group has implemented management systems and procedures, in accordance with national standards and regulations, to reduce the use of energy and resources, to minimize the procurement of raw materials that cause serious pollution, and to minimize the impact on the environment throughout the entire life cycle of its products, from start to finish.

SIGNIFICANT IMPACTS ON THE ENVIRONMENT AND NATURAL RESOURCES

The Group is dedicated to balancing economic growth with environmental stewardship, ensuring that the operations maintain a minimal ecological footprint. While the activities involve the consumption of energy and water, these impacts are rigorously managed through a comprehensive environmental strategy. By adhering to stringent regulatory standards and implementing proactive monitoring, The Group identify potential hazards early and deploy decisive mitigation measures. This forward-looking approach ensures The Group not only remain compliant but also continuously refine the strategies to minimize the impact on natural resources.

Furthermore, the Group is committed to the continuous optimization of its resource utilization. This objective is pursued through a comprehensive strategy focused on minimizing material, water, and energy intake while simultaneously reducing waste, pollutants, and carbon emissions. The Group has established clear, quantifiable targets to curtail the consumption of electricity, water, and fuel. Given that electricity represents the primary driver of the operational greenhouse gas (GHG) emissions, The Group has implemented targeted management protocols to reduce power consumption and foster a deep-seated culture of environmental responsibility among its workforce.

For instance, the Group conducts regular educational programs and workshops to raise awareness among its employees about the importance of energy conservation. Practical steps are also taken to ensure that energy-saving practices are integrated into daily operations. These include restricting the use of air-conditioning when the ambient temperature falls below a certain threshold, thereby reducing unnecessary energy consumption. Additionally, the Group has placed energy-saving stickers near light switches in its facilities to remind employees to turn off lights when not in use, further promoting energy efficiency.

By combining regulatory compliance, proactive monitoring, targeted resource reduction initiatives, and employee engagement, the Group not only mitigates its environmental impact but also sets a benchmark for sustainable practices within its industry. This holistic approach underscores the Group's commitment to environmental sustainability and its role as a responsible corporate citizen.

SOCIAL



EMPLOYEES

Our employment practices have been developed in strict compliance with the Labour Law of the PRC, the Law of the PRC on Labour Contracts, the Law of the PRC on Work Safety, the Law of the PRC on the Protection of Minors, the Law of the PRC on Prevention and Control of Occupational Diseases, as well as the Employment Ordinance (Cap. 57) of Hong Kong and the Employment Rights Act 1996 of the United Kingdom, alongside other relevant laws and regulations in PRC, Hong Kong and the United Kingdom. During the Reporting Period, the Group fully complied with the requirements of these laws and regulations in all material respects, including those applicable to our operations in PRC, Hong Kong and the United Kingdom.

The Group maintains a robust governance framework – underpinned by our staff handbook and comprehensive salary management systems – to standardize recruitment, promotion, and disciplinary procedures. To ensure global alignment with local mandates, our policies are strictly calibrated to the PRC Labour Law (covering working hours, rest periods, and employee benefits), the Hong Kong Employment Ordinance (covering rest days, statutory holidays, maternity protection, and termination procedures), and the UK Employment Rights Act 1996 (covering unfair dismissal, redundancy and working time regulations). From their first day, employees undergo a structured induction to internalize these standards and their specific jurisdictional rights. This proactive integration of legal compliance and internal policy fosters a culture of fairness, transparency, and accountability across our international operations.

EMPLOYEE RIGHTS AND BENEFITS

The Group is dedicated to offering competitive, comprehensive remuneration and fringe benefits that not only ensure full regulatory compliance but also foster a high-performance, supportive culture. Our compensation framework – comprising base salaries, overtime allowances, and performance-based incentives – undergoes a rigorous annual review. This process ensures our pay scales remain aligned with the cost of living, evolving industry benchmarks, and market shifts, while effectively rewarding both individual contributions and the Group's broader organizational achievements.

In accordance with statutory requirements, the Group provides social insurance (including pension insurance, medical insurance, work injury insurance, unemployment insurance, and maternity insurance), a housing fund, and other benefits tailored to the needs of employees. These benefits are designed to cover all members of the Group, with variations based on position, location, and local legal requirements. The key benefits provided by the Group include:

- Insurance: mandatory social insurance, supplementary medical insurance, employer's liability insurance and accident insurance;
- Allowances: service allowance, night-shift allowance, healthcare allowance, heat-prevention allowance, meal allowance, sympathy allowance, breastfeeding allowance, and training allowance; and
- Bonuses: Performance bonuses and examination bonuses.

During the Reporting Period, the Group maintained rigorous compliance with all governing laws and regulations regarding compensation, recruitment, promotion, and employee welfare. The absence of any material violations underscores our steadfast commitment to the highest standards of fairness and ethical labor practices, ensuring that all employee rights are strictly protected.

EQUAL OPPORTUNITIES

The Group is committed to a diverse and inclusive workplace where all employees are treated with equity, regardless of age, nationality, ethnicity, race, gender, religion, or cultural background. To uphold these values, we have implemented rigorous policies and procedures to prevent discrimination, harassment, and bullying in the workplace. These frameworks strictly prohibit forced labor and ensure that every individual is treated fairly in all aspects of employment – including hiring, promotion, and disciplinary or dismissal processes – protecting the fundamental rights and interests of our workforce. By implementing the above procedures, the Group ensures that:

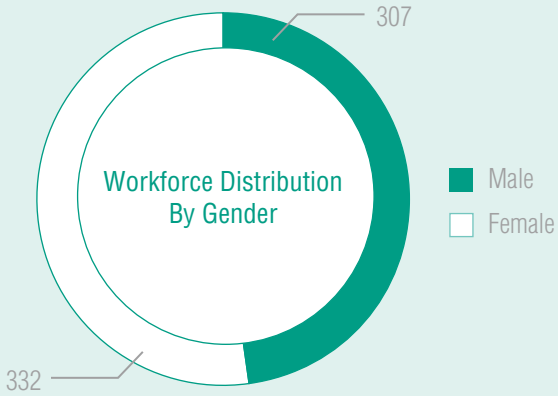
- Employees are guaranteed equal treatment and opportunities, free from discrimination based on their background, personal characteristics, or circumstances.
- Opportunities for growth and advancement are accessible to all employees, without bias or exclusion due to race, social class, nationality, religion, disability, gender, sexual orientation, union membership, or political affiliation.
- The rights of every employee are upheld and protected, ensuring a workplace that values diversity and inclusion.
- Equal opportunities are extended to all employees in every aspect of employment, including access to rights and benefits, performance evaluations, promotions, training, and professional development.
- Pregnant employees are treated with fairness and respect, with reasonable adjustments made to their working conditions or hours to support their health and well-being.
- Employees with chronic illnesses or disabilities are provided with necessary accommodation and are not subjected to discrimination based on their health conditions.
- All forms of sexual harassment, including sex discrimination, sexual coercion, sexual exploitation, relationship violence, stalking, and any unwelcome conduct, are strictly prohibited both inside and outside the workplace.

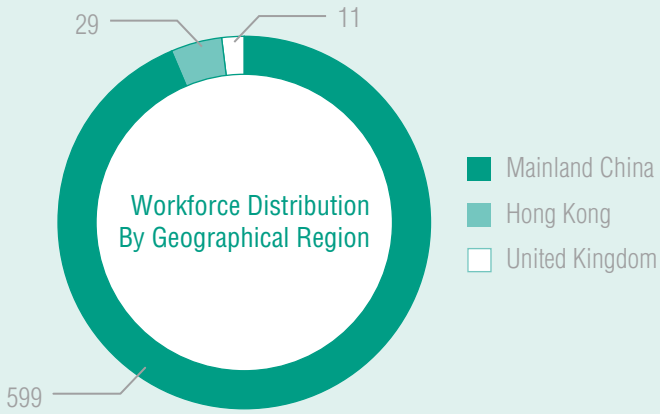
By implementing these measures, the Group reaffirms its commitment to providing a workplace that is free from discrimination, harassment, and inequality, where every employee can thrive and contribute to the organization's success. Employees should report cases of violations or suspected violations of the above directly to the Group's union representatives, department heads or senior management.

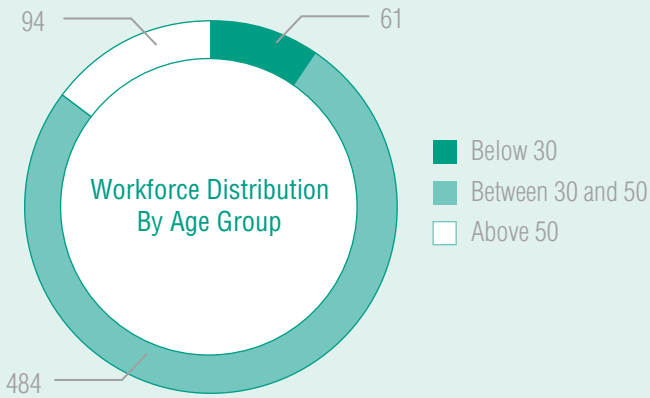
Workforce Analysis

As of December 31, 2025, the Group had 639 employees (2024: 715). The total workforce by employment type, category, age group and gender are as follows:



