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MANWAH

MAN WAH HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 01999)

2025/26

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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Environmental, Social and Governance Report

ABOUT THE REPORT

1. Report Description

Man Wah Holdings Limited ("Man Wah" or "the Company"), together with our subsidiaries (referred to as "the Group" or "we") is pleased to present the Environmental, Social, and Governance Report ("ESG Report" or "this Report") for the year ended 31 March 2026 ("FY2026").

2. Standard Statements

This report has been prepared with reference to the Environmental, Social and Governance Reporting Code in Appendix C2 of the Listing Rules of the Hong Kong Exchanges and Clearing Limited (the "Exchange"). We follow the following principles:

Materiality	The Group focuses on topics that are material to stakeholders and have a significant impact on our business, environment and society. Key stakeholders of the Group include employees, directors, suppliers, customers, shareholders, investors, governments and communities where the business is operated. By engaging stakeholders in the survey, we discovered material topics and evaluated the materiality of key topics.
Quantitative	The Group ensures that key performance indicators ("KPIs") are measurable and accompanied by statements describing their purposes, impacts and calculation methods.
Balance	This report seeks to report the performance indicators of the Group in an impartial manner and avoid presenting them in a way that may have an undue impact on the decisions or judgments of the readers of this report.
Consistency	The Group adopts consistent methods to collect and calculate data and provides historical data where appropriate, to make meaningful comparison between them in the future. To show stakeholders the whole picture of the environmental, social and governance performance of the Group, this report discloses the environmental and social KPIs in accordance with the "comply or explain" provisions of the Environmental, Social and Governance Reporting Code. The methodology or KPIs used to prepare this report remain unchanged from last year.

The Board's ESG Statement

The Board of Directors of the Group commits that this report contains no false or misleading information, and takes responsibility for the truthfulness, accuracy, and completeness of our contents.

Key contents

- ESG Governance: Disclosure of the Board's oversight of environmental, social, and governance matters.
- ESG Management Policies and Strategies: Disclosure of the Board's environmental, social, and governance management policies and strategies, including the process for assessing, prioritizing, and managing significant environmental, social, and governance matters (including risks to the issuer's business).
- ESG Progress Review: How the Board reviews progress towards environmental, social, and governance-related objectives.

1. STANDARDIZED GOVERNANCE, CONSOLIDATING THE DEVELOPMENT FOUNDATION

Man Wah upholds the corporate value of "fulfilling social responsibility and realizing sustainable development". We adheres to law-based and compliant operation, pays taxes in full with integrity, abides by business ethics, and strives to serve national development, support national revitalization, and advance social prosperity and progress.

1.1. Deepening Responsible Governance

1.1.1. ESG Governance

The Group has always deeply integrated the Environmental, Social and Governance (ESG) philosophy into its overall development strategy and daily operation and management. It has established a three-tier interlinked ESG governance framework covering decision-making, management and implementation. The Group conducts ESG risk identification, assessment and response across the entire production and operation chain, while proactively exploring opportunities for sustainable development. By continuously improving its management mechanisms, the Group steadily enhances its sustainable development capacity, advances ESG governance toward strategic planning, systematization and standardization, and drives all business units and subsidiaries to fully engage in ESG practices.

ESG Governance Framework

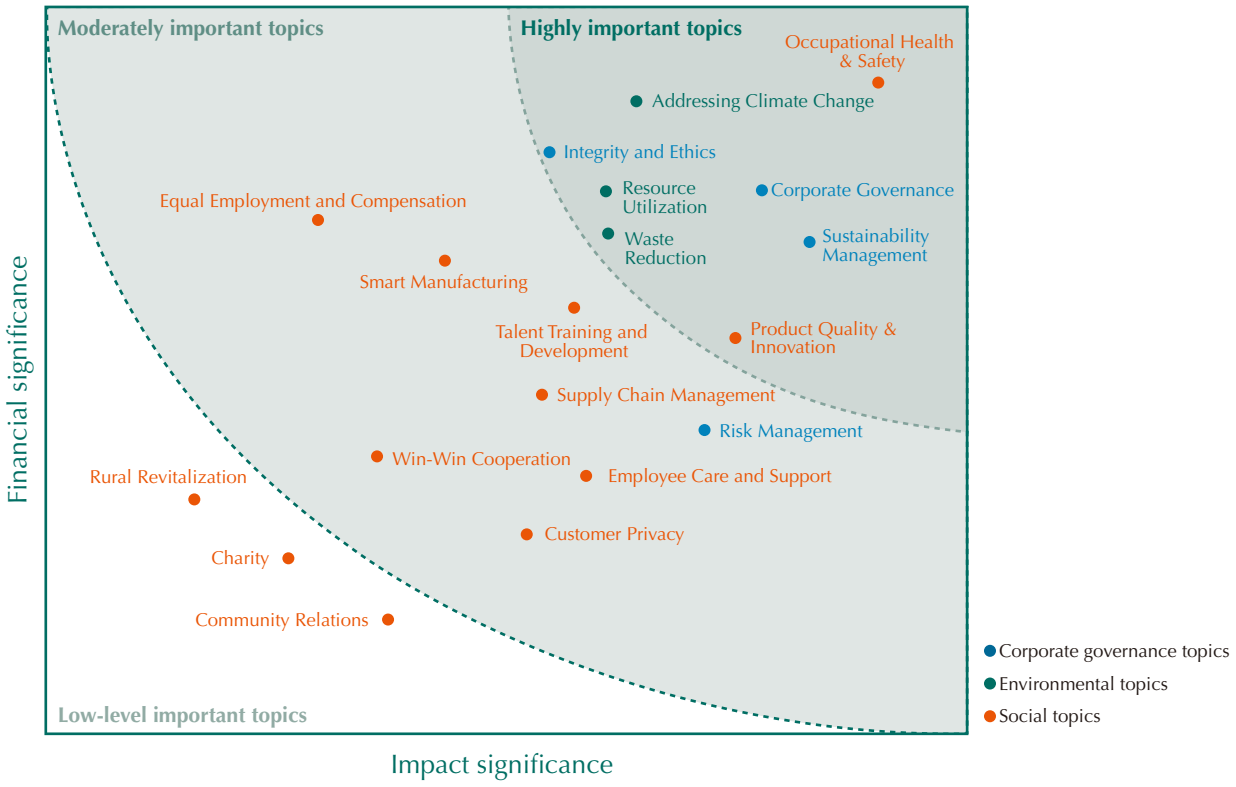
Tier	Responsibilities
First Tier **Board of Directors**	• Responsible for formulating the Group's overall development strategy and maintaining effective oversight of management; • Responsible for reviewing and approving the annual ESG report.
Second Tier **ESG Management Committee**	• Establish ESG management policies, goals, strategies, and frameworks; • Identify ESG development trends and assess ESG risks and opportunities facing the Group; • Supervise and guide the work of the ESG execution team.
Third Tier **ESG Execution Team**	• Develop relevant policies and implementation plans that align with the Group's strategy and ESG objectives; • Compile the Group's annual ESG report, report ESG-related data, and implement specific ESG management tasks.

1.1.2. Analysis of Material Topics

The Group values the opinions and expectations of all stakeholders. We have established a comprehensive process for identifying and analysing substantive ESG topics. During each reporting period, we review the material topics from the previous reporting period to consider any changes in their impact.

Topics Identification	Based on our business model, the Group relies on Appendix C2 of the Listing Rules Environmental, Social and Governance Reporting Code. We also consider national policy guidance, regulatory disclosure requirements, stakeholder concerns, benchmarking against leading companies in the industry, and engage external sustainability experts for consultation. Through this process, we identify 19 material topics related to environmental, social, and governance aspects.
Screening & Assessment	The Group prioritizes the importance of material issues through quantitative and qualitative analysis, utilizing various methods including internal research and expert consultations. We rank the material issues based on two dimensions of "Impact significance" and "Financial significance" to assess the significance of each topic accordingly.
Audit & Confirmation	Through both internal and external channels, including management and external experts, we review and analyse the results to ensure that the current topics are highly relevant to the Group's own business operations and the development of the industry in which our operates.
Response of the topics	The Group's management is responsible for the final review of material topics and their prioritization, ensuring the identified material topics are feasible and effective. Based on the analysis of material topics, we thoroughly elaborate on them in this report and formulate and implement action plans. These plans are given significant consideration when developing internal development strategies and management policies.

FY2026 ESG Materiality Matrix



1.1.3. Stakeholder Engagement

The Group attaches great importance to the diverse demands of all stakeholders. It has established diversified communication mechanisms tailored to the characteristics of different stakeholders, proactively solicits their opinions and suggestions on the Group's sustainable development, and discloses relevant ESG information in a timely manner. This ensures that the Group can effectively identify, fully understand and properly respond to stakeholder concerns and expectations.

Stakeholder Engagement Channels

Stakeholders	Expectations and Concerns	Communication and Response
Government and Regulators	Corporate Governance Sustainability Management Integrity and Ethics	Institutional inspection Work reporting Policy implementation Site inspection
Environment	Addressing Climate Change Waste Reduction Resource Utilization	Environmental policy implementation Environmental information disclosure
Clients	Product Quality & Innovation Customer Privacy	Regular visits Technical seminar Customer service hotline
Suppliers and Partners	Supply Chain Management Integrity and Ethics Win-Win Cooperation	Bidding meeting Supplier training Industry forum
Employee	Equal Employment and Compensation Talent Training and Development Occupational Health & Safety Employee Care and Support	Trade unions and workers' congresses Complaints and Feedback Staff training and development Assistance to difficult employees
Community	Rural Revitalization Charity Community Relations	Volunteer service Charitable activities Communication interview
Shareholders and Investors	Corporate Governance Risk Management Sustainability Management	Shareholders meeting Performance briefing Investor conference Information disclosure of listed companies Telephone and email communication

1.2. Upholding Ethics and Compliance

1.2.1. Internal Control Compliance

The Group upholds the internal control and audit management philosophy of risk orientation, independence and objectivity, and compliance priority, and has formulated various systems including *Internal Audit System*, *Audit Department Training Management System*, *Audit File Management System* and *Improvement and Accountability System* to standardize internal control. The Company has specially set up an internal audit department, which is fully responsible for the Group's internal audit work under the direct leadership of the chairman of the board of directors. It conducts audits on the Group's development strategy, operation and management, internal control and risk management in strict accordance with auditing procedures. The Company organizes and carries out no less than four internal audit trainings and assessments for audit staff every year, so as to effectively enhance the professional competence of audit personnel.

The Group has established a risk management system with the Board of Directors and the Audit Committee as the highest decision-making bodies to continuously improve the Group's risk management and defense capabilities. Meanwhile, by formulating and implementing procedural systems such as *Control Procedure for Response Measures to Risks and Opportunities*, the Group further strengthens its overall risk management capacity. We prevent and control potential risks in the operating environment and safeguard stable business operations by establishing an organizational and functional system for risk management, identifying significant risks, conducting regular assessments of significant risks, and formulating risk management strategies.

