

Yuk Wing Group Holdings Limited

煜榮集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code : 1536



2025/26

ENVIRONMENTAL, SOCIAL
AND GOVERNANCE REPORT

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

APPROACH

Yuk Wing Group Holdings Limited (stock code: 1536) (the “**Company**”) and its subsidiaries (hereafter, called the “**Group**”, “**we**”, “**our**”, or “**us**”) are committed to promoting transparency of the Group’s operations, creating a positive impact on the environment and society in which it operates, and also maintaining close relationships with our stakeholders through stakeholder engagement.

The results of the environmental, social, and governance (the “**ESG**”) review presented in this report (the “**ESG Report**” or “**Report**”) demonstrate our emphasis on environmental protection and explain how we continually seek to improve our ESG strategy to align with global standards.

With both integrity and determination, we look at issues that may have a reputational impact on, or pose a risk to, the Group in the short-, medium-, or long-term. Issues that are important to our stakeholders, including but not limited to our customers and employees, as well as the community, are also crucial to us. We are positive about developing opportunities with a focus on work ethic to ensure that the Group’s success in business development is sustainable and that the benefits will be passed on to our employees, customers and the environment.

The Group follows the principle of sustainable development. We endeavour to incorporate sustainability practices into our policies and mechanisms. By adopting green operational practices, we strive to reduce the environmental impacts of the Group’s operations.

We are confident that the Group’s long-term success can be sustained as the Group properly manages ESG issues with all relevant stakeholders.

Our sustainability strategy in the following aspects is applied to the work streams:

1. To promote environmental sustainability;
2. To attract, retain and support employees;
3. To engage with stakeholders;
4. To sustain local communities;
5. To strengthen community relations; and
6. To grow a supplier commitment.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ABOUT THIS REPORT

Report Profile

We are pleased to present our ESG Report. This ESG Report mainly focuses on our operations in Hong Kong and the People's Republic of China (the “**PRC**”). It describes the progress towards our goal of creating sustainable value for our shareholders and other stakeholders. During our preparation of this ESG Report, we have conducted a thorough review and evaluation of the existing policies and practices.

Report Scope and Boundary

This ESG Report contains information that is material for the stakeholders to understand the Group's ESG practices and performance in its daily operations in Hong Kong and the PRC for the financial year from 1 April 2025 to 31 March 2026 (the “**Reporting Period**” or “**2025/26**”). The reporting scope is determined based on the materiality and significance of the ESG impacts of the business segments under the Group's direct operational control. The Reporting Period is consistent with our financial year.

This ESG Report is prepared in accordance with the selected global, local and industrial standards and best practices, which include, but are not limited to, the “Environmental, Social and Governance Reporting Code” (the “**Reporting Code**”) as set out in Appendix C2 to the Rules Governing the Listing of Securities (the “**Listing Rules**”) on the Stock Exchange of Hong Kong Limited (the “**HKEX**”). This ESG Report complies with all provisions of “Mandatory Disclosure” and “Comply or Explain,” and with the reporting principles of materiality, quantitative, balance, and consistency. In preparing this ESG Report, the Group has adopted the emission factors specified in the How to prepare an ESG Report — Appendix 2: Reporting Guidance on Environmental KPIs and How to prepare an ESG Report — Appendix 3: Reporting Guidance on Social KPIs issued by the HKEX for computing the relevant key performance indicators (“**KPIs**”). There is no significant change from the previous year in the way the ESG Report has been prepared. The application of materiality is detailed in the section headed “Materiality Assessment”. The ESG Report provides an unbiased picture of the Group's performance during the Reporting Period, avoiding selections, omissions, or presentation formats that may inappropriately influence the reader's decision or judgment. The Group will maintain consistency between the calculation methodologies for the Reporting Period and those for future reporting periods to enable meaningful comparisons over time.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