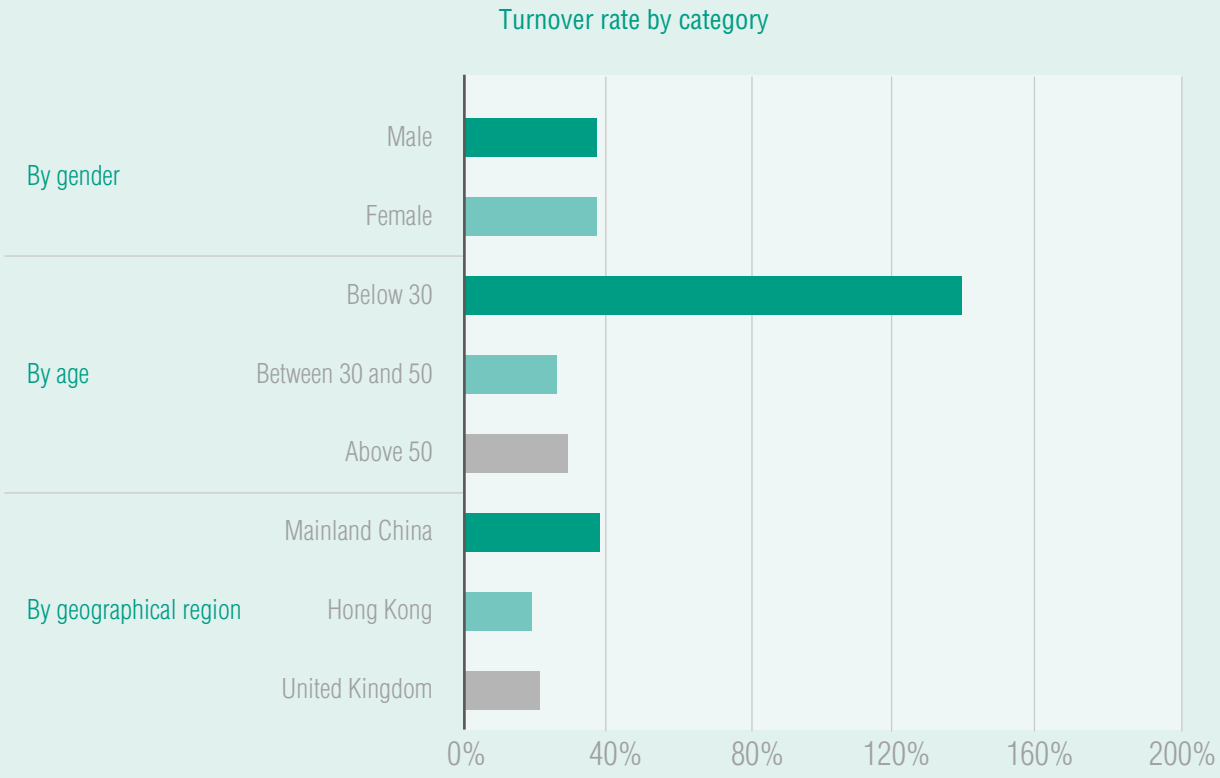






Employee Turnover Analysis

During the Reporting Period, the Group's overall employee turnover rate stood at 37%, reflecting a slight decrease compared to the previous year (2024: 41%). The detailed breakdown of employee turnover rates by gender, region, and age group is presented in the chart below:



HEALTH AND SAFETY OF EMPLOYEES

The Group complies with laws and regulations relating to health and safety, including but not limited to:

- The Production Safety Law of the PRC;
- The Law of the PRC on Prevention and Control of Occupational Diseases;
- Measures for Supervision and Administration of Occupational Health in Employing Units; and
- Work Injury Insurance Regulations.

The Group views occupational health and safety as a core pillar of long-term resilience, far exceeding simple regulatory compliance. To protect our workforce, The Group has operationalized a rigorous safety management framework that integrates daily preventative tasks with advanced contingency planning. By prioritizing workplace safety at the highest level, The Group utilizes robust preventative measures and rapid-response protocols to safeguard the employees and mitigate the operational impact of potential incidents.

To further reinforce compliance with regulatory requirements and relevant laws, the Group has taken stringent measures across all operations. Additionally, to recognize and reward outstanding performance in ensuring workplace safety, the Group has established a Safety Award Scheme to incentivize staff and departments that demonstrate exceptional commitment to safety practices.

During the Reporting Period, the Group has developed and implemented the following policies to safeguard the health and safety of its employees:

- Personal Protective Equipment (PPE) Management Procedures;
- Labor Protection and Occupational Disease Protection Control Procedures; and
- Occupational Health and Safety Management Procedures.

SAFE WORKING SYSTEM

Huzhou Ta Yang operates under a comprehensive safety management framework that assigns clear accountability for production security across all departments. Each unit is mandated to strictly adhere to established legal standards and regulations. This system integrates rigorous safety inspections and specialized training with dedicated protocols for occupational disease prevention and the provision of protective equipment.

Similarly, Dongguan Tai Yang has implemented a top-down safety accountability system, whereby employees at all levels are responsible for complying with safety policies. Dongguan Tai Yang has also set up a Work Safety Committee (the "WSC") to manage work safety and ensure that the principle of "working in a disciplined manner and maintaining safety" is implemented. The WSC is responsible for formulating technical safety measures and labor protection programs, arranging and supervising safety inspections, and handling safety-related accidents. To ensure the smooth and safe operation of production, the WSC conducts safety inspections, including factory inspections at least twice a quarter, inspections of production units at least once every two months, and daily inspections of all specialized operations and equipment.

Under the Work Safety Accountability System, every production unit is mandated to maintain a dedicated safety team. These teams operationalize the Work Safety Committee's (WSC) directives by developing detailed operating procedures and conducting safety education. To ensure continuous oversight, Safety Officers are embedded directly within plant rooms and operational teams. At Dongguan Tai Yang, high-risk roles involving machinery or hazardous substances require employees to complete professional skills training and pass formal assessments before operating independently. Furthermore, The Group enforces a rigorous 'three-level' safety induction – covering the production unit, plant room, and specific job post – for all new hires, temporary staff, interns, and transferred personnel prior to the commencement of their duties.

PREVENTION AND HANDLING OF ACCIDENTS

The Group maintains strict adherence to the Fire Control Law of the PRC, the Law of the PRC on Prevention and Control of Occupational Diseases, and all other applicable statutory requirements. To mitigate operational risks, The Group has established a robust emergency response framework designed to prevent and manage unforeseen incidents. This system is underpinned by continuous safety training and precautionary protocols, ensuring the management teams possess the technical expertise required for accident prevention. Furthermore, it has institutionalized comprehensive response strategies – with clearly defined roles for emergency personnel – to handle fires, floods, and chemical leaks, thereby ensuring that any potential casualties or asset losses are minimized.

Safety education is also an area to which the Group attaches great importance. For example, Dongguan Tai Yang has implemented various measures to promote workplace safety, such as posting slogans and distributing promotional leaflets in all departments, workshops and workgroups, as well as organizing "Work Safety Month" and "Work Safety Walk" activities. These initiatives aim to enhance employees' understanding of the national guidelines and policies on work safety, as well as relevant laws and regulations, in order to raise their awareness of workplace safety.

Given that silicone rubber manufacturing involves potential chemical exposure, Dongguan Tai Yang has upgraded its ventilation infrastructure to strictly adhere to the GBZ 2.1-2019 occupational exposure standards. Employees are provided with high-grade personal protective equipment (PPE), including masks and gloves, to mitigate health risks. To ensure ongoing safety, we engage third-party specialists for regular workplace assessments and provide employees with complimentary annual medical examinations. Beyond chemical safety, the Group maintains a rigorous fire management framework. This includes daily site inspections to identify and immediately remediate potential hazards, as well as quarterly evacuation drills designed to maintain a high state of emergency readiness among our workforce.

During the Reporting Period, the Group recorded one work-related injury at Dongguan Tai Yang; however, we are pleased to report that there have been no work-related fatalities across the Group for the past three consecutive years. Details of the occupational health and safety data are set out in the table below:

Indicators	FY2025	FY2024	FY2023
Work-related fatality	0	0	0
Work-related injury cases	1	0	2
Lost days due to work injury	58	0	316

DEVELOPMENT AND TRAINING TO ENHANCE KNOWLEDGE AND SKILLS

Through established internal means like the Employee Handbook and our Education and Training Management Procedures, the Group ensures a structured environment for continuous professional development. We are dedicated to delivering high-impact training programs that empower our workforce with the expertise required to excel in an evolving market. This investment in our people does more than improve individual performance; it drives the collective productivity and long-term sustainability of the entire organization.

The Group is dedicated to fostering a culture of fairness and equal opportunity, enabling employees to advance their careers and build an industry-leading team. Promotions are awarded based on merit, experience, and performance, ensuring that talented individuals are recognized and rewarded for their contributions. Recognizing that the expertise and knowledge of our employees are critical to their success, the Group invests in high-quality training programs tailored to the needs of staff at all levels. These programs are designed to align with our business objectives, enrich employees' knowledge, enhance operational efficiency, and unlock their full potential.

TRAINING INITIATIVES AND PROGRAMS

Dongguan Tai Yang and Huzhou Ta Yang regularly develop annual training plans based on departmental needs and the Group's long-term development strategies. These plans include a mix of internal and external training programs to ensure employees are well-equipped to meet current and future challenges.

- Onboarding & Induction: New hires participate in a structured orientation to internalize the Group's corporate identity, culture, and governance. This is followed by specialized induction training focused on job-specific technical skills and essential compliance standards, including quality, safety, and environmental management.
- Internal Mobility Support: For employees transitioning into new roles, The Group provide targeted redeployment training to ensure they are fully equipped with the competencies required for their new responsibilities.
- On-the-Job Training: At Dongguan Tai Yang, employees participate in on-the-job training at least once every six months. These ensure that staff remain proficient in core management systems and evolving quality standards.
- Professional Advancement: The Group proactively supports employees' external growth by subsidizing participation in industry seminars, advanced courses, and professional certifications. This enables our team to stay at the forefront of industry trends and maintain high-level credentials.