Annual Audit Practice

In the FY2026, the Audit Department conducted categorized special audits in accordance with the Group's business formats. It formulated and implemented tailored audit plans by business segments including factory operation, sales business and joint venture business. Focusing on core areas such as financial compliance, procurement management and production and operation, the Department strengthened supervision and control over high-risk business links. Adopting the process compliance audit model, the audit comprehensively adopted on-site inspection, data analysis, interviews and inquiries, as well as the 5W1H method to carry out audit work, ensuring full audit coverage, standardized procedures and objective conclusions.

1.2.2. Professional Integrity

The Group adheres to the bottom line of the law, strengthens the professional ethics education for employees, upholds fair competition, advocates honesty and practices business ethics. We uphold the concept of "practicing with integrity, working cleanly, and having zero tolerance for fraud", continue to improve the anti-corruption and integrity management mechanism, build up a strong ideological line of defense against corruption, and have become a member of the "Corporate Anti-Fraud Coalition". We select some of our colleagues every month to conduct employee interviews, conduct in-depth investigations on clues from daily work surveys, work arrangement instructions, reports, etc., and transfer cases that reach the amount of the crime to the judiciary for handling. For cases that do not reach the amount of the crime, we rely on the system of each department of the Group and impose different levels of punishment according to the degree of damage to the interests of the Group.

The Group has formulated the *Man Wah Group Monitoring and Reporting Reward Measures (for Trial Implementation)*, which clearly defines the protection of rights and interests and incentives for our partners. We establish an extensive and open reporting process, clarify the scope of acceptance and handling procedures, encourage whistleblowers to report illegal and disciplinary behaviors by means of telephone, email, micro letter, newsletter, visit, etc., and ensure that the reported cases and incidents are dealt with in an accurate, timely and fair manner.

We have implemented the "Whistle Blower Protection System", whereby whistleblower information is kept strictly confidential, and non-case officers do not have the right to know. If a case fails or a whistleblower suffers retaliation due to leakage of information by the case officer, the case officer will be summarily dismissed upon verification.

In FY2026

Number of employees participating in anti-corruption training:
260

Total duration of employee participation in anti-corruption training:
180.00 hours

Number of executive-level employees participating in anti-corruption education:
6

Total duration of executive-level employee participation in anti-corruption education:
8.00 hours

2. GREEN OPERATION, EMBEDDING ECOLOGICAL SUSTAINABILITY

The Group deeply integrates the green and environmental protection philosophy into business operation and development. It strictly complies with domestic and foreign laws and regulations on ecological and environmental protection, continuously improves resource utilization efficiency, and rigorously controls the discharge of various wastes. The Company pays close attention to climate change and its potential impacts, actively advocates green and low-carbon production and lifestyle, and strives to achieve coordinated integration of economic benefits and ecological environmental responsibilities.

2.1. Strengthening Environmental Management

2.1.1. Environmental Management

The Group has fully integrated environmental management into all business segments, established a systematic environmental management model, and formulated the *Environmental Protection Management System*, with the *Environmental Information Disclosure* published on a regular basis.

In project construction, we strictly abide by relevant regulatory requirements, complete environmental impact assessments in accordance with the law, and obtain pollutant discharge permits as well as completion and acceptance formalities. We fully implemented the requirement of "Three Simultaneous Events (Environmental Protection Supporting Equipment and the Main Engineering Works are Designed, Constructed and Commissioned at the Same Time)" of the construction projects.

In terms of environmental risk and emergency management, the Group has formulated regulatory documents including the *Emergency Preparedness and Response Control Procedure* and *Environmental Aspect Identification and Evaluation Control Procedure* to systematically identify and assess potential environmental risks and hidden dangers. Meanwhile, we conduct regular environmental emergency training, implement routine supervision over factories, sort out potential environmental risks, carry out timely rectification and review, and put forward technical improvement suggestions for optimization.

The Group has set up a three-tier environmental management organizational structure with clear environmental management objectives and obtained the ISO 14001 Environmental Management System Certification. By deeply integrating environmental management with production and operation, we ensure the coordinated achievement of safety, economic benefit and environmental goals.

Environmental Management Organizations

General Manager of the Company	General Manager, Environmental Management
Safety and environmental protection department	Environmental management function, specifically responsible for the Company's sewage system operation, environmental protection work
Factory director	The first person responsible for environmental protection
Plant site managers	Responsible for the environmental protection of the unit
Leader of each operating team	Responsible for the environmental protection of the team
Individual operator	Implementation of specific environmental protection work

In FY2026, we have achieved the stated environmental targets:

There are **0** major environmental accidents[1] , and there are no more than **1** minor environmental accident[2] in a year;

Wastewater, exhaust gas and noise emissions meet the requirements;

Hazardous waste is disposed of legally;

Water consumption shall not exceed **3** cubic meters per person per month;

Electricity consumption shall not exceed **50** kWh/million dollars of output;

Full environmental training no less than twice a year.

1 Accidents that cause casualties and economic losses of more than RMB5,000, or are complained about or punished due to environmental pollution.

2 An accident that causes minor environmental pollution, does not affect the outside world, causes no casualties, and incurs economic losses of less than RMB5,000.

2.1.2. *Environmental Advocacy & Implementation*

In terms of environmental protection advocacy, the Group attaches importance to fostering environmental awareness among all employees and actively organizes environmental protection activities. It promotes the concepts of environmental protection and energy conservation through multiple channels, including signage boards, energy-saving themed meetings, internal communication networks, notice boards and banners.

Case Study: Environmental Guardians Protecting Our Homeland – Huizhou Man Wah Employees' Footprints in Healing Industrial Environment with Their Own Hands

During the reporting period, to uphold the philosophy of sustainable development and fulfill environmental responsibilities, the Company launched the Love Man Wah, Love Our Homeland environmental volunteer campaign. Hundreds of employees acted as "green guardians", conducting a thorough clean-up of plastic waste, domestic garbage and other litter in the factory green belts, office areas and living quarters. The campaign focused on tackling non-degradable plastic waste and eliminating potential environmental hazards. This initiative embodies the Group's core value of fulfilling social responsibility and pursuing sustainable development, and serves as a vivid practice of joint efforts by all staff to safeguard their shared homeland. It has not only markedly improved the working and living environment of the campus, but also deepened employees' environmental awareness. By embedding green concepts into daily business operations, the Group has further enriched the connotation of its ESG environmental practices.



2.2. Resource and Energy Utilization

2.2.1. Water Use

The Group strictly implements relevant water resource management systems, conducts monthly statistical analysis on water and electricity consumption for production and domestic use, and enforces consumption control and performance assessment. In production operations and daily office scenarios, the Group adopts multiple measures to strengthen water usage management, standardize water consumption practices, and promote the rational development, efficient utilization and recycling of water resources, so as to effectively enhance water resource conservation and intensive utilization.

Water resource consumption of the Group in the fiscal year 2026 is set out below:

FY2026

Total water consumption
1,335,542.50 Tonnes

Per capita water intensity
51.27 Tonnes/person

2.2.2. Material Management

The Group mainly uses packaging materials such as cartons, plastic bags and foam cushioning materials in the production process. Through continuous optimization of production processes and scientific planning of packaging material application schemes, the Group effectively controls material costs and improves assembly efficiency, while further reducing the environmental impact arising from production and operation.

In FY2026, the Group consumed approximately 32,047.04 tonnes of various packaging materials in total.

Measures to reduce packaging materials:

- Research and design to choose environmentally friendly materials
- Promotes lightweighting of packaging materials
- Promote green recycling of packaging materials and advocate the recycling of packaging materials

2.2.3. *Energy Management*

The Group has established a sound energy consumption management system and formulated relevant regulatory systems including the *Water and Electricity Energy Conservation and Environmental Protection Management System*. Full-time energy management personnel are appointed to conduct round-the-clock inspections and supervision. Any abnormalities identified during inspections are promptly notified for on-site rectification, review and optimization, with complete inspection records kept, so as to continuously improve energy efficiency, strictly control production costs, and achieve long-term effective management of energy consumption.

The Group strictly implements energy management and clean production systems. Multiple measures are fully rolled out, including adopting energy-saving equipment, phasing out backward production capacity and processes, stepping up energy-saving technological transformation, increasing the proportion of non-fossil energy consumption, and promoting energy conservation awareness. Energy consumption indicators are effectively controlled, and energy-saving concepts are integrated into daily production and operation activities.

As at the end of the reporting period, the Group has obtained the China Green Product Certification and China Environmental Labeling Product Certification, reflecting wide recognition from all sectors of society for the Group's green and environmental initiatives.



China Environmental Labeling Product Certification



China Green Product Certification

Case Study: New Energy Empowers Cleaner Production

Adhering to the green and low-carbon development philosophy, the Group actively deploys distributed clean energy projects and adopts the model of self-consumption of generated power with surplus electricity supplied to the grid. It promotes the application of photovoltaic power generation at its major production bases worldwide. At present, all major production bases except those in Eastern Europe have been equipped with photovoltaic systems.

Meanwhile, the Group installs photovoltaic modules on the rooftops of factory buildings, staff dormitories and office buildings, and equips public lighting facilities with hybrid solar and wind power generation devices. Through diversified clean energy power supply, the Group fully realizes energy-saving and green operation of the public lighting system.

During the reporting period, the Group consumed 46.36 million kWh of electricity generated from photovoltaic and wind power.



Factory roof solar photovoltaic panels



Lighting street lamp wind power generator

For the FY2026, the Group's energy consumption by category was as follows:

FY2026

Natural gas
7,161,097.54 Cubic meters

Gasoline
17,477.92 Liters

Diesel
6,912,813.02 Liters

Purchased Electricity
123,394,489.05 kWh

2.3. Enhancing Pollution Control

2.3.1. Wastewater Management

The Group's wastewater generated during operation mainly falls into two categories: domestic sewage and production wastewater. The Group conducts annual monitoring of wastewater discharge, continuously advances the development of the sewage treatment system, strictly controls the total volume of wastewater discharge, steadily promotes the treatment and reclaimed water reuse of production wastewater, and gradually improves the recycling and utilization efficiency of water resources.

Wastewater type	Source	Management measures
Production wastewater	Shower wastewater and cooling water	Recycling, no external discharge
	Cleaning wastewater	Collected and handed over to qualified units for treatment
Domestic sewage	Daily water for restrooms, cafeterias, etc.	The domestic sewage is discharged into the municipal sewage network after being pre-treated in a three-stage septic tank and pre-treated in a grease trap and sludge trap in the cafeteria.
Rainwater	/	Strictly inspect the liquid level of rainwater wells, whether there is overflow at the gate of the main rainwater outfall, and strengthen the inspection and management of the lifting pumps of sewage wells to properly manage sewage, so as to avoid direct sewage discharge or overflow, which may cause the water quality of the discharge at the main outfall to exceed the standard.