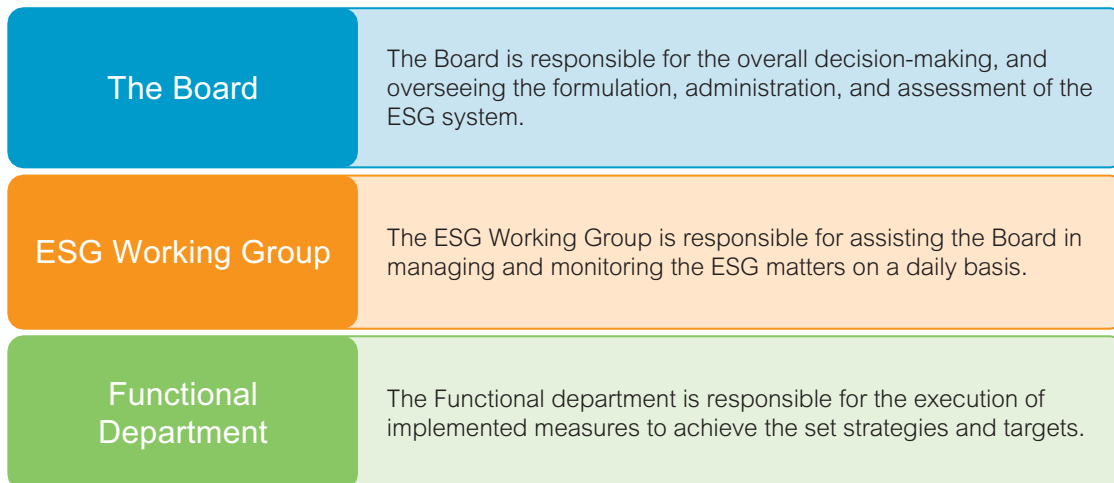
ABOUT THIS REPORT *(Continued)*

The ESG Governance Structure

As a responsible corporate citizen, the Group acknowledges that prudent environmental and social management is essential to its sustainable economic growth. To pursue our sustainable business model, we integrate sustainability into our overall strategy and daily operations. In addition, the Group has been focusing on maintaining closer connections with its stakeholders, listening to customers' voices, caring for and growing with its employees, and taking on more social responsibilities.

The Group has established a governance structure to enhance its management of ESG issues. The Board of Directors (the **"Board"**) has overall responsibility for overseeing the Group's ESG-related risks and opportunities, establishing and adopting the ESG-related strategies and targets of the Group, reviewing the Group's performance annually against the targets, and revising the strategies as appropriate if significant variance from the target is identified. To exert governance over ESG issues, the Group has set up an ESG working group (the **"ESG Working Group"**) that comprises members from middle to senior management, who serve as support roles to the Board in implementing the ESG-related strategies and targets, conducting materiality assessments of ESG issues identified and prioritising them, promoting and monitoring the implementation of relevant ESG measures, collecting ESG data from the respective functional department, investigating deviations from ESG targets and liaising with the respective functional department to take prompt rectification actions.

The Group will continue to review and refine the Group's sustainability strategies to create long-term value for all stakeholders and the communities in which we operate.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ABOUT THIS REPORT *(Continued)*

Our Stakeholders

We believe that our key stakeholders play a crucial role in sustaining the success of our business, and we seek opportunities to understand the expectations and needs of our stakeholders through transparent communication. We continue to improve our sustainable development strategies based on the opinions of our stakeholders, so that mutual trust and cooperative relationships can be fostered. The probable points of concern of the stakeholders and the means of communication and responses are listed below:

Stakeholders	Areas of concern	Communication and responses
HKEX	Compliance with the Listing Rules, timely and accurate announcements.	Meetings, training, workshops, website updates and announcements.
Government	Compliance with laws and regulations, tax payment according to law, and social welfare.	Interaction and visits, government inspections, tax returns and other information.
Suppliers	Payment schedule and stable demand for quality products.	Site visits, review and evaluation.
Investors	Corporate governance, business strategies and performance, and investment returns.	Shareholders' meetings, publication of financial reports or operational reports for investors and analysts.
Media & Public	Corporate governance, environmental protection and human rights.	Company's website updates and announcements, and interim and annual reports.
Customers	Product and service quality, delivery schedule, reasonable prices, commercial credibility, service value and personal data protection.	After-sales services.
Employees	Rights and benefits, employees' compensation, training and development, working environment, labour protection and work safety.	Employee training and activities, annual appraisal, employees' suggestion boxes and staff handbook.
Community	Community environment, employment opportunities, and social welfare.	Community activities, employee voluntary activities and community welfare subsidies and donations.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ABOUT THIS REPORT *(Continued)*