During the Reporting Period, the Group provided a total of 34,181 hours (FY2024: 38,318 hours) of training to 757 employees (FY2024: 765). This resulted in a 119% (FY2024: 107%) training participation rate, with an average of 53.49 training hours (FY2024: 53.59 hours) per employee. Below is a summary of the training activities conducted in FY2025 and FY2024:

Trained employees	FY2025	FY2024
Total trained employees and the percentage of employees trained	757 (119%)	765 (107%)
By gender		
Male	372 (49%)	397 (52%)
Female	385 (51%)	368 (48%)
By employee categories		
Senior management	18 (2%)	16 (2%)
Middle management	52 (7%)	27 (4%)
Frontline employees	687 (91%)	722 (94%)
Training hours		
Total training hours	34,181	38,318
Average training hours	53	54
By gender		
Male training hours	15,876	20,179
Average training hours for Male	52	56
Female training hours	18,305	18,139
Average training hours for Female	55	52

By employee categories	FY2025	FY2024
Senior management training hours	483	448
Average training hours for Senior management	17.23	17.92
Middle management	4,766	3,573
Average training hours for Middle management	49.14	51.04
Frontline employees	28,932	34,297
Average training hours for Frontline employees	59.65	55.32

SAY NO TO CHILD AND FORCED LABOUR

Child labour and forced labour are strictly prohibited in the Group. The Group adheres to all applicable laws and regulations on employment and labour standards, including but not limited to:

- The Labor Law of the PRC;
- The Labor Contract Law of the PRC;
- The Law on Protection of Minors of the PRC;
- Provisions on the Prohibition of Using Child Labor of the PRC;
- Modern Slavery Act 2015 (UK);
- Employment Ordinance (Cap. 57) of Hong Kong; and
- Protection of Children and Juveniles Ordinance (Cap. 213) of Hong Kong.

POLICIES AND PROCEDURES

To operationalize these commitments, the Group has established comprehensive policies, including:

- TY-2B-20-021 Employee Recruitment Management Procedures;
- TI-2B-20-009 Procedures for the Protection of Child and Minor Workers; and
- TI-2B-20-012 Procedures for the Management of Humane Treatment and Non-discrimination.

To ensure strict adherence to child labor laws, the Group conducts a rigorous verification process during recruitment. We authenticate every applicant's age and background using official documentation, such as identity cards and academic credentials. The Group maintains a zero-tolerance policy regarding underage labor and strictly prohibits the employment of anyone under the age of 16.

REMEDIAL MEASURES

In the rare event that child labor is discovered, the Human Resources Department will:

- Immediately remove the child from the workplace;
- Arrange a comprehensive health check to ensure the child's well-being;
- Contact the child's family and arrange for their safe return home; and
- Cover all associated medical and transportation expenses.

EMPLOYEE RIGHTS AND PROTECTIONS

Every employee is provided with a formal employment contract that transparently outlines their terms and conditions of service. Beyond basic compliance, the Group actively safeguards the rights of women and minority groups through robust internal policies aligned with national regulations. We maintain a strictly voluntary approach to overtime, ensuring it is only utilized under essential circumstances. Furthermore, the Group enforces a zero-tolerance policy regarding any form of workplace abuse – including verbal, physical, or sexual harassment. Any violation of these standards results in immediate termination and rigorous disciplinary action.

COMPLIANCE AND RISK MANAGEMENT

No non-compliance with relevant laws and regulations relating to preventing child and forced labor had been identified during the Reporting Period. The Group's operations remain free from significant risks associated with these issues.

SUSTAINABLE SUPPLY CHAIN

The Group maintains rigorous control over its supply chain through specialized frameworks, specifically our Procurement Management Procedures ("Procurement Management Procedures") and Supplier Selection procedures ("Supplier Selection and Management Procedures"). Recognizing that a resilient supply chain is fundamental to our operational continuity and sustainability, we prioritize high standards of stability, reliability, and quality. Our approach transcends basic compliance; we strive to cultivate enduring partnerships with suppliers whose dedication to excellence and corporate values mirrors our own.

SUPPLIER SELECTION AND EVALUATION PRACTICE

The Group maintains a disciplined procurement strategy, partnering exclusively with vendors who satisfy our rigorous onboarding assessments. Potential suppliers are vetted across a broad spectrum of technical and operational criteria to ensure total alignment with our quality standards. Post-selection, we transition into a phase of continuous oversight, utilizing monthly and annual performance audits. These evaluations measure suppliers against key indicators, including technological sophistication, production capacity, reliability, and the maturity of their quality management systems.

The Group utilizes a structured scoring system to provide a granular assessment of supplier performance, highlighting both strengths and opportunities for development. When a supplier's score falls below our established benchmarks, we issue comprehensive recommendations for corrective action. To maintain the integrity of our operations, those failing to meet our core standards are temporarily suspended from the supply chain until they can verify significant and sustained improvement in their performance metrics.

Moreover, the Group is deeply committed to enhancing the environmental and social risk management practices of our suppliers. Through on-site assessments, we actively engage with our suppliers to encourage and support them in adopting proactive measures. These measures are aimed at preventing, mitigating, and remediating any existing or potential adverse environmental and social impacts, thereby aligning with our sustainability goals and corporate social responsibility commitments.

SUPPLIER DYNAMICS

During the Reporting Period, the Group maintained a robust network of 478 suppliers (FY2024: 463). Every supplier in our network is required to satisfy our rigorous selection and evaluation protocols, qualifying as a trusted partner only after passing the Group's formal assessment mechanism. Our supply base is geographically diverse, reflecting a strategic balance between global reach and local engagement. This distributed network not only ensures operational resilience but also drives meaningful economic growth within the diverse regions where we operate.

In summary, the Group's supply chain management practices are designed to ensure the highest standards of quality, reliability, and sustainability. By fostering a collaborative and transparent relationship with our suppliers, we aim to create a resilient and responsible supply chain that supports our long-term strategic objectives and contributes positively to the communities and environments in which we operate.

The contraction of the Group's Retail Business has resulted in a corresponding decline in the number of associated suppliers in the UK market.



SUPPLY CHAIN RISK MANAGEMENT

To proactively mitigate environmental and social risks, the Group has established a robust framework for the continuous assessment and monitoring of supplier performance. These measures ensure that every tier of our supply chain remains fully synchronized with international standards and our core corporate values. Below is a detailed overview of our supply chain risk management practices:

Supply Chain Risk Management	
Environmental Aspects	• **Compliance with International Standards**: All raw materials used by suppliers must comply with stringent international environmental standards, including the REACH Regulation of the European Union and the Toxic Substances Control Act (TSCA) of the United States. • **Discharge Permits**: The Group rigorously assesses the discharge permits of suppliers where applicable. Suppliers lacking valid discharge permits are automatically disqualified from our supplier assessment process. • **Environmental Management Systems**: During supplier evaluations, the Group prioritizes those with certified environmental management systems (e.g., ISO 14001). Such certifications result in higher scores within our supplier scoring system, reflecting our commitment to environmental stewardship.
Social Aspects	• **Quality Control Certifications**: Suppliers and potential suppliers holding recognized quality control certificates such as ISO 9001 or IATF 16949 are given preference. Suppliers with unsatisfactory ratings who fail to implement corrective actions are promptly disqualified. • **Safety Protocols**: Before entering any of the Group's manufacturing plants, suppliers are required to read and sign an entry term or safety notice. They are also reminded to wear appropriate PPE and adhere to the Group's stringent safety requirements. • **Employee Welfare**: The Group mandates that all suppliers uphold the highest standards of employee health and safety. This includes providing safe working conditions, regular training, and access to necessary protective measures.

PRODUCT RESPONSIBILITIES

QUALITY CONTROL

Throughout the Reporting Period, the Group maintained strict compliance with all relevant statutory requirements, most notably the Product Quality Law and the Production Safety Law of the PRC. To guarantee excellence, we operate a rigorous quality management system which following the standards of ISO 9001:2015 and ISO/TS 16949:2009. This framework provides end-to-end oversight, ensuring every phase – from raw material procurement to final product distribution – is meticulously monitored and controlled.

In addition to complying with government regulations and industry standards, the Group has established a series of internal policies to standardize the implementation and supervision of quality control procedures. These policies enable us to fulfill our product-related responsibilities more effectively and ensure the highest standards of quality and safety. Key policies include:

- TY-2B-20-024 Procurement Management Procedures;
- TY-Q0-20-015 Product Inspection Control Procedures;
- TY-QP-20-021 Product Recall Management Procedures; and
- TY-Q0-20-018 Customer Complaint Handling Procedures.

Our dedicated quality control team oversees quality assurance at every stage of production, from raw material inspection to the final delivery of finished products. Advanced testing equipment is utilized to conduct rigorous quality checks, such as evaluating the evenness of coating materials on aluminum aerosol cans and



testing the internal pressure tolerance of the cans. Below is a detailed overview of the quality control measures implemented during the Reporting Period:

Quality Control Measures	
Quality control on suppliers and raw materials	**Supplier Approval**: Raw materials are sourced exclusively from pre-approved suppliers who meet our stringent quality standards. **Random Sample Checks**: Upon receipt, the quality control team conducts random sample inspections. Materials failing the preliminary check are flagged, and suppliers are promptly notified for corrective action. **Storage Compliance**: To prevent accidents, "No Smoking and No Fire" signs are prominently displayed in storage areas. Additionally, the temperature and humidity of the warehouse are continuously monitored to ensure compliance with ISO 14001 environmental management system requirements, guaranteeing proper storage conditions.
Quality control during production	**In-Process Inspections**: Quality control is conducted at multiple stages of the production line to ensure semi-finished products meet internal benchmarks. **Stage-by-Stage Checks**: Inspectors perform quality checks at each production process. Only products that pass inspection are allowed to proceed to the next stage.
Testing before delivery	**Final Inspection**: Before dispatch, the quality control team conducts a comprehensive final inspection of finished goods. **Handling of Non-Conforming Products**: Any products failing the final inspection are segregated to prevent mixing with qualified goods. Inspectors document the non-conforming products, which are then reworked and subjected to a second, more stringent inspection before being approved for delivery.

The Group is dedicated to operational excellence through a rigorous quality control framework and a commitment to continuous process optimization. We periodically review our quality management protocols to ensure they remain synchronized with shifting industry benchmarks and statutory requirements. By institutionalizing a culture of accountability, we ensure our products consistently surpass client expectations while maintaining absolute alignment with environmental and safety mandates.