2.3.2. *Exhaust Gas Management*

The exhaust gas generated during the Group's production and operation includes organized emissions and unorganized emissions. The Group has established and strictly implemented the On-site Management System for Environmental Protection Facilities and Equipment, enforcing standardized whole-process control over waste gas treatment to ensure stable and compliant discharge of all exhaust pollutants. In view of the exhaust gas characteristics of different production processes such as woodworking, sponge processing, injection molding, blow molding, paint dipping and wood-plastic production, the Group is equipped with dedicated treatment facilities including central dust removal systems, bag pulse dust collectors, activated carbon adsorption devices, water spray towers, biological trickling filters, gas collection hoods and exhaust ventilation systems. Daily inspections, regular maintenance, scheduled replacement of consumables and ledger management of operational data are strictly implemented. Meanwhile, the Group strengthens dust cleaning, waste gas collection, sewage treatment and reuse, as well as supervision of outsourced operations, so as to continuously improve the efficiency and treatment effect of exhaust gas collection, and effectively safeguard air quality at production sites and the surrounding ecological environment.

The Group's exhaust gas emissions during the reporting period are set out below:

FY2026

Nitrogen oxides
1.29 Tonnes

Sulfur Oxides
1.12 Tonnes

Particulate Matter (PM)
10.32 Tonnes

Volatile Organic Compounds (VOCs)
20.37 Tonnes

2.3.3. *Waste Management*

In the environmental management of solid waste, the Group adheres to the principles of "three-dimensionality" (minimization, resourcefulness and harmlessness) and implements full-process management. It has established and enforced a standardized management system including the *Hazardous Waste Management Procedure System*, *Hazardous Waste Warehouse Management System*, *Hazardous Waste Post Responsibility System*, and *Hazardous Waste Management Training System*, clarifying the responsibilities of personnel at all levels. The Group strictly complies with the management requirements and operational procedures for solid waste covering labeling, planning, ledger recording, declaration, licensing and emergency preparedness. Regular training is also arranged to enhance all employees' capabilities in hazardous waste management and emergency response, ensuring the compliant disposal of all types of solid waste and minimizing environmental risks.

Major Sources of Solid Waste and Methods of Management

Type	Major category	Treatment measures
Municipal waste	Waste office paper, wrapping paper, sponge trimmings, construction waste, domestic waste, etc.	The whole process of classification, collection, storage, treatment, transportation, utilization and disposal is supervised and managed. Recyclable waste is handed over to suppliers, waste stations and sanitation centers for disposal.
Hazardous waste	Waste oil, waste batteries, waste toner cartridges, waste lamps, etc.	Collection, temporary storage, transit for the whole process management, storage points strictly implement the *hazardous waste storage pollution control standards* (GB18597-2001). After the temporary storage point of hazardous waste reaches a certain amount, contact the qualified commissioned unit for treatment.

For the FY2026, the Group's solid waste emissions were as follows:

FY2026

Amount of non-hazardous waste generated
21,252.59 Tonnes

Non-hazardous waste density
0.82 Tonnes/person

FY2026

Amount of hazardous waste generated
1,037.22 Tonnes

Hazardous waste density
0.04 Tonnes/Person

2.3.4. Noise Management

The Group's major noise sources include production equipment such as injection molding machines, cutting machines and unpacking machines, as well as public auxiliary facilities including cooling towers and air compressors. Adhering to the combination of source control and transmission blocking, the Group carries out comprehensive noise management in a systematic manner. It prioritizes the adoption of low-noise equipment that meets national noise standards, optimizes the layout of facilities within factory premises and workshops, and applies engineering measures such as sound absorption, sound insulation and local silencing. Daily maintenance of production equipment is strengthened, and operating hours are reasonably regulated. Through the above control measures, the noise at the factory boundary steadily meets the requirements of Class 3 specified in the Emission Standard for Industrial Enterprise Factory Boundary Environmental Noise (GB 12348-2008).

2.4. Responding to Climate Change

2.4.1. Governance

The Group actively responds to the national strategies of carbon peaking and carbon neutrality, integrates climate change adaptation into daily management, and keeps close track of policy updates, laws and regulations, corporate reputation, climate-related risks and other relevant issues. The Group formulates reasonable response strategies for identified climate risks, and responds to risks and seizes opportunities with practical actions in light of changes in the external environment and internal development conditions.

2.4.2. *Strategy*

In the FY2026, we analyzed the challenges and opportunities arising from climate factors under each scenario in the context of the Group's current operations under high and low GHG emission scenarios, and reviewed the climate-related risks and potential financial impacts that the Group may face.

We selected the low-emission scenario (SSP1-2.6) and the high-emission scenario (SSP5-8.5) of the Shared Socio-Economic Pathways (SSP) scenarios proposed in the Synthesis Report of the Sixth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC) to assess the physical risks. Transition risks and climate-related opportunities are analyzed based on two scenarios, the Net Zero Emissions Scenario (NZE) 2050 and the Stated Policy Scenario (STEPS).

Scenario Analysis Note

Climate scenarios	SSP 1-2.6	SSP 5-8.5
Description of physical risk scenarios	This scenario moves the world in a more sustainable direction. The scenario aims to hold the increase in global average temperature to well below 2°C, consistent with the greenhouse gas emission reduction ambitions of the Paris Agreement, and to increase global temperatures by about 1.8°C above pre-industrial levels by 2100.	Represents a scenario in which future greenhouse gas emissions continue to increase and radiative intensity reaches high levels, assuming no new climate policy interventions. By the end of the twenty-first century, global average temperatures could rise by more than 4°C above pre-industrial revolution levels.
Scenario source	Intergovernmental Panel on Climate Change (IPCC) (Sixth Assessment Report (AR6))	

Climate scenarios	NZE	STEPS
Description of transformation risk/ opportunity scenarios	The International Energy Agency (IEA) proposes a net-zero emissions scenario for 2050, with recommendations in terms of technology and emission reduction options, country cooperation, and energy sector transformation, which is expected to limit the global average temperature rise to 1.5°C.	The scenario is a scenario analysis based on currently implemented policies and announced but not yet fully implemented policy proposals. There is a 50% probability that temperatures will rise by 2.4°C in 2100.
Scenario source	International Energy Agency (IEA)	

Our current physical risk assessment covers climate indicators for both acute and chronic risks, with climate-related transition risks coming mainly from policy, legal, and market aspects.

Classification of risks and opportunities	Pathways of influence	Financial impact	Response	Analysis of the magnitude of impacts under different climate scenarios					
				short-term	mid-term	long range	short-term	mid-term	long range
Entity risk				SSP1-2.6			SSP5-8.5		
Acute risk	The occurrence of extreme weather such as earthquakes, typhoons, thunderstorms, etc. may lead to supply chain disruptions, employee health ailments, damage to operating equipment.	Higher costs, asset impairments	Strengthen real-time monitoring and early warning, predict in advance the time, intensity and path of heavy rainfall and flooding, typhoons and other extreme weather, and issue timely weather changes. Formulate detailed and operable extreme weather risk response mechanisms and emergency plans, clarify the process of reinforcing production facilities, and conduct regular emergency drills and training for natural disaster accidents. Plan material transfer routes and storage locations to ensure safe storage of raw materials, semi-finished and finished products. Regularly overhaul equipment and facilities, and prioritize climate-resilient infrastructure, such as corrosion-resistant materials and construction techniques, and wind- and lightning-resistant and fire-resistant designs.	High	High	High	High	High	High
Chronic risk	Chronic risks such as drought and sea level rise affect the health and safety of the Group's employees, the quality of raw materials, or increase operating costs such as utility costs and equipment wear and tear.	Higher costs, asset impairment		Middle	High	High	High	High	High

Classification of risks and opportunities	Pathways of influence	Financial impact	Response	Analysis of the magnitude of impacts under different climate scenarios					
				short-term	mid-term	long range	short-term	mid-term	long range
Transition risks and climate-related opportunities				NZE			STEPS		
Policy risk	High-emission economic activities will come under pressure as the government introduces policies to support a low-carbon transition as well as more stringent emissions reductions, and the Group may face the impact of carbon tax levies and equipment modifications.	Higher costs	Pay close attention to the dynamics of the formulation and revision of carbon emission policies and environmental protection regulations, establish a policy-business rapid response mechanism, and adjust internal management measures in due course. Actively use recyclable materials, increase investment in research and development of energy-saving and emission reduction technologies, and accelerate the application of new environmental protection technologies and processes in production.	High	High	Middle	Low	Middle	Middle
Legal risk	Requirements for corporate carbon emissions data disclosure are becoming increasingly stringent and the Group may be exposed to litigation.	Higher costs	Establish a comprehensive carbon emission data management system and organize regular legal compliance training for all employees.	High	High	Middle	Low	Middle	Middle
Market risk	Suppliers may either increase their operating costs due to carbon reduction policies, which may lead to higher raw material prices, or customer demand for green home products may rise, affecting market competitiveness and profitability or revenue.	Decreased income	Establish strategic cooperation with high-quality partners to strengthen supply chain risk response capability. Utilizing big data analysis, consumer questionnaire surveys and other means, we have conducted in-depth research on consumers' demand preferences for green household products, their willingness to buy, and the competitive situation in the market, so as to enhance the competitiveness of our products and services.	Low	Middle	High	Low	Low	Middle

Classification of risks and opportunities	Pathways of influence	Financial impact	Response	Analysis of the magnitude of impacts under different climate scenarios					
				short-term	mid-term	long range	short-term	mid-term	long range
Transition risks and climate-related opportunities				NZE			STEPS		
Technology Opportunities	Enhance the efficiency of energy use through technological research and development, use of clean energy, application of artificial intelligence technology, process optimization, and management upgrades.	Lower costs	Tracking the frontier of global climate change-related technologies, screening new technologies suitable for the Group's business development, and conducting timely technology research and development and iteration.	Middle	High	High	Middle	Middle	High
Reputation Opportunities	Active participation in climate action enhances the Group's reputation among society and stakeholders, builds a favorable environmental image, and attracts investment and partners.	Increased revenue	Actively participate in environmental public welfare activities at home and abroad, disclose information on the Group's efforts to address climate change, enhance information transparency and accept social supervision.	Middle	High	High	Middle	Middle	High

2.4.3. Risk Management

The Group incorporates climate change-related risk management into its overall risk management system. It manages potential climate change-related risks and opportunities affecting the Group through three core steps: identification, assessment, and ongoing monitoring and response. From multiple dimensions including system establishment, risk prevention and control, and industrial development, the Group takes practical actions to address risks and seize relevant opportunities.

Climate change risk and opportunity management process

Risk and opportunity identification	• *Refer to the International Financial Reporting Sustainability Disclosure Standard 2 – Climate-related Disclosures* (IFRS S2) climate risk disclosure framework for the identification of possible impacts of climate change on our own business segments. • Conduct industry-level risk reviews based on publicly available materials and industry analysis, and identify generalized industry risks by reviewing peer-released materials, industry commentary, media reports, and expert communications.
Risk and opportunity measurement	• Analyzes the possible impacts of climate change on our own business segments at different time scales, such as short-term (2025), medium-term (2030) and long-term (2050). • Analysis of the financial impact dimensions of climate change on costs and revenues.
Risk and opportunity monitoring response	• Assessing and responding to climate change risks and opportunities.

2.4.4. *Indicators and Targets*

The Group's greenhouse gas emission sources mainly derive from the consumption of material energy such as electricity and diesel. Greenhouse gas emission data are presented in carbon dioxide equivalent.

Relevant greenhouse gas emission data of the Group for FY2026 are set out below:

FY2026

Greenhouse gas scope I emissions
31,250.24 Metric tonnes of carbon dioxide equivalent (CO_2e)

Greenhouse gas category II emissions
65,473.12 Metric tonnes of carbon dioxide equivalent (CO_2e)

Greenhouse gas emissions (scope I + scope II)
96,723.36 Metric tonnes of carbon dioxide equivalent (CO_2e)

GHG emission intensity (Scope I + Scope II)
3.71 Metric tonnes of carbon dioxide equivalent/person

Note: Gasoline and diesel fuel are usage data of the Group's own vehicles or equipment. The electricity emission factor is taken from the national grid average emission factor in the *Announcement on the Release of CO_2 Emission Factor for Electricity in 2023* issued by the Ministry of Ecology and Environment in 2025, and the gasoline and diesel calorific emission factors are derived from the *Guidelines on Reporting of Environmental Key Performance Indicators* issued by the Hong Kong Stock Exchange.

3. INNOVATION & RESEARCH, CRAFTING PREMIUM LIVING SPACES

The Group remains steadfast in its corporate mission to "bring healthy, comfortable, value-added and stylish home to thousands of households", with a focus on high-quality products and services as its core guiding principle, continuously creating value for customers. The Group has established a comprehensive quality control system covering the entire production process, from procurement traceability and incoming goods inspection to process control and finished goods dispatch. We strictly enforce quality standards to ensure the stability and reliability of our products. Driven by customer needs, we continuously optimise production processes and enhance our R&D and innovation capabilities, thereby steadily strengthening the core competitiveness of our products.

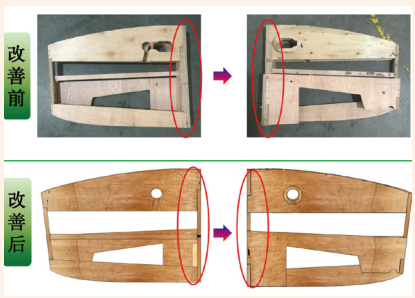
3.1. Dedicated Research and Innovation

3.1.1. Empowering Innovation

Research and development (R&D) and innovation are the core drivers and strategic pillars of the Group's sustainable development. The Group has established robust incentive mechanisms and support systems for R&D and innovation, built high-calibre scientific research and innovation platforms, strengthened standardized management across the entire R&D process, and continuously enhanced the professional competence and collaborative problem-solving capabilities of our R&D teams. We encourage cross-departmental collaboration among staff, the formation of innovation project teams, the breaking down of departmental barriers, the integration of resources, and the improvement of innovation efficiency, whilst actively fostering a strong culture of innovation.

Case Study: The "All Staff Improvement and Innovation" program

Since 2020, the Group has fully implemented the "All Staff Improvement and Innovation" program, encouraging all employees to identify areas for improvement within their roles and proactively submit proposals for optimisation, thereby fully stimulating the innovative and creative potential of the entire workforce. The Group organizes monthly improvement and innovation review meetings to systematically evaluate proposals spanning multiple areas, including management optimisation, process upgrades, material improvements and 6S enhancements. These proposals undergo rigorous assessment and selection based on criteria such as feasibility, innovation and cost-effectiveness, driving the transformation of outstanding experiences and achievements into practical applications that are implementable, replicable and scalable. Concurrently, a dedicated innovation incentive fund has been established to recognise and reward teams and individuals who have made outstanding contributions to research, development, innovation, and improvement initiatives, thereby empowering the enterprise's sustained innovative development through a long-term mechanism.



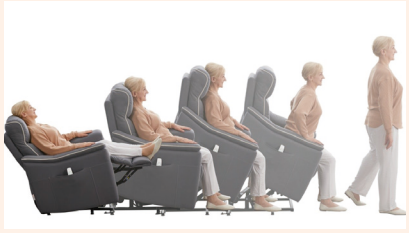
Optimization of Handrail Structures

Case Study: Contributing to National Standards to Empower High-Quality Industry Development

In September 2025, leveraging its technical expertise and industry influence in the home furnishings sector, the Group played a key role as a core contributor in the development of two national industry standards: the *Guidelines for Age-Friendly Design of Home Furnishings* (GB/T 45272-2025) and the *Specifications for Furniture Quality Traceability Systems* (QB/T 8089-2024). The *Specifications for Furniture Quality Traceability Systems* came into force on 1 July 2025, whilst the *Guidelines for Age-Friendly Design of Home Furnishings* came into force on 1 September 2025. The Group has participated in the establishment of a comprehensive quality traceability system covering the entire supply chain, setting a benchmark for quality control within the industry. Simultaneously, by addressing the needs of older adults for safety, ease of use, comfort and smart functionality in the home, the Group has refined the design principles and performance requirements for age-friendly home furnishings, thereby driving the standardisation and professional development of age-friendly products. The Group has deeply integrated standardisation into its corporate development and ESG practices, leveraging technology to drive product innovation and deepening its expertise in the fields of smart home and age-friendly home solutions, thereby using standards to lead the industry towards high-quality and sustainable development.







Electric-assisted Stand-up Chair for the Elderly

Case Study: Chivas First Class and Liaowang Institution Jointly Release the Fifth White Paper, *All Upgrade White Paper V*

On 27 September 2025, Chivas First Class – a brand under the Group – formally released The *All Upgrade White Paper V* in collaboration with Liaowang Institution at a new product launch event. As a continuation and enhancement of the "Upgrade for All" concept, this white paper marks the first collaboration between Chivas First Class and Liaowang Institution. Building upon the research findings of the previous four volumes, it conducts a systematic summary and forward-looking study by integrating national strategies, industry trends and corporate social responsibility, thereby establishing a comprehensive theoretical framework for industry development; At the same time, moving beyond the perspective of product functionality, it uses real-life scenarios as a vehicle to deeply integrate functional sofas with people's daily needs – such as health protection, emotional healing, family companionship and lifestyle aesthetics – highlighting the social value of the product in enhancing domestic well-being and quality of life.



The Group continues to increase its investment in research and development, committing itself to product innovation and technological upgrades in order to meet the ever-changing demands of the market and enhance the competitiveness and sustainability of its products. Thanks to the tireless efforts of our R&D team, we have achieved a number of outstanding results.

FY2026

Holding **1,259** patents, of which **151** were added in the 2026 fiscal year

Holding **28** invention patents, **80** utility model patents and **1,151** design patents

3.1.2. Digital Transformation

In line with the trends towards digital transformation and high-quality development in the light industry sector, the Group is fully implementing its digital strategy. By establishing an efficient, transparent and agile digital operational management system, the Group is empowering every stage of the process – from product R&D and manufacturing to delivery – and fostering a collaborative and mutually beneficial industrial ecosystem.

Case Study: Integrated Supply Chain Management System for Flexible Home Furnishings

As part of its digital transformation efforts, the Group has established a collaborative management system centred on products and guided by the Bill of Materials (BOM). Through the digital management of the BOM across its entire lifecycle, the Group has streamlined business collaboration across the entire process – from order acceptance and material procurement to production execution – significantly enhancing overall operational efficiency, reducing total manufacturing costs, and continuously strengthening its core market competitiveness. Leveraging an end-to-end supply chain process architecture, the Group has broken down functional silos and restructured a customer-centric business loop, achieving efficient cross-departmental integration and collaborative operations across order processing, planning, procurement and production. By continuously optimising the supply chain operating model, the Group provides a solid foundation for high-quality, low-cost and just-in-time delivery, comprehensively supporting the enterprise's sustainable and high-quality development. During the reporting period, our flexible home furnishings integrated supply chain case study was selected as a "Pioneer" case in China's 2025 Light Industry Digital Transformation initiative.


证 书

敏华家具集团（惠州）有限公司：

你单位 柔性家居集成供应链 的案例入选 2025 年度轻工业数字化转型 "领航者"（数据要素赋能能力）

首席专家：黄彩彩、黄泽辉

团队成员：戴全发、王兵、陈伟明、曹庆华、张群会、蔡晓、曹方、廖芝荣

特发此证。

中国轻工业信息中心

二〇二五年九月

"Pioneers" Certificate in the 2025 China's Digital Transformation of the Light Industry

During the smart manufacturing process, the Group relies on both human operators and intelligent machinery to carry out comprehensive quality inspections and testing on our products. We currently have eight testing centres in full operation, with testing protocols covering fabrics, hardware, plywood and timber, foam, switches and motors, and packaging materials. We conduct a range of tests at every stage of the process – from the arrival of raw materials and the development of new product samples, through the manufacturing process, to the dispatch of finished goods and container loading – to ensure product quality is maintained.

Main Work Areas	Highlighted Work Content
 Leather Inspection Laboratory	Each piece of leather undergoes twelve manual inspections, with automated machines identifying areas of concern and accurately marking them. After identification, a barcode "ID card" is generated for each piece of leather, assisting in the cutting process.
 Intelligent Cutting Area	We've introduced advanced European cutting equipment, ensuring precise cutting and significantly increasing the utilization rate of leather, thus reducing production costs.
 Wood Cutting	The Italian CNC computerized automatic cutting system has been introduced to effectively improve productivity, ensuring precise and durable wooden frames.
 Fully Automated Pouring Production Line	The "muscles" of our premium sofas – foam – are molded through integrated pouring. This process results in more robust foam, less prone to collapse, reducing the need for adhesives and promoting environmental health.

Main Work Areas	Highlighted Work Content
 Blow Molding Production Area	Blow-molded frames utilize the same technology as automotive seats, making them safer, sturdier, and more environmentally friendly compared to wooden frames.
 Product Testing Centre	Various component tests are conducted, including resistance to yellowing, salt spray, leather flexing, fabric friction, and load testing for functional frames.

3.1.3. Information Security

The Group has formulated and continuously updates policies including the *Information Security Management Regulations*, *Information Security Incident Management Regulations* and *Network Management Regulations*. These define our information security management system, establish mechanisms for the reporting, response and handling of information security incidents, strengthen security management for office networks and desktop terminals, and conduct regular information security training to maintain employees' awareness of information security at all times.

During the reporting period, we received no complaints or feedback regarding breaches of customer privacy or data leaks.



监督审核合格通知书

No. 440024IS2000311

敏华家具制造（惠州）有限公司：

我中心于 2024 年 07 月 02 日至 2024 年 07 月 03 日对贵方进行了年度监督审核，证实贵方的信息安全管理体系持续有效运行，经评定决定，准予继续使用证书号为 00122IS202780M/46500 认证证书。证书所载的名称、地址、认证范围、发证日期和有效日期等均无变化。

下次例行审核宜在 2025 年 04 月 18 日之前实施，最晚应在 2025 年 07 月 18 日之前完成，否则可能导致证书暂停。

感谢贵方对我中心工作的一贯支持与配合，我们将一如既往的为您提供增值的认证服务。

特此通知。

2024 年 07 月 03 日

中国质量认证中心

CHINA QUALITY CERTIFICATION CENTRE

ISO 27001 Information Security Management System Certification Surveillance Audit Compliance Notice

Our Information Security Management Measures:

- Implement data encryption on all systems that store customer information to ensure the security of information storage and transmission.
- Apply outbound file encryption, external storage device permission controls, screen watermarking and standardized management of instant messaging software to all office terminals. Professional anti-virus software is also deployed to comprehensively mitigate the risk of data leaks.
- Deploy firewalls and anti-virus systems at each production site and at the boundary of the Internet, effectively defending against external cyberattacks.
- Implement segmented management for visitor access to the company network, using a dedicated guest network with web access control policies.
- Deliver information security awareness training to employees to reinforce their understanding of protecting company and customer data.