In summary, the Group's quality control framework is designed to deliver products of exceptional quality, safety, and reliability. Through rigorous inspections, advanced testing, and a commitment to continuous improvement, we strive to uphold our reputation as a trusted leader in the industry.

PRODUCT ASSURANCE AND RECALL

The Group is committed to ensuring the highest standards of product quality by adhering to international standards and implementing rigorous testing procedures. Our manufacturing processes and contractor performance are meticulously managed to maintain consistency and reliability. Any purchased materials, semi-finished products, or finished goods found to be defective are immediately removed from the production line. Substandard products are thoroughly analyzed, and appropriate corrective or preventive measures are taken in accordance with the Group's established policies.

In the event a product is identified as non-conforming, the Quality Control team activates a comprehensive traceability protocol to isolate the affected shipment. Any products exhibiting significant quality deviations are subject to an immediate recall. To maintain a state of high readiness, the Group executes annual product recall simulation drills, ensuring all stakeholders are proficient in emergency response procedures. During the Reporting Period, there were no recalls initiated due to safety or health concerns, nor were there any instances of material non-compliance with product health and safety regulations.

CUSTOMER COMPLAINT

The Group utilizes a Customer Complaint Handling Procedure to ensure that all client concerns are addressed with speed and precision. This framework facilitates the swift resolution of issues while mandating the implementation of corrective and preventive actions to eliminate the reasons of client's complaint. Through this systematic approach, we not only enhance customer satisfaction but also drive continuous improvement to prevent the recurrence of service or product discrepancies.

The responsibilities of each department in handling customer complaints are clearly defined in our policy. Customers can submit complaints through various channels, including telephone, letter, fax, or other means. The complaint handling process is structured as follows:

Customer Complaint Handling Process	
Receipt of complaints	The Sales Department (SD) immediately notifies the quality control team upon receiving a complaint. The quality control team confirms the complaint details, including production dates, batch numbers, and the nature of the complaint (e.g., whole batch or specific production line).
Analysis of causes	The quality control team conducts a strict sampling inspection of stocked products to assess their quality. Defective products are analyzed to determine if they align with the customer's returned samples. If discrepancies exist, Quality control team proposes a sample limit for SD and customer confirmation. For valid complaints, the quality control team traces the issue using daily production quality control sheets and issues a Customer Complaint Handling Order to the responsible department for rectification.

Customer Complaint Handling Process	
Handling result and follow up	After the responsible department implements improvements, quality control team assigns personnel to conduct follow-up inspections, including tracking three consecutive batches to verify the effectiveness of corrective measures. If the measures are ineffective, the quality control team issues a Quality Exception Notice, requiring the responsible department to propose new improvement measures until the issue is resolved.

During the Reporting Period, the Group received 1 complaint case related to products and services. The complaint was resolved through effective communication and corrective actions, and none were classified as major issues.

CUSTOMER PRIVACY

The Group strictly complies with laws and regulations related to consumer rights and privacy, including but not limited to:

- Law of the PRC on the Protection of Consumer Rights and Interests; and
- Personal Information Protection Law of the PRC.

To safeguard customer data, the Group has implemented comprehensive data security management policies, such as the RBA42-Privacy and Confidentiality Management Program. Key measures include:

- Restricting user rights, access privileges, and the use of USB ports and CD-ROM drives;
- Prohibiting peer-to-peer file sharing and unauthorized software installation;
- Auditing internet access and activities; and
- Encrypting core data.

Under their employment agreements, all staff are contractually bound to safeguard the Group's intellectual property and maintain the strict confidentiality of sensitive data, including client-related information. This scope encompasses client-owned concepts, proprietary models, financial data, and marketing strategies. To further mitigate risk, senior management and key technical personnel are subject to two-year non-compete and confidentiality obligations following their departure from the Group. Furthermore, we accommodate specific client requirements for heightened data protection through tailored non-disclosure agreements. The Group maintains a firm policy on information security, where any breach of these confidentiality mandates may result in summary dismissal.

During the Reporting Period, there were no substantiated complaints about infringement of customer privacy, discovery of leakage, misappropriation or loss of customer information.

INTELLECTUAL PROPERTY ("IP") AND PRODUCT ADVERTISEMENT

COMPLIANCE WITH ADVERTISING, LABELING, AND IP REGULATIONS

The Group is unwavering in its commitment to adhering to all applicable laws and regulations governing advertising and labeling. This includes, but is not limited to, Trademark Law of the PRC and Advertising Law of the PRC. These laws form the foundation of our advertising and labeling practices, ensuring that all communications are transparent, accurate, and truthful.

All advertisements and labels are meticulously designed to provide objective and truthful descriptions of our products and services. This not only ensures compliance with legal and regulatory standards but also reinforces our commitment to ethical business practices. In the rare event of complaints related to advertising or labeling, the Group initiates immediate investigations to identify the root cause. Necessary corrective actions are promptly implemented to address any issues and prevent recurrence. This proactive approach underscores our dedication to maintaining the trust of our customers and stakeholders.

IP PROTECTION

The Group views intellectual property (IP) as a cornerstone of our innovation and competitive advantage, placing high priority on its protection across our entire value chain. We recognize that intellectual property is a critical asset that drives innovation and competitive advantage. All proprietary assets – including technical drawings, designs, and operational manuals – shared with external partners are classified as strictly confidential and may not be copied or disclosed without express authorization. To proactively mitigate infringement risks, we conduct rigorous due diligence before finalizing any collaboration. We hold our partners to the same stringent standards, requiring total respect for third-party copyrights, patents, and trademarks. The Group maintains a firm stance on IP integrity and reserves the right to seek full restitution for any losses or damages resulting from partner-related infringements.

The Group has institutionalized its intellectual property oversight by establishing a dedicated IP Management Team. This specialized unit is tasked with proactive risk identification, compliance monitoring, and the resolution of infringement cases. Working in close coordination with the Legal Department, the team is empowered to take decisive action against violations, including the pursuit of formal litigation when necessary. This structured governance ensures our intellectual assets remain robustly protected and that any breach is met with a prompt, effective response.

REPORTING PERIOD HIGHLIGHTS

The Group prioritizes the ongoing optimization of its intellectual property framework. We systematically evaluate and refine our internal protocols to ensure full alignment with evolving legal mandates and global industry benchmarks. Furthermore, we facilitate comprehensive training initiatives designed to equip employees, suppliers, and partners with a deep understanding of IP value and the specific compliance standards required to safeguard our collective innovation.

During the Reporting Period, the Group maintained a strong track record of compliance with IP-related laws and regulations. No material non-compliance incidents were recorded, reflecting our rigorous approach to IP management and our commitment to upholding the highest standards of integrity and accountability.

Strict adherence to advertising, labeling, and intellectual property mandates serves as a pillar of the Group's operational framework. By maintaining rigorous compliance, safeguarding our proprietary assets and fostering a culture of respect for third-party rights, we protect our commercial interests while actively promoting a transparent and equitable competitive landscape.

ZERO TOLERANCE FOR CORRUPTION

The Group operates with a steadfast focus on integrity, ensuring rigorous alignment with the Anti-Unfair Competition Law, Anti-Money Laundering Law, and Criminal Law of the PRC, alongside all relevant anti-bribery statutes. We view honesty and fairness as the cornerstones of our organizational success and market reputation. These core values are deeply institutionalized within our corporate culture, serving as the definitive guide for our global operations.

To protect the interests of our shareholders and stakeholders, the Group enforces a zero-tolerance policy against bribery, fraud, misappropriation, and all forms of financial misconduct. Our code of conduct strictly prohibits the acceptance of improper inducements, such as excessive entertainment, cash, equity, or high-value gifts. This framework is reinforced by comprehensive internal regulations on gift-giving and conflict-of-interest management, all designed to institutionalize a culture of integrity and ethical decision-making at every organizational level.

The Group regularly reviews and updates its anti-corruption policies and regulations to ensure they remain aligned with evolving legal requirements and industry best practices. These policies are applicable to all business operations, including procurement, manufacturing, marketing, and communication, ensuring that integrity is upheld throughout the entire value chain.

ANTI-CORRUPTION TRAINING AND AWARENESS

To ensure that employees fully understand the importance of anti-corruption and ethical conduct, the Group mandates that all directors and senior management complete anti-corruption and ethics training as part of their induction programs. In FY2025, the Group organized 2 hours (FY2024: 2) of anti-corruption training for 50 (FY2024: 40) directors and senior management, equipping them with the knowledge and tools to identify and prevent corrupt practices. Additionally, anti-corruption posters are prominently displayed in workplaces to serve as constant reminders of the Group's commitment to integrity and to provide employees with information on reporting channels for suspected misconduct.

The Group has established a dedicated Discipline and Supervision Department, which oversees all aspects of internal discipline, supervision, and audit functions. This department is responsible for monitoring staff compliance with laws and regulations, conducting regular inspections of the Group's financial income, expenditures, and asset management, and implementing measures to minimize business risks. By maintaining a robust internal control system, the Group ensures transparency and accountability in its operations.

WHISTLEBLOWING AND REPORTING POLICY

To bolster our anti-corruption framework, the Group has institutionalized a secure whistleblowing and reporting channel, empowering employees to report unethical conduct, suspected corruption, or malpractice directly to the General Manager. We guarantee the highest level of confidentiality; participants in any fraud inquiry are strictly prohibited from disclosing investigation details without express authorization. Upon the detection of potential violations, the Group launches a forensic investigation. Once misconduct is substantiated, we enforce rigorous disciplinary measures – ranging from formal warnings and demotions to summary dismissal. This structured accountability mechanism shows our uncompromising zero-tolerance stance on corruption.

ANTI-CORRUPTION PERFORMANCE DURING THE REPORTING PERIOD

During the Reporting Period, the Group maintained a strong track record of compliance with applicable anti-corruption laws and regulations. No material breaches were recorded, reflecting the effectiveness of the Group's anti-corruption policies, training programs, and internal controls. This achievement underscores our commitment to fostering a culture of integrity and ethical behaviour across the organization.