Case Study: Information Security and Confidentiality Awareness Training

During the reporting period, more than 50 employees participated in information security and confidentiality awareness training. The training covered key areas including physical security, confidentiality awareness, IT equipment management, access control, software management and data security management. Through policy learning and case studies, employees developed a deeper understanding of the importance of information security, strengthened their confidentiality awareness, and mastered the relevant operational standards and preventive measures.



3.1.4. *Intellectual Property Protection*

The Group has established a sound intellectual property (IP) management system, and formulated standardized institutional documents such as the *Trademark Application Process* and the *Appearance Patent Application Procedure*. We maintain long-term strategic cooperation with external specialised IP law firms, and have a dedicated Intellectual Property Rights (IPR) Manager role within the Legal Department. This role coordinates end-to-end IP management across the Group, achieving full chain coverage from R&D, product development and projects through to market promotion. In addition, the Group conducts regular special IP training to strengthen IP protection awareness among all employees. We have established and improved an IP risk early warning mechanism, continuously track industry IP developments, proactively prevent risks of infringement and being infringed, and effectively safeguard the Group's legitimate rights, interests and brand assets.

During the reporting period, the Group had no major or significant non-compliance incidents related to intellectual property management.

Prevention of infringement of the intellectual property rights of others	Protecting our intellectual property
• Patent: We will do FTO search report for newly developed products. • Trademarks: We conduct trademark anti-infringement audits on all advertising and promotional materials, packaging materials, etc., and conduct trademark knowledge training for planners from time to time. • Copyrights, trade secrets and other intellectual property rights: In the spirit of respect for others, the concept of legitimate business operations on all business behavior of self-control.	• Trademarks, patents and copyrights: We have invested a lot of personnel and funds to fight against trademark and patent infringement such as "branding" and trademark counterfeiting. • Protection of trade secrets: Strict access control system has been set up for R&D places, computers used by R&D personnel are not allowed to log in private WeChat and QQ, USB flash disks are not allowed to be inserted, and photographs are not allowed to be taken in R&D places, and so on.

Case Study: Trademark Compliance Specialised Training

On 10 December 2025, the Group's Legal Department conducted a specialised training session on trademark compliance, covering core frontline marketing positions including brand planning, e-commerce and sales personnel. The training focused on trademark fundamentals, requirements for standardized use, key risk prevention and control points, and internal trademark management processes. It systematically explained topics such as trademark classification, registration standards, usage prohibitions, infringement identification, evidence retention and rights protection mechanisms. The training clarified standards for compliant trademark use and processes for reporting potential issues, effectively enhancing frontline staff's trademark protection awareness, risk identification capabilities and compliance operation levels. This further strengthened the Group's defences for brand protection and intellectual property management.

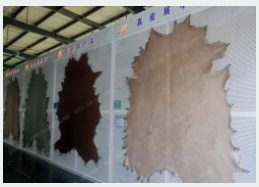


3.2. Building Secure Living with Quality

The Group is customer-centric in its approach, implementing the concept of sustainable and innovative development. We prioritise the use of green, low-carbon, safe and environmentally friendly raw materials and production processes, and continuously develop multi-functional home products that meet diverse scenarios and personalised needs. In this way, we create healthy, comfortable and high-quality ideal living spaces for more families.

3.2.1. Raw Material Assurance

The Group selects high-quality raw materials globally. All materials we use undergo third-party testing and meet the quality and environmental standards required by markets in Europe, the Americas, Southeast Asia and China, ensuring the quality and safety of our products.

Primary Materials	Characteristics of Materials
 Leather	Selected from top-grade cowhide from Europe and America, the leather is soft and delicate in texture.
 Wood	All sourced from imports from South America, they are artificially cultivated, sustainably harvested, and undergo fumigation treatment. The wood remains free from insect damage, cracking, or deformation. The wood used is FSC and EPA TSCA Title VI certified, ensuring traceability.
 Foam	We independently developed foam formulas using high-quality materials from Fortune 500 companies like Dow Chemical and Shell. Adopting high-rebound, high-density foam conforming to ergonomics principles, as well as memory foam. Furthermore, to meet different market requirements, our foam complies with British fire safety standards and meets the flammability requirements of ASTM 117-2013 for household products.

3.2.2. *Quality Management*

The Group has established and operates strict quality management standards and processes. Building on three authoritative certifications – the ISO 9001 Quality Management System, the Shenzhen Quality Standard System, and the Customs Authorised Economic Operator (AEO) Advanced Certificate – we continuously improve our quality management system. Normative documents including the *Non-Conforming Product Control Procedure* and the *Continuous Improvement Control Procedure* have been formulated to define clear quality objectives and ensure their rigorous implementation. The Group implements full-process chain control over raw material selection, manufacturing, assembly, testing and final delivery. Through full-process quality risk grading assessments, potential failure mode analysis and preventive measures, we achieve proactive quality risk prevention and control. At the same time, the Group conducts regular internal and external specialised quality training, organizes periodic quality reviews and root cause analysis, and continuously strengthens quality awareness and quality culture building among all employees. This ensures that product quality remains stable and reliable at all times.

Case Study: Standardizing Light Source Specifications to Ensure Product Quality

To control the quality of home products from the source, the Group focuses on the critical stage of leather inspection and has established a standardized and professional light source inspection system. Through scientifically standardized light source layouts and environmental controls, we achieve precise identification and full-process management of quality issues such as leather colour differences and defects. In line with international standards, the Group has built dedicated colour matching light booths and laboratory light source systems for two core scenarios: leather colour matching and batch inspection. These systems are equipped with multiple types of standard light sources with independent control of individual light sources, simulating lighting conditions in different scenarios. This system effectively avoids the risks of misjudgement and missed defects caused by varying lighting conditions in traditional manual inspections, strengthening quality controls from the raw material intake stage and ensuring that every batch of leather meets the Group's strict quality standards.



Light Source Effect Diagram of the Leather Colour Matching Light Booth (Partial)



Light Source Effect Diagram of the Leather Inspection Laboratory (Partial)

In FY2026, we have achieved the established quality objectives:

- Continuously improve the quality management system and reduce customer complaints.
- Continuously enhance the product quality level to meet customer requirements.
- The qualified rate of products leaving the factory is **100%**.
- The customer satisfaction rate is **80%**.

3.2.3. Recall Procedures

The Group has formulated management systems including the *Quality and Safety Control Procedure for Goods Subject to Legal Inspection* and the *Product Recall Procedure*. These establish a recall management system covering the entire product lifecycle, providing full-process institutional safeguards for product quality and safety. The Group strictly controls all stages of raw material procurement, production processes and finished product inspection to ensure product quality meets internal standards and relevant requirements. At the same time, to efficiently respond to and handle product quality emergencies, the Group has established a prioritisation mechanism of "Three Product Categories, Two-Level Recall" based on the risk nature and scope of impact of recalled products. This clarifies roles, responsibilities and handling processes in recall events, ensuring quality risks are controlled quickly. In addition, we organize relevant departments to conduct a product recall drill once a year, to ensure that in the event of a recall requirement, unsafe products can be recalled promptly and completely.

During FY2026, our product recall rate was 0%.

Product Classification and Recall Levels

Three Product Categories	• Category 1: Products whose safety performance is determined by inspection bodies to be non-compliant with relevant laws, regulations and national standards. • Category 2: Products that have caused personal injury or property damage to consumers due to design or manufacturing defects. • Category 3: Defective products that have not yet caused harm but may cause personal or property damage under specific conditions.
Two-Level Recall	• Level 1 Recall: Products that have been widely distributed on the market and have caused serious personal injury to users. Full recall of affected products is required, along with notification to regulatory authorities and regional/global prohibition warnings issued via media. • Level 2 Recall: Products that have been mass-produced and launched, presenting potential risks of personal injury or threats to life safety, but with a low probability of serious consequences. Immediate customer notification to recall affected products is required, along with notification to regulatory authorities and full-process control over product recovery, inventory checks and disposal effectiveness.

Product Recall Procedure



The Group has formulated the *Identification and Traceability Control Procedures* and built a digital traceability system. We regularly organize meetings to train all employees on quality plans and implementation paths, conduct pre-production and in-process risk assessments, and provide detailed guidance on product identification methods, traceability workflows and labelling processes, ensuring product safety at every stage.

Traceability Process



3.3. Promoting Mutual Benefit and Win-Win Cooperation

3.3.1. Customer Service

The Group adheres to the business philosophy of "Quality First, Customer Supreme". Guided by customer needs, we continuously advance the management objective of "Zero-quality After-sales Service". We have established a full-cycle service and closed-loop traceability mechanism covering pre-sales consultation, in-sales follow-up and after-sales support, continuously optimising the customer experience and consolidating our reputation and brand recognition.

To standardize customer feedback handling, the Group has formulated and established the *Customer Complaint Handling Process*, clearly defining responsible parties, processing milestones and time standards. During the pre-sales phase, professional teams provide customised solutions based on industry practice and customer scenarios; during the production phase, full-process quality control is implemented across all operations to ensure finished products are stable and reliable; after-sales, relying on a national unified service hotline and dedicated response teams, we provide customers with efficient and professional technical support and problem resolution services.

At the same time, the Group implements a monthly customer complaint review mechanism. Led by the General Manager of the Manufacturing Centre and organized by the Quality Control Department, together with relevant heads of procurement, production, sales, R&D and logistics, we conduct root cause analysis of customer requests and formulate actionable improvement measures, thereby driving continuous iterative improvement in product quality and comprehensive service capabilities.

Customer Complaint Handling Process Flowchart



3.3.2. *Supply Chain Management*

The Group always adheres to the principles of fairness, impartiality, openness and honesty, and continuously improves the full lifecycle supplier management system. We have formulated policies including the *Supplier Service Management Procedure* and the *Supplier Development and Control System*. We require suppliers to sign commitment documents such as the *Supplier Social Responsibility Commitment Letter*, *Supplier C-TPAT Agreement*, *Supplier Trade Security Agreement*, *Notice on Environmental, Occupational Health and Safety Requirements for Relevant Parties*, and *Integrity Commitment Clause*. We conduct full-process tracking of suppliers in terms of access, monitoring and capability improvement, striving to build an integrated smart home product value chain platform. We continuously promote suppliers' technological innovation and management capabilities, enhance the stability and anti-risk capacity of the supply chain, and advance mutual progress between suppliers and the Company.

Supplier Full Life Cycle Management System

Supplier Admission	• The Group requires suppliers to possess relevant qualification certificates. Meanwhile, potential suppliers are assessed on their industry status, production capacity, technical capabilities, and quality systems to ensure they have the capability to provide sufficient services. Only after passing the evaluation can they be eligible as suppliers.
Supplier Supervision, Audit and Withdrawal	• The Group conducts evaluation scoring, factory visit scoring, on-site social responsibility audits, and supervision inspections of suppliers every three months, and records and reviews the suppliers' legal and compliant qualifications, service contents, and quality. • Suppliers who pass the evaluation can be selected for continued cooperation according to the demand situation. Suppliers who fail the evaluation will have their supplier qualifications cancelled or be assisted in rectifying to meet the standards.
Supplier Capacity Enhancement	• The Group adheres to the amfori BSCI Code of Conduct[3], requiring suppliers to comply with environmental protection, intellectual property rights, human rights, and other related provisions in the code. It also assists suppliers in achieving constructive goals, organizing training sessions, and supporting them in implementing the principles of the amfori BSCI Code of Conduct.

[3] A framework designed to regulate suppliers' code of conduct, developed by the Business Social Compliance Initiative, which requires suppliers to comply with a range of social responsibility and environmental protection standards in the areas of human rights, labor rights, anti-corruption, environmental protection, intellectual property protection, and customer privacy protection.

Case Study: Supplier Quality Improvement Meeting

To continuously improve the quality of raw material supply, the Group has established a supplier quality control and improvement mechanism. We hold regular quarterly quality-specific communication meetings with the procurement team and core suppliers to conduct in-depth reviews of issues such as raw material quality abnormalities, process defects and delivery stability. Together, we analyse root causes and develop targeted improvement plans to drive suppliers to implement process optimisation and quality enhancements. At the same time, the Group has established a clear penalty and assessment mechanism for supplier quality non-conformities, imposing corresponding restrictive measures on suppliers with repeated quality issues and ineffective rectification. This combination of incentives and penalties strengthens suppliers' awareness of quality responsibility. Through regular quality communication and systematic management, we effectively reduce raw material quality defects and customer quality complaints, ensuring stable overall product quality and an efficient, reliable supply chain.





4. PEOPLE ORIENTATION, FOSTERING A CARING EMPLOYEE HAVEN

The Group has always placed talent development at the core of its strategy, adhering to the talent philosophy that "employees are the most valuable assets of the enterprise" and implementing the development principle of "putting people first and enabling employees and the enterprise to grow together". The Group attaches great importance to employee rights protection, diversity, inclusion and equal employment. We continuously improve the remuneration and benefits system, create a healthy, safe and comfortable working environment, and strive to build a development platform for employees to showcase their talents, realise their values and achieve a better life.

4.1. Protecting Employee Rights and Interests

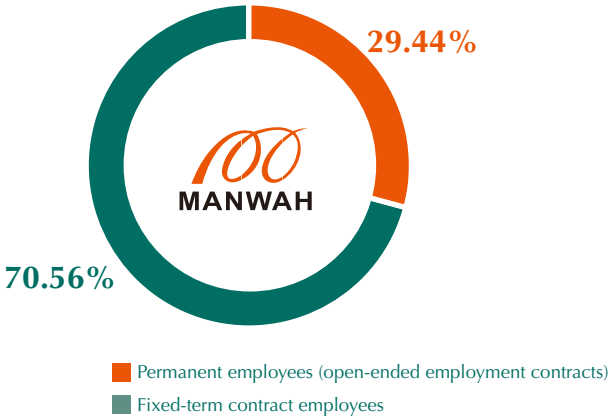
4.1.1. Compliant Employment

The Group strictly complies with relevant domestic and international labour laws and regulations, upholding the principles of fairness, impartiality, openness and honesty. We have formulated and continuously optimised the *Employee Handbook*, establishing a full-process management system covering recruitment, labour contracts, remuneration and benefits, working hours, leave management, occupational health and appeal channels to effectively protect employees' legitimate rights and interests. The Group adheres to the principle of equal employment in all stages of personnel selection, appointment, development and retention, and does not discriminate against employees based on age, ethnicity, gender, race, religious belief, nationality or other factors. We are committed to creating a diverse, inclusive, equally respectful, healthy and safe working environment for all employees.

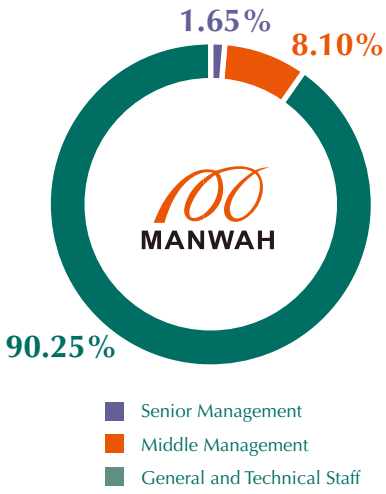
The Group strictly adheres to international labour standards and compliance requirements, resolutely prohibits child labour, and strictly verifies identity information during the recruitment process. The Company comprehensively prohibits any form of forced labour, corporal punishment, violent threats, and mental, verbal, physical or sexual harassment. We do not charge any deposits or withhold employees' identity documents, and explicitly incorporate anti-forced labour management requirements into recruitment documents and management systems to ensure full awareness by all applicants and employees.

As of the end of the reporting period, the total number of employees in the Group is 26,050. The employee statistics by gender, age, rank and contract type are as follows:

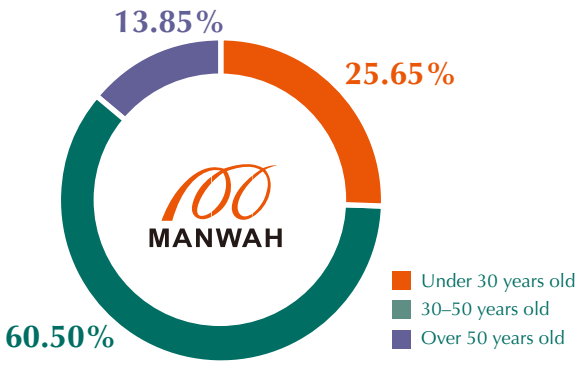
Employees by Contract Type



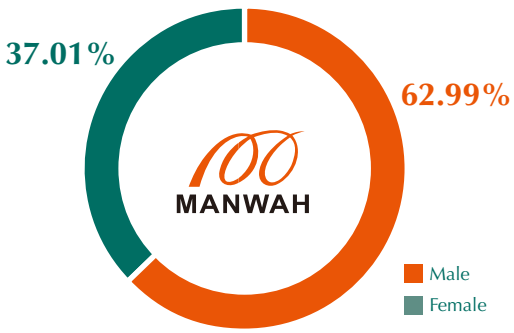
Employees by Job Level



Employees by Age Group



Employees by Gender



4.1.2. Remuneration and Benefits

The Group has a scientific, reasonable and comprehensive remuneration and incentive system. Based on the principle of mutual benefit and reciprocity, and guided by employee capability, we encourage hard work and fair reward. We continuously improve our internal incentive mechanisms to encourage employees to maximise their potential and initiative, improving both the quality and efficiency of their work.

Remuneration and Benefits System

Remuneration System	• Fixed remuneration: Basic salary is determined based on position, educational background, skills and work experience. • Variable remuneration: Monthly bonuses, annual bonuses and performance bonuses are paid based on employee work performance, goal achievement and annual appraisal results. The sales sequence adopts performance-oriented enhanced incentives. • Overtime compensation: Employees who are legally required to work overtime due to operational needs are paid overtime in full and on time. • Various allowances: Uniformly provided meal allowances, telephone allowances and housing allowances; night-shift staff at manufacturing centres receive night-shift meal allowances. • Special incentives: Grassroots employees are eligible for a length-of-service allowance after three months of employment; management employees are offered share option incentives to support long-term mutual development between employees and the enterprise.
Benefits System	• Statutory benefits: Full contributions are made to pension insurance, medical insurance, unemployment insurance, work injury insurance, maternity insurance and housing provident fund. Statutory holidays, marriage leave, maternity leave, paternity leave, bereavement leave and paid annual leave are provided in accordance with the law. • Supplementary benefits: Free accommodation and catering are provided, along with holiday and return-to-work consolation benefits, birthday gifts, and red packets and travel subsidies for employees returning to work on time after the Spring Festival. • Development incentives: Support for further education and vocational training; establishment of length-of-service bonuses, professional title incentives and university scholarships for employees' children. • Non-material welfare: Provision of 5A-level office and living environments; organisation of club activities, team building, subsidised travel and cultural and sports events.

4.1.3. Communication and Care

The Group respects employees' right to peaceful and free association in accordance with the law. We have established smooth channels for feedback and appeals, ensuring that employees can participate in democratic management, decision-making and supervision in accordance with the law. We encourage employees to express their reasonable demands and continuously build a compliant, healthy and harmonious labour relationship. At the same time, the Group always prioritises employees' needs, actively carries out care and support initiatives, takes the initiative to solve practical problems faced by employees in work and life, and creates a warm, reassuring and inclusive workplace environment.

(1) Employee Communication

The Group has set up secure and confidential suggestion mailboxes, employee hotlines and postal channels. We also hold regular employee forums, communication meetings and democratic life meetings to build a multi-channel, full-coverage employee feedback mechanism. Employees may put forward opinions and rational suggestions on matters such as the company's operation and management, working environment and logistics support through various channels. The company attaches great importance to employee requests, conducts timely investigations, responses or escalations of received opinions and suggestions, and coordinates with relevant departments to implement improvements. Throughout the process, we strictly protect the confidentiality of feedback providers, ensuring that employee communication channels remain open, feedback is effective, and privacy is protected.

(2) Employee Care

The Group always pays close attention to the practical needs of employees and strives to reduce their financial pressures in return for their hard work. We help employees solve practical life problems and support their children's education. For 16 consecutive years, we have supported the "Golden House in Books" Scholarship Programme, encouraging the children of Man Wah employees who excel both academically and morally to create greater value for their families and society through education. Since its launch in 2010, the "Golden House in Books" programme has awarded 1,020 scholarships to 1,012 employees by the end of 2025, with a total amount of RMB17.242 million (approximately HKD19.806 million).

Case Study: The 16th Scholarship Presentation Ceremony 2025

On 1 October 2025, during the National Day Gala, the Group awarded the 16th batch of scholarships to 198 Man Wah students, with a total amount of RMB3.63 million. This scholarship distribution precisely targets the practical difficulties of employee families, effectively reducing the financial pressure on families in need with regard to tuition fees and living expenses, removing barriers for the children of employees to pursue their education. The "Golden House in Books" Scholarship Programme not only provides solid educational support for the children of Man Wah employees, but also conveys the Group's deep care and warmth for its employees and their families. The programme enables employees to feel a sense of belonging and happiness in the enterprise, while inspiring the recipients to study hard, forge ahead, and establish the belief of repaying society and passing on love.







4.2. Empowering Employee Development

4.2.1. Training and Upskilling

The Group actively implements the national strategy of "Building a Strong Country through Talent", constructing a talent development system covering employees' entire career lifecycle. This supports employees in their step-by-step growth: from campus to the workplace, from ordinary to excellence, and from execution to management, building a scientific and systematic talent development pipeline. The Group continues to strengthen the development of skilled personnel teams, deepen university-enterprise cooperation, collaborate with professional education institutions, introduce special incentive policies, and build a diversified high-skilled talent development system based on skills training, led by vocational skill level certification, and supported by skills competitions.