Our zero-tolerance approach to corruption is a cornerstone of our corporate governance. Through rigorous policies, comprehensive training, robust supervision, and a transparent reporting system, we are committed to upholding the highest standards of integrity and ethical conduct in all our business activities.

TOGETHER TO BUILD OUR COMMUNITY

The Group is dedicated to its role as a socially responsible enterprise, harmonizing the pursuit of sustainable growth with a profound commitment to societal progress. We recognize that modern businesses serve as vital catalysts for addressing complex social challenges and elevating community well-being. Consequently, we actively empower our workforce to lead community involvement initiatives and volunteer programs, institutionalizing a culture of philanthropy that prioritizes support for the underserved and fosters a lasting spirit of generosity.

SUPPORTING THE ELDERLY

During the Reporting Period, the Group demonstrated its commitment to social responsibility by donating RMB2,000 to the Dongguan Jinhe Community to sponsor the 20th Spring Festival Senior Citizens' Reunion. This event brought joy and warmth to elderly residents, providing them with an opportunity to celebrate the Spring Festival together. We recognize that caring for the elderly is a shared responsibility of society, and we are proud to make our own contribution to enriching the lives of seniors during their golden years. Through initiatives like this, we aim to promote respect and compassion for the elderly, ensuring they feel valued and supported.

PROMOTING COMMUNITY REVITALIZATION

In addition to supporting the elderly, the Group participated in the "Donation for Guangdong Poverty Alleviation Day" event. We donated RMB2,000 to support community revitalization efforts. This initiative aligns with our commitment to fostering sustainable development and addressing social inequalities. By contributing to community revitalization, we aim to help create thriving communities where individuals can enjoy improved living standards and economic opportunities.

ENGAGEMENT IN COMMUNITY SERVICE

We make it a priority to get our team involved in volunteering and community service. Whether through company-wide events or their own personal time, our people step up to share their skills with local neighbors and those who need it most. These efforts do more than just help our community; they give our team a real sense of pride and a deeper connection to the work we do together.

As part of our long-term commitment to social responsibility, the Group plans to expand its community engagement efforts in the coming years. We aim to:

- Increase our support for programs that benefit the elderly, children, and other vulnerable groups;
- Partner with local organizations to address pressing social issues, such as improving employment rates, and environmental sustainability; and
- Encourage even greater employee participation in volunteer activities, creating a lasting positive impact on society.

By working together with our employees, partners, and communities, we are confident that we can build a more inclusive, equitable, and sustainable future for all.

CLIMATE CHANGE



The Group is dedicated to the proactive management of climate-related risks and opportunities, viewing them as essential to our long-term business resilience and sustainable growth. Acknowledging the profound impact of climate change on our sector, we have embedded climate considerations into the heart of our corporate governance, strategic planning, and risk management frameworks. This ensures that environmental performance remains a key driver of our decision-making.

In line with the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD"), the IFRS S2 Climate-related Disclosures Standard, and the enhanced disclosure requirements under Part D of the HKEX's latest ESG Reporting Code, the Group addresses climate-related matters across four core pillars: Governance, Strategy, Risk Management, and Metrics & Targets. We have established and continuously refined a long-term mechanism through systematically identifying and assessing

climate-related risks and opportunities, driving innovative climate action, and embedding climate risk management into our strategic and operational processes. This not only strengthens our resilience to climate change but also enables us to capture opportunities arising from the green transition, thereby supporting high-quality and sustainable business development.

GOVERNANCE

As the Group's supreme governing body, the Board maintains ultimate accountability for the strategic oversight of climate-related risks and opportunities, steered by the principles of the Climate Change Policy. To ensure robust leadership, the Board periodically evaluates its collective expertise, ensuring members possess – or are developing – the specialized competencies necessary to govern the Group's climate resilience strategy effectively.

Furthermore, climate-related factors are deemed to be a primary consideration in high-level decision-making. This includes the approval of corporate strategy, the evaluation of major transactions, and the rigorous oversight of the risk management framework. By embedding these variables into strategic planning and business continuity arrangements, the Board ensures that all organizational processes are aligned with our commitment to long-term sustainability and climate risk mitigation.

The Board holds direct responsibility for the approval of the Group's primary climate-related objectives. This includes the validation of specific performance targets that align with our mid- to long-term carbon reduction and environmental protection mandates. To ensure accountability, the Board maintains an active monitoring role, conducting regular reviews of the Group's progress against these established benchmarks.

Regarding executive incentives, the Group acknowledges that climate-related performance metrics have not yet been integrated into the formal remuneration governance structure. However, we remain committed to reviewing our compensation frameworks to ensure that, in the future, leadership incentives are progressively aligned with our long-term sustainability and climate resilience goals.

Senior management is tasked with the design, implementation, and maintenance of a comprehensive internal control system dedicated to the identification, monitoring, and mitigation of climate-related issues. To ensure these efforts are not siloed, these control mechanisms are meticulously synchronized with the Group's core business pillars, including the strategic planning cycle, annual budgeting, financial control system, the enterprise risk management (ERM) framework and internal audit plans.

We ensure that environmental considerations drive day-to-day decision-making and operational execution. This integrated approach is vital for fulfilling our policy mandates, specifically in the development of climate-resilient project lifecycles, the enforcement of sustainable procurement standards, the enhancement of stakeholder engagement, and the assurance of rigorous compliance with evolving environmental regulations.

STRATEGY

The Group's Climate Change Policy serves as the foundational framework for our environmental response. In accordance with this policy, we have performed a comprehensive assessment to identify climate-related risks and opportunities that may impact the Group's financial health. Specifically, we have evaluated factors that could influence our cash flows, capital costs, and access to financing over the short, medium, and long term, ensuring these insights are fully integrated into our strategic decision-making processes.

CLIMATE-RELATED RISKS AND OPPORTUNITIES

The Group's Climate Change Policy provides the foundational framework for managing environmental impacts. In line with our policy commitments, we have performed a rigorous assessment of the climate-related risks and opportunities affecting our operations. We have identified specific factors likely to influence the Group's cash flow, financing accessibility, and cost of capital over the short, medium, and long term, ensuring these considerations are fully embedded into our strategic decision-making.

The Group categorizes climate-related time horizons as short-term (0–3 years), medium-term (4–6 years), and long-term (7 years and beyond). These classifications are specifically calibrated to match our strategic planning cycles, the typical payback periods for our asset investments, and the assessment windows for major capital expenditures. The following table details our primary climate-related risks, specifying their projected timeframes, potential financial and operational impacts, and our corresponding strategic mitigations across the business model and value chain.

Climate-related risks

Risk Category & Description	Primary Time Horizon of Impact	Potential Business & Financial Impact	Strategic Response & Integration Measures	Concentration within Business Model & Value Chain
Transition Risks **Policy & Legal:** Tightening energy efficiency standards, emergence of carbon pricing mechanisms, etc.	Short, Medium Term	**Business Impact:** 1. Need to enhance corporate and staff's capabilities in green production compliance 2. Business uncertainty and potential litigation risks from regulatory changes **Financial Impact:** 1. Increased **capital expenditure** on low-carbon materials and energy-efficient retrofits 2. Potential carbon costs, fines, and other compliance-related costs	In line with our commitment to complying with environmental laws, striving for higher standards, driving action through emission reduction targets, and considering climate change factors in procurement	**Value Chain Segment:** Design & budget planning, material procurement, production management, compliance auditing **Business Unit:** All segments **Geographic Areas:** Main operating location

Risk Category & Description	Primary Time Horizon of Impact	Potential Business & Financial Impact	Strategic Response & Integration Measures	Concentration within Business Model & Value Chain
Physical Risks **Acute:** Weather-related events, such as storms, floods, fires or heat waves **Chronic:** Long-term shifts in climate patterns, such as temperature changes, rising sea levels, reduced water availability, loss of biodiversity, and changes in land and soil productivity	**Acute:** Short, Medium Term **Chronic:** Medium, Long Term	**Business Impact:** 1. Asset damage, production disruption, supply chain interruption 2. Increased risks to employee health and safety 3. Decreased labour productivity due to extreme temperatures **Financial Impact:** 1. Increased repair costs, insurance premiums, and potential impairment of asset values 2. Reduced revenue due to business interruption 3. Increased operational expenditure from higher cooling demand	In line with our commitment to integrating climate change risks into our risk management processes and business continuity plans. We systematically incorporate climate resilience criteria during the production and design phases of products, and we develop contingency plans (where appropriate) to prevent or reduce physical disruption to our operations from climate change.	**Value Chain Segment:** Supply chain management, factory operations & PPE maintenance **Asset Types:** Property, Plant & Equipment, Financial & Legal Assets, Inventory **Business Unit:** Production segment **Geographic Areas:** Factories located in low-lying areas

Risk Category & Description	Primary Time Horizon of Impact	Potential Business & Financial Impact	Strategic Response & Integration Measures	Concentration within Business Model & Value Chain
Transition Risks Technology: Market shift towards low-carbon and renewable energy technologies	Medium, Long Term	**Business Impact:** 1. Need to increase adoption of energy-saving technologies and renewable energy 2. Existing technologies may face obsolescence pressure **Financial Impact:** 1. Increased initial **capital expenditure** and training costs for new technology adoption 2. Long-term reduction in **operational expenditure** through improved energy efficiency	Examined the feasibility and benefits of applying the latest low-carbon and energy-saving technologies in our operations	**Value Chain Segment:** R&D & innovation, design, PPE procurement & upgrades **Asset Types:** New PPE and production line, experienced staff **Business Unit:** Production segment
Transition Risks Market: Growing market and consumer preference for green products Failure to respond promptly may lead to loss of competitiveness	Medium, Long Term	**Business Impact:** 1. Changing customer preferences affects product acceptance and market positioning 2. Risk of market share erosion if product sustainability performance lags behind peers or market expectations **Financial Impact:** 1. Increase in capital expenditures for green upgrades to maintain competitiveness 2. **Stagnant or declining sales revenue and asset valuations** for products do not align with market trends	Tightened the control of the climate-related environmental pollution in daily business operations and made climate change as a high concern in the market decisions to show to the clients that the company is concerned about the problem of climate change	**Value Chain Segment:** Product Design, Production, marketing, Sales **Geographic Areas:** Tier 1 and Tier 2 cities with higher awareness of green consumption