The Talent Cultivation System of Man Wah

Skill Training	Professional Skill Level Certification	Skill Competitions
• Routine job training • Management quality training • Specialized talent training programs • Educational classes • Professional management training	• Determined comprehensively through performance assessment and on-site defence, evaluating employees' past achievements, technical innovations, management experiences, teaching experiences, and honours received.	• Various Skills Competitions • Incentives for Award and Honor Selection



Employee Skills Competition



Training for Assessors of Sewing Machinist and Carpenter Vocational Skill Certification

We actively respond to the new enterprise apprenticeship system, which centres on the core concept of "recruiting workers means enrolling students, joining enterprises means entering schools, and joint cultivation by enterprise and school instructors". We cooperate with education and training institutions (vocational colleges, technical colleges, and private vocational training providers) to carry out new apprenticeship training programmes, thereby enhancing employees' vocational skills.

Case Study: The Group Launches New Apprenticeship Intermediate Class Vocational Skills Training for Sewing Machinists with Partner Training Schools

In 2025, the Group launched the new apprenticeship intermediate class vocational skills training programme for sewing machinists in collaboration with training schools. The programme had 45 participants in total, with a full duration of 274 class hours. The intermediate class adopted a combined learning and assessment format: after completing systematic theoretical training, all participants underwent a unified evaluation, and those who passed the assessment were awarded a certificate of completion. The new apprenticeship training not only helped improve employees' skill levels but, more importantly, fostered a sense of discipline and compliance with technical standards.



FY2026

Total employee training participation:
23,042 person-times

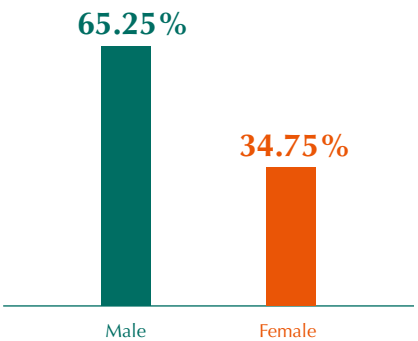
New employee onboarding training participation:
15,876 person-times

Total employee training hours:
1,036,890 hours

Average training hours per employee:
39.80 hours

Training data segmented by gender and position is as follows:

Percentage of Trained Employees by Gender



Percentage of Trained Employees by Employee Category



4.2.2. *Career Development*

The Group is committed to building a high-calibre, professional talent pipeline. Closely aligned with the Group's strategic development needs and employees' career development plans, we have established a full-cycle career development system covering promotion, salary adjustment, job rotation and training. At the same time, we continuously improve fair, impartial and transparent performance appraisal mechanisms and job promotion management measures, establish clear and standardized job qualification criteria, and implement a learning point system for outstanding employees, providing clear paths and solid support for employees' career growth, capability improvement and advancement.

Campus Recruitment Reserve Cadre Promotion and Development Plan

Six-month plan (180-day rotational training, growth through theoretical and practical experience)		
– Military training and team building – New employee orientation training	– Production base segment – Internship	– Internship in stores/human resources department

Five-year plan (medium to long-term plan, dual-track development in management and expertise)			
Nestling (1–6 months)	**New Feather (7–18 months)**	**Soaring (19–36 months)**	**Conquering (3 years and above)**
Assimilation into the Company – Onboarding training – Job rotation – Development of general skills – Integration into Company culture	Assimilation into the department – Familiarization with departmental knowledge and procedures – Job skills training and practical experience – Development of general skills at the grassroots level – Team collaboration	Enhancement/ Management – Enhancement of business capabilities – Introduction to management – Self-management – Management collaboration – Team building	Deepening/Management – Deepening of business capabilities – Management advancement – Management collaboration – Managing teams – Team building

Case Study: Specialised Training for Grassroots Management Capability Improvement at the Tianjin Factory

In July 2025, the Group launched a specialised training programme for grassroots management capability at the Man Wah Tianjin Factory, with 50 frontline factory supervisors in attendance. The training focused on three key management pain points: task allocation, effective communication, and conflict resolution. Through practical teaching methods such as the "Man-Machine-Material-Method-Environment" analysis, the sandwich communication technique, and the problem tree tool, combined with group discussions and scenario-based role-plays, the programme effectively enhanced the on-site management and team-building capabilities of grassroots managers, providing solid support for production operations and talent pipeline construction.



4.3. Safeguarding Health and Safety

4.3.1. Work Safety

The Group regards safety as the primary condition for the survival and development of the enterprise, and prioritises safety in all work. We strictly comply with domestic and international work safety laws and regulations, implement the work safety policy of "Safety First, Prevention Primary, Comprehensive Management, Full Participation, Continuous Improvement", and formulate multiple systems including the *Work Safety Responsibility System Administration Rules*, *Work Safety Assessment and Reward/Penalty Administration Rules*, *Safety Education and Training Administration Rules*, and *Safety Inspection and Hazard Rectification Administration Provisions*. We have established and implemented the dual prevention mechanism of hierarchical control of safety risks and investigation and rectification of hidden dangers. We set safety objectives, established a Safety Committee, designated heads of all departments as the first EHS responsible persons, and built a sound full-staff work safety responsibility system to ensure the implementation of work safety measures.



Huizhou Work Safety Standardization Level 3 Certified Enterprise



Qualified Enterprise Safety Production Standardization Level III



Enterprise Certificate Vice President Unit of Daya wan District Fire Service Association, Huizhou

The Group conducts regular safety inspections, emergency drills, safety training, safety risk identification and assessment, and hierarchical control. We develop safety risk management lists, actively carry out publicity and training to popularise work injury prevention, work safety policies and regulations, and strengthen safety awareness. A full-staff, full-process safety training system has been established to ensure all employees possess the necessary safety knowledge and skills. As of the end of the reporting period, the Group has 70 safety management personnel who have passed relevant safety training and assessments.



Fire Emergency Evacuation Drill



Hazardous Chemical Leakage Drill



Confined Space Work Safety Training



Safety Training for External Contractors and Hazardous Operations



Routine Safety Inspection



"Work Safety Month" Awareness Campaign

In FY2026, we have achieved the established major work safety objectives:

- The number of fire accidents is "**0**";
- The number of occupational disease accidents is "**0**";
- The number of environmental pollution accidents is "**0**";
- The number of hazardous chemical accidents is "**0**";
- The passing rate of new employee training is **100%**;
- The safety approval rate for high-risk operations is **100%**;
- The total number of work-related injury accidents has decreased by **25%** compared with the same period of the previous year.

FY2026

- Various emergency drills were conducted **182** times.
- Regular and irregular safety inspections were conducted **6,445** times.
- The rate of rectification for hidden dangers was **96.29%**.
- Our Group received more than **18** inspections from functional departments such as the Work Safety Supervision Department, the Fire Department, the Environmental Protection Department, and the Health Supervision Department, and passed all of them.
- A total of **1,941** safety training sessions were held, with **60,090** person-times of employees participating.
- Our Group participated in **15** safety meetings and training sessions organized by the Ministry of Emergency Management, as well as those at the provincial, municipal, and district levels.

4.3.2. Occupational Health

The Group strictly complies with laws and regulations related to occupational health, has established a comprehensive occupational health and safety system, and formulated and implemented occupational health policies and measures. Strict safety protection measures are adopted, and through various initiatives such as training, popular science education, and health and safety inspections, we ensure that employees work in a safe environment in good health.

We have obtained ISO 45001 Occupational Health and Safety Management System certification, and formulated various occupational disease prevention systems including the *Occupational Health Examination Administration System* and the *Occupational Disease Prevention and Control Propaganda and Training System*. These clarify the Group's responsibilities for the prevention and control of occupational disease hazards, standardize relevant work, and prevent, control and eliminate occupational disease risks.

During the reporting period, there were no cases of excessive occupational hazard exposure, nor any major occupational health incidents.

To ensure the occupational health and safety of our employees, we have implemented the following measures:

- Mandatory pre-employment, on-the-job, and post-employment occupational health examinations are conducted monthly for employees engaged in work involving occupational disease hazards, and individual occupational health surveillance files are established.
- Regularly analyze, detect, and evaluate occupational disease hazard factors, and entrust a third-party to conduct detection of occupational hazard factors in the workplace.
- Provide corresponding labor protection articles, emergency equipment, and emergency drugs for each position.
- Set up occupational disease hazard notification boards and bulletin boards to publicize health knowledge.
- Formulate emergency rescue plans for occupational disease hazard accidents and conduct regular occupational health training.
- Strengthen special inspections of labor protection articles, and deal with personnel who violate regulations and fail to wear labor protection articles.
- Establish the "Staff Spiritual Oasis" and equip it with a professional team of psychological counselors.



Occupational Health Check-up



Workplace Occupational Hazard Factor Testing



Personal Protective Equipment (PPE) Special Inspection



Occupational Health Education and Training

5. SOCIAL COMMITMENT, DELIVERING WARMTH AND VALUE

The Group always upholds the core value of fulfilling social responsibility and advancing sustainable development, and embraces the philosophy of giving back to society while pursuing development. It advances diverse initiatives covering industrial collaboration, educational support and people's livelihood security, provides numerous high-quality employment opportunities and professional skill improvement channels for rural residents, and participates extensively in public welfare donations across education, medical care, environmental protection and other fields. While achieving steady business growth, the Group actively gives back to society and makes unremitting efforts to promote social harmony and progress.

5.1. Committing to Charitable Donations

The Group firmly believes that corporate value lies not only in creating economic wealth, but also in standing together with society and turning goodwill into sustainable practical actions.

During FY2026, the Group made multiple external donations amounting to HK$8,524,000.

5.2. Empowering Talent Cultivation

The Group always attaches great importance to the growth and development of young students and actively fulfills social responsibilities with multiple initiatives to support the healthy development of teenagers. Meanwhile, the Group continues to deepen ties with young talents, extensively participates in youth exchange programs, and promotes exchanges, connectivity and common growth among young talents from the Chinese mainland and Hong Kong. It continuously contributes corporate strength to regional coordinated development and the cultivation of high-quality talents.

Case Study: Man Wah Holdings Donates to Revitalize Xingping's Education

Committed to public welfare in education, Man Wah Holdings donated a special fund of RMB2 million to the Red Cross Society of Xingping City, Shaanxi Province, to boost local education revitalization. The fund is mainly used for upgrading teaching hardware, renovating dilapidated school buildings, replacing standardized desks and chairs, and awarding outstanding rural teachers, so as to steadily improve the school-running conditions of rural compulsory education.



APPENDIX

1. Key Performance Indicators

Topic	Indicator	Unit	FY2025	FY2026
Environmental[4]				
Resource Usage				
Water consumption	Water usage	Tonne	1,437,617.31	1,335,542.50
	Per capita water intensity	Tonne/person	55.01	51.27
Energy consumption	Purchased electricity consumption	Kilowatt-hour	119,359,545.00	123,394,489.05
	Natural gas	Cubic meter	8,265,938.06	7,161,097.54
	Gasoline	Liter	28,434.36	17,477.92
	Diesel	Liter	5,928,273.15	6,912,813.02
	Total energy consumption	Kilowatt-hour	259,970,881.60	262,739,062.10
	Energy consumption intensity	Kilowatt-hour/person	9,947.61	10,085.95
Packaging	Total packaging materials used for finished products	Tonne	39,894.35	32,047.04
Materials	Office paper consumption	Kilogram	106,203.76	63,713.01
Greenhouse gas emissions	Scope 1 greenhouse gas emissions	Tonne CO_2 equivalent	31,473.36	31,250.24
	Scope 1 greenhouse gas emission intensity	Tonne CO_2 equivalent/person	1.20	1.20
	Scope 2 greenhouse gas emissions	Tonne CO_2 equivalent	64,048.33	65,473.12
	Scope 2 greenhouse gas emission intensity	Tonne CO_2 equivalent/person	2.45	2.51
	Total greenhouse gas emissions	Tonne CO_2 equivalent	95,521.69	96,723.36
	Greenhouse gas emission intensity	Tonne CO_2 equivalent/person	3.66	3.71
Emissions				
Waste gas	Nitrogen oxide emissions	Tonne	2.42	1.29
	Sulfur oxide emissions	Tonne	0.62	1.12
	Particulate matter (PM) emissions	Tonne	6.21	10.32
	Volatile organic compounds (VOCs) emissions	Tonne	12.47	20.37
Waste	Hazardous waste	Tonne	746.57	1,037.22
	Hazardous waste density	Tonne/person	0.03	0.04
	Non-hazardous waste	Tonne	21,219.62	21,252.59
	Non-hazardous waste density	Tonne/person	0.81	0.82

[4] The statistical scope of the current environmental data has covered more than 90% of the Group's scope.

Topic	Indicator	Unit	FY2025	FY2026
Social				
Diverse hiring				
Total number of employees		Person	26,134	26,050
Classified by contract type	Total number of employees	Person	26,134	26,050
	Permanent employee count (without fixed-term contracts)	Person	6,410	7,670
	Fixed-term contract count	Person	19,724	18,380
Classified by job level	Senior management	Person	379	429
	Middle management	Person	2,196	2,109
	General and technical staff	Person	23,559	23,512
Classified by age	Under 30 years old	Person	7,558	6,683
	30 to 50 years old	Person	15,921	15,759
	Over 50 years old	Person	2,655	3,608
Classified by gender	Male employees	Person	16,768	16,408
	Female employees	Person	9,366	9,642
Classified by region	Domestic	Person	17,084	16,766
	Overseas	Person	9,050	9,284
Employee turnover rate				
Classified by age	Under 30 years old	%	21	29
	Between 30 and 50 years old	%	25	24
	Over 50 years old	%	9	6
Classified by gender	Male	%	30	26
	Female	%	10	17
Classified by region	Domestic	%	27	28
	Overseas	%	14	14
Occupational health and safety				
Lost workdays due to occupational injury		Hour	30,681.92	26,592
Occupational injury lost day rate		%	0.05	0.06
Number of occupational fatalities in the past three years		Person	0	0
Occupational fatality rate		%	0	0

Topic	Indicator	Unit	FY2025	FY2026
Development and Training				
Employee Training Attendance		Person-time	26,081	23,042
Training Attendance for New Hires		Person-time	16,416	15,876
Classified by gender	Male	%	65	65
	Female	%	35	35
Classified by job level	Number of Management and Professional Technical Personnel	%	10	10
	Number of Frontline Workers	%	90	90
Total Training Hours for Employees		Hour	1,199,726	1,036,890
Average Training Hours per Person		Hour	45.91	39.80
Classified by gender	Male	%	65	65
	Female	%	35	35
Classified by job level	Management and Professional Technical Personnel	%	10	10
	Frontline Workers	%	90	90
Anti-corruption				
Number of concluded corruption litigation cases		Case	4	1
Number of valid reports received annually		Case	18	12
Feedback rate on valid reports		%	100	100
Number of individuals disciplined for violations		Person	16	8
Number of disciplinary incidents		Case	11	6
Total number of employees who received anti-corruption training		Person-time	385	260
Number of employees participating in anti-corruption education		Person-time	385	260
Total duration of employee participation in anti-corruption education		Hour	192.50	180.00
Number of executives participating in anti-corruption education		Person-time	14	6
Total duration of executive participation in anti-corruption education		Hour	7	8

Topic	Indicator	Unit	FY2025	FY2026
Supply chain management				
Total number of suppliers		Supplier	2,327	2,194
Classified by region	China (including Hong Kong)	Supplier	2,036	1,946
	Overseas	Supplier	291	248
Supplier integrity agreement signing rate		%	95.50	98.85
Number of supplier training sessions		Time	472	667
Product responsibility				
Number of product recalls this year		Time	0	0
Number of product recalls this year (as a percentage of the total number of sales items/sales revenue)		%	0	0
Number of cases of infringement of intellectual property rights or cases of infringement of intellectual property rights		Case	0	0
Emergency and hazards				
Conducting various emergency drills		Time	60	182
Number of regular and irregular safety inspections		Time	2,907	6,445
Number of hazards identified		Case	18,084	18,769
Rate of hazard rectification		%	97.68	96.29
Safety training				
Number of safety training sessions		Time	1,351	1,941
Number of participants in safety training		Person-time	59,542	60,090
Amount invested in safety production		HK$'000	12,370	20,808
Customer privacy				
Number of significant third-party privacy breaches		Case	0	0
Number of significant data security/network security incidents		Case	0	0
Community investment				
Total amount of charitable donations		HK$'000	14,202	8,524

2. Performance Indexes

The Company has complied with the "mandatory disclosure requirements" and the "comply or explain" provisions set out in Appendix C2 of the *Listing Rules' Environmental, Social and Governance Reporting Code*. The following table provides an overview of the Company's compliance with these regulations.

Part C: "Failure to Comply or Interpretation" Provision

Aspects		Description	Chapter
A Environmental			
Aspect A1: Emissions	General Disclosure	Policies relating to emissions, discharges to water and land, generation of hazardous and non-hazardous waste; and information on compliance with relevant laws and regulations that have a significant impact on the issuer.	Enhancing Pollution Control
	A1.1	The types of emissions and respective emission data.	Enhancing Pollution Control
	A1.3	Total hazardous waste produced (in tonnes) and (where appropriate), intensity (e.g. per unit of production volume, per facility).	Enhancing Pollution Control
	A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Enhancing Pollution Control
	A1.5	Description of emissions target(s) set and steps taken to achieve them.	Enhancing Pollution Control
	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.	Enhancing Pollution Control

Aspects		Description	Chapter
Aspect A2: Use of resources	General Disclosure	Policies on the efficient use of resources including energy, water and other raw materials.	Resource and Energy Utilization
	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).	Resource and Energy Utilization
	A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Resource and Energy Utilization
	A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Resource and Energy Utilization
	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.	Resource and Energy Utilization
	A2.5	Total packaging material used for finished products (in tonnes) and, if applicable), with reference to per unit produced.	Resource and Energy Utilization
Aspect A3: The Environment and Natural Resources	General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	Resource and Energy Utilization
	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Resource and Energy Utilization
B Social			
Aspect B1: Employment	General Disclosure	Policies on remuneration and dismissal, recruitment and promotion, working hours, holidays, equal opportunities, diversity, anti-discrimination and other treatment and benefits; and information on compliance with relevant laws and regulations that have a significant impact on the issuer.	Protecting Employee Rights and Interests
	B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and region.	Protecting Employee Rights and Interests
	B1.2	Employee turnover rate by gender, age group and geographical region.	Protecting Employee Rights and Interests

Aspects		Description	Chapter
Aspect B2: Health and Safety	General Disclosure	Policies relating to the provision of a safe working environment and the protection of employees against occupational hazards; and information on compliance with relevant laws and regulations that have a significant impact on the issuer.	Safeguarding Health and Safety
	B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Safeguarding Health and Safety
	B2.2	Lost days due to work injury.	Safeguarding Health and Safety
	B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Safeguarding Health and Safety
Aspect B3: Development and Training	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Empowering Employee Development
	B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Empowering Employee Development
	B3.2	The average training hours completed per employee by gender and employee category.	Empowering Employee Development
Aspect B4: Labour Standards	General Disclosure	Policies relating to the prevention of child labour or forced labour; and information on compliance with relevant laws and regulations that have a significant impact on the issuer.	Protecting Employee Rights and Interests
	B4.1	Description of measures to review employment practices to avoid child and forced labour.	Protecting Employee Rights and Interests
	B4.2	Description of steps taken to eliminate such practices when discovered.	Protecting Employee Rights and Interests

Aspects		Description	Chapter
Aspect B5: Supply Chain Management	General Disclosure	Policies on managing environmental and social risks of the supply chain.	Promoting Mutual Benefit and Win-Win Cooperation
	B5.1	Number of suppliers by geographical region.	Promoting Mutual Benefit and Win-Win Cooperation
	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Promoting Mutual Benefit and Win-Win Cooperation
	B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Promoting Mutual Benefit and Win-Win Cooperation
	B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Promoting Mutual Benefit and Win-Win Cooperation
Aspect B6: Product Responsibility	General Disclosure	Policies on health and safety, advertising, labelling and privacy matters and remedies for the products and services offered; and information on compliance with relevant laws and regulations that have a significant impact on the issuer.	Building Secure Living with Quality
	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Building Secure Living with Quality
	B6.2	Number of products and service related complaints received and how they are dealt with.	Promoting Mutual Benefit and Win-Win Cooperation
	B6.3	Description of practices relating to observing and protecting intellectual property rights.	Dedicated Research and Innovation
	B6.4	Description of quality assurance process and recall procedures.	Building Secure Living with Quality
	B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Dedicated Research and Innovation

Aspects		Description	Chapter
Aspect B7: Anti-corruption	General Disclosure	Information about policies to prevent bribery, extortion, fraud and money laundering; and compliance with relevant laws and regulations that have a significant impact on the issuer.	Upholding Ethics and Compliance
	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.	Upholding Ethics and Compliance
	B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Upholding Ethics and Compliance
	B7.3	Description of anti-corruption training provided to directors and staff.	Upholding Ethics and Compliance
Aspect B8: Community Investment	General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Committing to Charitable Donations
	B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Empowering Talent Cultivation
	B8.2	Resources contributed (e.g. money or time) to the focus area.	Committing to Charitable Donations

Part D: Index to Climate-Related Disclosures

Climate-related disclosures		Chapter
Governance		Responding to Climate Change
Strategy	Climate-related risks and opportunities	Responding to Climate Change
	Business models and value chains	Responding to Climate Change
	Strategy and Decision Making	Responding to Climate Change
	Financial position, financial performance and cash flows	Responding to Climate Change
	Climate resilience	Responding to Climate Change
Risk Management		Responding to Climate Change
Indicators and targets	Greenhouse gas emissions	Responding to Climate Change
	Climate-related transition risks	Responding to Climate Change
	Climate-related physical risks	Responding to Climate Change
	Climate-related opportunities	Responding to Climate Change
	Capital deployment	Responding to Climate Change
	Internal carbon pricing	No internal carbon pricing applied
	Remunerations	Responding to Climate Change
	Discussion on the process for assessing and managing environmental risks associated with project design, siting and construction	Strengthening Environmental Management
	Climate-related goals	Responding to Climate Change