Risk Category & Description	Primary Time Horizon of Impact	Potential Business & Financial Impact	Strategic Response & Integration Measures	Concentration within Business Model & Value Chain
Transition Risks Reputation: Increasing stakeholders focus on corporate climate action and low-carbon profile	Medium, Long Term	**Business Impact:** Poor climate performance may damage brand value, affecting customer loyalty, talent attraction, and partner relationships **Financial Impact:** 1. Downgrades in ESG ratings may impact **share price and valuation** 2. Potential **increase in cost of finance** or investor divestment	In line with our commitment to raising internal and external environmental awareness through regular training and communication. We will integrate climate performance management into our brand building, consolidating our reputation as a responsible enterprise through transparent disclosure and proactive communication	**Scope of Impact:** Group-wide brand and reputation **Relevant Stakeholders:** Investors, financial institutions, customers, potential employees

Climate-related opportunities

While climate change exposes the Group to numerous risks, it also unveils a spectrum of opportunities across its diverse business units:

I. Silicone Business

Due to its exceptional thermal stability and resilience, silicone is a critical material in the renewable energy sector, particularly for the manufacturing of photovoltaic cells and other clean-energy technologies. Beyond energy generation, silicone enhances the built environment by enabling energy-efficient construction, which directly lowers operational power demands and carbon emissions. Its versatility is equally vital to the future of mobility, supporting the production of electric vehicles (EVs) and alternative fuel transport. As global markets pivot toward sustainable development, silicone is positioned as a foundational material for this green transition.

II. Digital Marketing Business

The Group's digital marketing arm is uniquely positioned to leverage its technical expertise and data-driven insights to advocate sustainable products and practices across all business units. By developing targeted campaigns that articulate the life-cycle environmental benefits of silicone products, the digital marketing team can effectively bridge the gap between industrial utility and ecological responsibility.

Furthermore, by spotlighting the Group's energy-efficient retail operations and eco-conscious hospitality initiatives, these marketing efforts will serve to reinforce our brand identity as a pioneer in sustainability. This holistic communication strategy is designed to do more than build awareness; it aims to secure a competitive advantage by attracting a growing demographic of environmentally conscious consumers and high-value institutional partners who prioritize ESG alignment in their procurement and investment decisions.

III. Retail Business in the UK

The retail sector can capitalize on the growing demand for sustainable and locally sourced products. By expanding its range of eco-friendly goods and implementing sustainable practices, such as reducing plastic packaging and optimizing supply chains for lower carbon emissions, the Group can enhance its brand reputation and attract a loyal customer base. Additionally, the retail business can explore partnerships with local producers to reduce transportation emissions and support the local economy.

In conclusion, the challenges brought about by climate change are significant, but they also offer many opportunities for the Group to innovate and grow. We believe that by being proactive – identifying risks early and acting on new market trends – we can successfully manage the difficulties of a changing world.

Our strategy is to build sustainability directly into the heart of every department. In our Silicone Business and Digital Marketing Business, this means focusing on efficiency and green communication. In our Retail, Healthcare, and Hotel businesses, it means offering services that protect the environment while meeting the needs of our guests and customers.

By taking this all-around approach, the Group does more than just protect itself from climate risks; we also help build a stronger, more sustainable future for everyone. This commitment ensures that we stay competitive and continue to grow as more people around the world look for environmentally friendly companies to support.

FINANCIAL POSITION, FINANCIAL PERFORMANCE AND CASH FLOWS

Through continuous monitoring of both transition and physical climate risks, the Group has developed and matured a comprehensive scenario analysis framework. This framework is a critical tool for evaluating our business models and informing strategic pivots. By examining impact trajectories across short-, medium-, and long-term horizons – and aligning our analysis with the 10-year reduction target set in FY2022, we ensure the long-term climate resilience of our global operations and strategic direction.

At present, the financial materiality of climate-related impacts on the Group's cash flows remains constrained. Following an initial cross-segment scenario analysis, the Group continues to evaluate the potential sensitivity of asset and liability valuations to climate-driven regulatory and market developments. Moving forward, we intend to institutionalize climate resilience within our financial planning cycles and capital allocation strategies, ensuring our sustainable development remains aligned with our fiscal objectives.

CLIMATE RESILIENCE

The Group places high importance on building climate resilience and will consider conduct and integrate climate scenario analysis into its strategic planning and business model adjustment processes.

Based on currently available reasonable and well-founded information, we believe the Group possesses strong capabilities to address climate-related risks. Going forward, we will continue to enhance our adaptability to diverse climate scenarios through tracking and adjustment, ensuring our strategies and business models maintain long-term resilience and sustainable competitiveness.

RISK MANAGEMENT

In response to the risks and opportunities posed by climate change, the Group places high importance on building climate resilience by systematically embedding climate-related considerations into the overall risk management framework. We recognise the importance of establishing robust management processes and are committed to enhancing the corresponding internal capacity.

Currently, we primarily identify climate-related physical and transition risks through industry research, policy analysis, and qualitative assessments, with a focus on key issues such as extreme weather events and water resource management. Such process covers all business segments of the Group, including (i) the designing and manufacturing of silicone rubber products (the "Silicone Business"); (ii) international digital marketing business (the "Digital Marketing Business"); (iii) the provision of retail services (the "Retail Business") in the United Kingdom; and (iv) healthcare and hotel services.

We have established a regular monitoring mechanism to track operational performance through key performance indicators such as energy and water consumption. Compared to the previous ESG Reporting Period, the Company has further expanded the scope of climate risk identification, enhanced the systematic approach to data collection, and increased the granularity of scenario analysis. In addition, the Company has strengthened its cross-departmental collaboration mechanisms, integrating climate risk considerations more closely into preliminary project assessments and investment decision-making processes.

METRICS AND TARGETS

GREENHOUSE GAS EMISSIONS

The Group is committed to minimizing the use of ozone-depleting substances and reducing emissions across its business operations. Emission reductions are anticipated through the implementation of several control measures, including:

- Replacing conventional chemicals with non-toxic, environmentally friendly alternatives;
- Enhancing regular inspection, cleaning, and maintenance of the Group's air-conditioning systems, plant equipment, and vehicles;
- Prohibiting smoking in the workplace, except in designated smoking areas;
- Encouraging the use of public transportation and carpooling;
- Promoting the use of telephone and video conferencing; and
- Regulating the use of Group-owned vehicles and enforcing speed limits.

Detailed indicators of the Group's emissions during the Reporting Period are set out below:

Scope of greenhouse gas emissions[4]	Unit	FY2025	FY2024	Percentage Change
Scope 1 Direct greenhouse gas emissions				
Greenhouse gas emissions relating to mobile combustion sources (land, air, and water transport)	tonnes of $tCO_2eq.$	689.58	524.43	+31.49%
Scope 2 Indirect greenhouse gas emissions				
Purchased electricity	tonnes of $tCO_2eq.$	5,833.34	6,706.30	-13.02%
Scope 3 Other indirect greenhouse gas emissions[4]	tonnes of $tCO_2eq.$	212.93	24.16	+781.33%
Waste paper disposed of in landfills	tonnes of $tCO_2eq.$	111.70	–	+100%
Greenhouse gas emissions arising from the use of electricity by government departments to treat freshwater and sewage	tonnes of $tCO_2eq.$	48.64	–	+100%
Business travels by airplane	tonnes of $tCO_2eq.$	52.59	24.16	+117.67%
Total greenhouse gas emissions[5]	tonnes of $tCO_2eq.$	6,735.85	7,254.89	-7.15%
Greenhouse gas emission intensity[6]	$tCO_2eq.$/HK$'m revenue (Silicone Business)	30.21	29.73	+1.59%

4 *During the Reporting Period, GHG emissions were primarily attributed to several key activities: the combustion of unleaded petrol and diesel fuel for road transportation, the utilization of refrigerants, the procurement of electricity, the management of fresh water and sewage by government departments, the disposal of wastepaper in landfills, and business-related air travel by employees. All relevant data has been meticulously calculated in compliance with the Stock Exchange's guidelines outlined in "How to Prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs".*

5 *During the ESG Reporting Period, the Group continued to adopt various measures to raise employees' awareness and to continuously implement them into specific operational and work processes. The total amount of greenhouse gas emissions was reduced by 7.15% in FY2025.*

6 *During the Reporting Period, sales of the Group's Silicone Business amounted to HK$223 million (FY2024: HK$244 million) and the waste generation intensity was calculated by dividing the total waste by the sales of Silicone Business (measured in millions of Hong Kong dollars).*

The Group believes that continuous efforts to minimise resource consumption will mitigate greenhouse gas emissions and drive progress in ESG management. The Group's greenhouse gas emissions mainly resulted from purchased electricity, classified as Scope 2 indirect emissions. The Group has also actively disclosed data in relation to Scope 3 other indirect greenhouse gas emissions in order to provide a more comprehensive and high quality ESG Report and allow investors and stakeholders to have a better understanding of the Group's ESG performance. Given that energy consumption anchors the Group's greenhouse gas emissions, improving energy efficiency and strictly controlling energy consumption have become integral components of the Group's sustainable development strategy. Looking ahead, the Group will establish and improve an environmental impact monitoring mechanism to continuously track potential environmental risks arising from energy-related emissions and production activities. By implementing diversified initiatives, the Group will strive to minimise energy consumption, optimise energy efficiency, and commit to achieving a steady reduction or maintaining stable levels of total carbon emissions.

INTERNAL CARBON PRICES

The introduction of internal carbon pricing is an initiative that the Company is exploring as a long-term management tool. At present, it remains under internal discussion and has not yet been applied in decision-making processes. In the future, the Group will assess the feasibility of establishing an internal carbon pricing mechanism based on market practices and internal capabilities.

INDUSTRY-BASED METRICS

The Company has noted the industry guidance under IFRS S2 and will, in alignment with its own operational characteristics, gradually adopt relevant sector-specific indicators for disclosure when conditions permit. No specific implementation timeline has been established at this stage.

CLIMATE-RELATED TARGETS

The Group has implemented a tiered climate target framework to guide our environmental performance. Established in FY2022, our 10-year strategy mandates a 10% reduction in the intensity of water usage and waste generation, alongside a 10% reduction in total carbon emissions and electricity consumption by FY2032. This intensity-based approach currently covers Group-wide operations, serving as a foundational step toward adopting more ambitious, science-based absolute reduction targets in the future.

To ensure the scientific rigour and credibility of our targets, we will establish a systematic management process. The target setting has been primarily informed by industry benchmark pathways. We plan to complete detailed research on the target methodology in the coming years, with the intention of introducing the third-party assessment. The Group will continuously monitor and disclose progress towards the targets through its annual ESG report. The Board will be responsible for reviewing target attainment and will provide explanations for any necessary revisions and the reasons behind them.

While we recognize the potential of carbon credits to support our climate goals, a definitive implementation timetable has not yet been established. Moving forward, the Group will continue to assess the feasibility of a carbon credit procurement and management framework, ensuring that any future adoption aligns with emerging international market standards and our internal technical capabilities.

Now in the third year of this quantitative commitment, we have successfully compiled current-period emissions data and established historical benchmarks. This allows for a comprehensive year-on-year analysis of our progress within this Reporting Period. Moving forward, we will provide annual disclosures of our performance against the baseline year to systematically track and analyze emissions trends, incorporating the latest international agreements as they evolve.

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HKEX Aspect & KPIs		Section Name
A. Environmental		
A1: Emissions		
Provide information on the policies and compliance with relevant laws and regulations that have a significant impact on Ta Yang relating to air emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.		Pursuing Environmental Excellence
A1.1	The types of emissions and respective emissions data	Air Pollution and GHG
A1.2	[Repealed 1 January 2025]	
A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g., per unit of production volume, per facility)	Hazardous Waste Management
A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g., per unit of production volume, per facility)	Non-Hazardous Waste Management
A1.5	Description of emission target(s) set, and steps taken to achieve them	Our Target, Waste Management, Hazardous Waste Management and Non-Hazardous Waste Management
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	Hazardous Waste Management and Non-Hazardous Waste Management

Disclosure Framework

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HKEX Aspect & KPIs		Section Name
A2: Use of Resources		
Provide information on Ta Yang's policies on the efficient use of resources, including energy, water and other raw materials		Use of Resources
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)	Use of Resources
A2.2	Water consumption in total and intensity (e.g., per unit of production volume, per facility)	Use of Resources
A2.3	Description of energy use efficiency target(s) set, and steps taken to achieve them	Our Target & Use of Resources
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	Our Target, Sewage Management & Use of Resources
A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced	Use of Resources
A3: The Environment and Natural Resources		
Provide information on Ta Yang's policies on minimising the company's significant impacts on the environment and natural resources		Pursuing Environmental Excellence
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	Significant Impact on the Environmental and Natural Resources
A4: Climate Change		
[Repealed 1 January 2025]		
A4.1	[Repealed 1 January 2025]	

Disclosure Framework

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HKEX Aspect & KPIs		Section Name
B. Social		
Employment and Labour Practices		
B1: Employment		
Provide information on the policies and compliance with relevant laws and regulations that have a significant impact on Ta Yang relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.		Employees
B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region	Equal Opportunities – Workforce Analysis
B1.2	Employee turnover rate by gender, age group and geographical region	Equal Opportunities – Employee Turnover Analysis
B2: Health and Safety		
Provide information on the policies and compliance with relevant laws and regulations that have a significant impact on Ta Yang relating to providing a safe working environment and protecting employees from occupational hazards		Health and Safety of Employees
B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year	Prevention and Handling of Accidents
B2.2	Lost days due to work injury	Prevention and Handling of Accidents
B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored	Safe Working System
B3: Development and Training		
Provide information on the policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities		Development and Training to Enhance Knowledge and Skills
B3.1	The percentage of employees trained by gender and employee category (e.g., senior management, middle management)	Training Initiatives and Programs

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HKEX Aspect & KPIs		Section Name
B3.2	The average training hours completed per employee by gender and employee category	Training Initiatives and Programs
B4: Labour Standards		
Provide information on the policies and compliance with relevant laws and regulations that have a significant impact on Ta Yang relating to preventing child and forced labour		Say No to Child and Forced Labour
B4.1	Description of measures to review employment practices to avoid child and forced labour	Say No to Child and Forced Labour
B4.2	Description of steps taken to eliminate such practices when discovered	Say No to Child and Forced Labour
Operating Practices		
B5: Supply Chain Management		
Provide information on Ta Yang's policies on managing environmental and social risks of the supply chain		Sustainable Supply Chain
B5.1	Number of suppliers by geographical region	Supplier Dynamics
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	Supplier Selection and Evaluation Practice
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored	Supply Chain Risk Management
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored	Supply Chain Risk Management
B6: Product Responsibility		
Provide information on the policies and compliance with relevant laws and regulations that have a significant impact on Ta Yang relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress		Product Responsibility
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons	Product Assurance and Recall
B6.2	Number of products and service-related complaints received and how they are dealt with	Customer Complaint

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HKEX Aspect & KPIs		Section Name
B6.3	Description of practices relating to observing and protecting intellectual property rights	IP Protection
B6.4	Description of quality assurance process and recall procedures	Product Assurance and Recall
B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored	Customer Privacy
B7: Anti-Corruption		
Provide information on the policies and compliance with relevant laws and regulations that have a significant impact on Ta Yang relating to bribery, extortion, fraud and money laundering		Zero Tolerance for Corruption
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	Anti-Corruption Performance During the Reporting Period
B7.2	Description of preventive measures and whistleblowing procedures, how they are implemented and monitored	Whistleblowing and Reporting Policy
B7.3	Description of anti-corruption training provided to directors and staff	Anti-Corruption Training and Awareness
Community		
B8: Community Investment		
Provide information on the policies on community engagement to understand the needs of the communities where Ta Yang operates and to ensure its activities take into consideration the communities' interests		Together to Build Our Community
B8.1	Focus areas of contribution (e.g., educational, environmental concerns, labour needs, health, culture, sport)	Engagement in Community Service
B8.2	Resources contributed (e.g., money or time) to the focus area	Supporting the Elderly and Promoting Rural Revitalization

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Climate-related Disclosures			2025 ESG Report
(I) Governance			
19	An issuer shall disclose information about:		
	(a) the governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities. Specifically, the issuer shall identify that body(s) or individual(s) and disclose information about:		
		(i) how the body(s) or individual(s) determines whether appropriate skills and competencies are available or will be developed to oversee strategies designed to respond to climate-related risks and opportunities.	Governance
		(ii) how and how often the body(s) or individual(s) is informed about climate-related risks and opportunities.	
		(iii) how the body(s) or individual(s) takes into account climate-related risks and opportunities when overseeing the issuer's strategy, its decisions on major transactions, and its risk management processes and related policies, including whether the body(s) or individual(s) has considered trade-offs associated with those risks and opportunities.	
		(iv) how the body(s) or individual(s) oversees the setting of, and monitors progress towards, targets related to climate-related risks and opportunities (see paragraphs 37 to 40), including whether and how related performance metrics are included in remuneration policies (see paragraph 35); and	
	(b) An issuer shall disclose information about management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities, including information about:		
		(i) whether the role is delegated to a specific management-level position or management-level committee and how oversight is exercised over that position or committee; and	Governance
		(ii) whether management uses controls and procedures to support the oversight of climate-related risks and opportunities and, if so, how these controls and procedures are integrated with other internal functions.	

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Climate-related Disclosures	2025 ESG Report

(II) Strategy

Climate-related risks and opportunities

20 An issuer shall disclose information to enable an understanding of climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term. Specifically, the issuer shall:

(a)	describe climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term;	Climate-related risks and opportunities Financial position, financial performance and cash flows
(b)	explain, for each climate-related risk the issuer has identified, whether the issuer considers the risk to be a climate-related physical risk or climate-related transition risk;	
(c)	specify, for each climate-related risk and opportunity the issuer has identified, over which time horizons – short, medium or long term – the effects of each climate-related risk and opportunity could reasonably be expected to occur; and	
(d)	explain how the issuer defines 'short term', 'medium term' and 'long term' and how these definitions are linked to the planning horizons used by the issuer for strategic decision-making.	

Business model and value chain

21 An issuer shall disclose information that enables an understanding of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain. Specifically, the issuer shall disclose:

(a)	a description of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain; and	Climate-related risks and opportunities
(b)	a description of where in the issuer's business model and value chain climate related risks and opportunities are concentrated (for example, geographical areas, facilities and types of assets).	

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Climate-related Disclosures			2025 ESG Report
Strategy and decision-making			
22	An issuer shall disclose information that enables an understanding of the effects of climate-related risks and opportunities on its strategy and decision-making. Specifically, the issuer shall disclose:		
	(a)	information about how the issuer has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the issuer plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation. Specifically, the issuer shall disclose information about:	
		(i) current and anticipated changes to the issuer's business model, including its resource allocation, to address climate-related risks and opportunities;	Climate-related risks and opportunities
		(ii) current and anticipated adaptation and mitigation efforts (whether direct or indirect);	
		(iii) any climate-related transition plan the issuer has (including information about key assumptions used in developing its transition plan, and dependencies on which the issuer's transition plan relies), or an appropriate negative statement where the issuer does not have a climate-related transition plan;	
		(iv) how the issuer plans to achieve any climate-related targets (including any greenhouse gas emissions targets (if any), described in accordance with paragraphs 37 to 40; and	
	(b)	information about how the issuer is resourcing, and plans to resource, the activities disclosed in accordance with paragraph 22(a).	
23	An issuer shall disclose information about the progress of plans disclosed in previous reporting periods in accordance with paragraph 22(a).		Climate-related risks and opportunities

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Climate-related Disclosures			2025 ESG Report
Financial position, financial performance and cash flows (Current financial effect)			
24	An issuer shall disclose qualitative and quantitative information about:		
	(a)	how climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period; and	Financial position, financial performance and cash flows
	(b)	the climate-related risks and opportunities identified in paragraph 24(a) for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements.	
Financial position, financial performance and cash flows (Anticipated financial effect)			
25	The issuer shall provide qualitative and quantitative disclosures about:		
	(a)	how the issuer expects its financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities, taking into consideration:	
		(i) its investment and disposal plans; and	Climate-related risks and opportunities
		(ii) its planned sources of funding to implement its strategy; and	Financial position, financial performance and cash flows
	(b)	how the issuer expects its financial performance and cash flow to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities.	

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Climate-related Disclosures			2025 ESG Report
Climate resilience			
26	An issuer shall disclose information that enables an understanding of the resilience of the issuer's strategy and business model to climate-related changes, developments and uncertainties, taking into consideration the issuer's identified climate-related risks and opportunities. An issuer shall use climate-related scenario analysis to assess its climate resilience using an approach that is commensurate with an issuer's circumstances. In providing quantitative information, the issuer may disclose a single amount or a range. Specifically, the issuer shall disclose:		
	(a)	the issuer's assessment of its climate resilience as at the reporting date, which shall enable an understanding of:	
		(i) the implications, if any, of the issuer's assessment for its strategy and business model, including how the issuer would need to respond to the effects identified in the climate-related scenario analysis;	Climate resilience
		(ii) the significant areas of uncertainty considered in the issuer's assessment of its climate resilience; and	
		(iii) the issuer's capacity to adjust, or adapt its strategy and business model to climate change over the short, medium or long term;	
	(b)	how and when the climate-related scenario analysis was carried out, including:	
		(i) information about the inputs used, including:	
		(1) which climate-related scenarios the issuer used for the analysis and the sources of such scenarios;	The Group's disclosure encompasses ongoing monitoring and assessment of climate-related transition and physical risks. We are currently developing a climate scenario assessment model and will continue to strengthen the scope and depth of our disclosures in forthcoming ESG reports.
		(2) whether the analysis included a diverse range of climate-related scenarios;	
		(3) whether the climate-related scenarios used for the analysis are associated with climate-related transition risks or climate-related physical risks;	
		(4) whether the issuer used, among its scenarios, a climate-related scenario aligned with the latest international agreement on climate change;	

(5) why the issuer decided that its chosen climate-related scenarios are relevant to assessing its resilience to climate-related changes, developments or uncertainties;

(6) time horizons the issuer used in the analysis; and

(7) what scope of operations the issuer used in the analysis (for example, the operation locations and business units used in the analysis);

(ii) the key assumptions the issuer made in the analysis; and

(iii) the reporting period in which the climate-related scenario analysis was carried out.

(III) Risk Management

27 An issuer shall disclose information about:

(a) the processes and related policies it uses to identify, assess, prioritise and monitor climate-related risks, including information about:

(i) the inputs and parameters the issuer uses (for example, information about data sources and the scope of operations covered in the processes); Risk Management

(ii) whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related risks;

(iii) how the issuer assesses the nature, likelihood and magnitude of the effects of those risks (for example, whether the issuer considers qualitative factors, quantitative thresholds or other criteria);

(iv) whether and how the issuer prioritises climate-related risks relative to other types of risks;

(v) how the issuer monitors climate-related risks; and

Climate-related Disclosures		2025 ESG Report
	(vi) whether and how the issuer has changed the processes it uses compared with the previous reporting period;	
	(b) the processes the issuer uses to identify, assess, prioritise and monitor climate-related opportunities (including information about whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related opportunities); and	
	(c) the extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the issuer's overall risk management process.	
(IV) Metrics and Targets		
Greenhouse gas emissions		
28	An issuer shall disclose its absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tons of CO_2 equivalent, classified as:	
	(a) Scope 1 greenhouse gas emissions;	Greenhouse gas emissions
	(b) Scope 2 greenhouse gas emissions; and	
	(c) Scope 3 greenhouse gas emissions	
29	An issuer shall:	
	(a) measure its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) unless required by a jurisdictional authority or another exchange on which the issuer is listed to use a different method for measuring greenhouse gas emissions;	Greenhouse gas emissions

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Climate-related Disclosures		2025 ESG Report
	(b) disclose the approach it uses to measure its greenhouse gas emissions including:	
	(i) the measurement approach, inputs and assumptions the issuer uses to measure its greenhouse gas emissions;	Greenhouse gas emissions
	(ii) the reason why the issuer has chosen the measurement approach, inputs and assumptions it uses to measure its greenhouse gas emissions; and	
	(iii) any changes the issuer made to the measurement approach, inputs and assumptions during the reporting period and the reasons for those changes;	
	(c) for Scope 2 greenhouse gas emissions disclosed in accordance with paragraph 28(b), disclose its location-based Scope 2 greenhouse gas emissions, and provide information about any contractual instruments that is necessary to enable an understanding of the issuer's Scope 2 greenhouse gas emissions; and	
	(d) for Scope 3 greenhouse gas emissions disclosed in accordance with paragraph 28(c), disclose the categories included within the issuer's measure of Scope 3 greenhouse gas emissions, in accordance with the Scope 3 categories described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011).	
Climate-related transition risks		
30	An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related transition risks.	Climate-related risks and opportunities
Climate-related physical risks		
31	An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related physical risks.	Climate-related risks and opportunities

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Climate-related Disclosures		2025 ESG Report
Climate-related opportunities		
32	An issuer shall disclose the amount and percentage of assets or business activities aligned with climate-related opportunities.	Climate-related risks and opportunities
Capital deployment		
33	An issuer shall disclose the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.	Climate-related risks and opportunities
Internal carbon prices		
34	An issuer shall disclose: (a) an explanation of whether and how the issuer is applying a carbon price in decision-making (for example, investment decisions, transfer pricing, and scenario analysis); and (b) the price of each metric tone of greenhouse gas emissions the issuer uses to assess the costs of its greenhouse gas emissions; or an appropriate negative statement that the issuer does not apply a carbon price in decision-making.	Internal carbon prices
Remuneration		
35	An issuer shall disclose whether and how climate-related considerations are factored into remuneration policy, or an appropriate negative statement. This may form part of the disclosure under paragraph 19(a)(iv).	Governance

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Climate-related Disclosures			2025 ESG Report
Industry-based metrics			
36	An issuer is encouraged to disclose industry-based metrics that are associated with one or more particular business models, activities or other common features that characterize participation in an industry. In determining the industry-based metrics that the issuer discloses, an issuer is encouraged to refer to and consider the applicability of the industry-based metrics associated with disclosure topics described in the IFRS S2 Industry-based Guidance on implementing Climate-related Disclosures and other industry-based disclosure requirements prescribed under other international ESG reporting frameworks.		Industry-based metrics
Climate-related targets			
37	An issuer shall disclose (a) the qualitative and quantitative climate-related targets the issuer has set to monitor progress towards achieving its strategic goals; and (b) any targets the issuer is required to meet by law or regulation, including any greenhouse gas emissions targets. For each target, the issuer shall disclose:		
	(a)	the metric used to set the target;	Climate-related targets
	(b)	the objective of the target (for example, mitigation, adaptation or conformance with science-based initiatives);	
	(c)	the part of the issuer to which the target applies (for example, whether the target applies to the issuer in its entirety or only a part of the issuer, such as a specific business unit or geographic region);	
	(d)	the period over which the target applies;	
	(e)	the base period from which progress is measured;	
	(f)	milestones or interim targets (if any);	
	(g)	if the target is quantitative, whether the target is an absolute target or an intensity target; and	
	(h)	how the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target.	

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Climate-related Disclosures			2025 ESG Report
38	An issuer shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target, including:		
	(a)	whether the target and the methodology for setting the target has been validated by a third party;	Climate-related targets
	(b)	the issuer's processes for reviewing the target;	
	(c)	the metrics used to monitor progress towards reaching the target; and	
	(d)	any revisions to the target and an explanation for those revisions.	
39	An issuer shall disclose information about its performance against each climate-related target and an analysis of trends or changes in the issuer's performance.		Climate-related targets
40	For each greenhouse gas emission targets disclosed in accordance with paragraphs 37 to 39, an issuer shall disclose:		
	(a)	which greenhouse gases are covered by the target;	Climate-related targets
	(b)	whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target;	
	(c)	whether the target is a gross greenhouse gas emissions target or a net greenhouse gas emissions target. If the issuer discloses a net greenhouse gas emissions target, the issuer is also required to separately disclose its associated gross greenhouse gas emissions target;	
	(d)	whether the target was derived using a sectoral decarbonisation approach; and	

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Climate-related Disclosures		2025 ESG Report
(e)	the issuer's planned use of carbon credits to offset greenhouse gas emissions to achieve any net greenhouse gas emissions target. In explaining its planned use of carbon credits, the issuer shall disclose:	
(i)	the extent to which, and how, achieving any net greenhouse gas emissions target relies on the use of carbon credits;	Climate-related targets
(ii)	which third-party scheme(s) will verify or certify the carbon credits;	
(iii)	the type of carbon credit, including whether the underlying offset will be nature-based or based on technology carbon removals, and whether the underlying offset is achieved through carbon reduction or removal; and	
(iv)	any other factors necessary to enable an understanding of the credibility and integrity of the carbon credits the issuer plans to use (for example, assumptions regarding the permanence of the carbon offset).	