Shareholders' Feedback

Your feedback and comments are important to us. We strive to enhance communication with our investors, stakeholders and the public. Please send your enquiries and concerns in writing to the Group's principal business address in Hong Kong at Units 6505-11, 65/F, The Centre, No.99 Queen's Road Central, Central, Hong Kong for the attention of the Company Secretary.

Materiality Assessment

The Group has identified that certain ESG topics have the potential to affect its business in the short, medium, or long term, or may pose risks to its operations. Additionally, the Group has identified ESG topics that currently or potentially impact its sustainable development. These topics have been identified through various channels, including previous ESG reports, internal policies, industry trends, and the Sustainability Accounting Standards Board (the "**SASB**") industry materiality map.

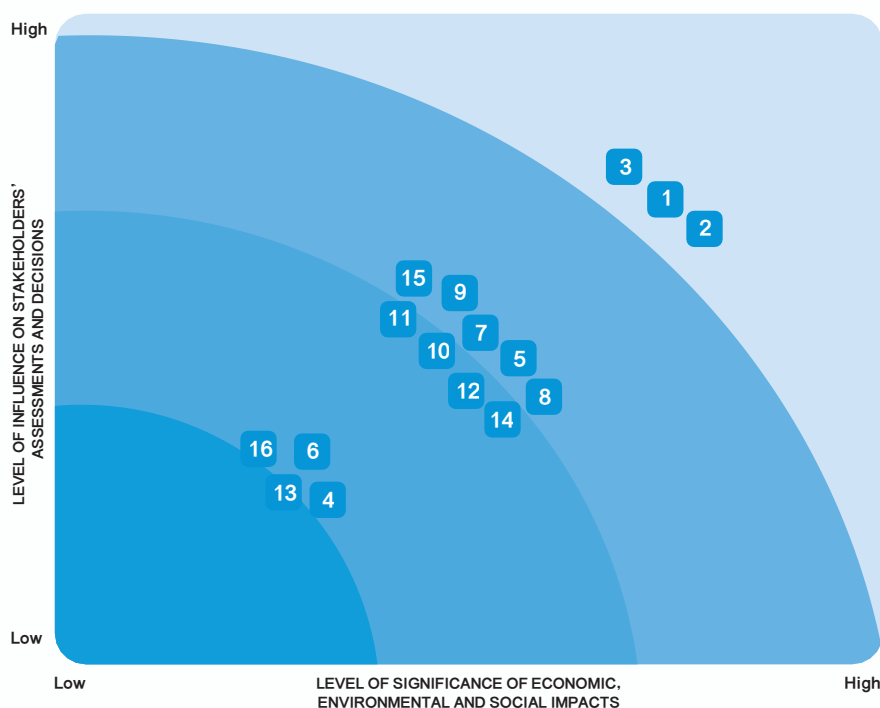
To assess the significance of these ESG topics, the Group has conducted a thorough analysis, taking into account factors such as its overall strategy, development trajectory, goals, and targets. The purpose of this materiality assessment is to evaluate the identified ESG topics that are relevant to the Group's business and stakeholders, as well as to determine the level of impact associated with each topic.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ABOUT THIS REPORT *(Continued)*

Materiality Assessment *(Continued)*

During the Reporting Period, there were no significant changes in our stakeholder groups and operations. As such, the Group confirmed that the materiality matrix results in the previous year's ESG report remain relevant to the Reporting Period's situation and continue to respond to stakeholder expectations. The Group's material ESG issues are summarised as follows:



Environmental Topics

1. Emissions
2. Greenhouse Gas Emissions
3. Hazardous Waste
4. Non-hazardous Waste
5. Energy Consumption
6. Water Consumption
7. Environment and Natural Resources
8. Climate Change

Social Topics

9. Employment
10. Health and Safety
11. Development and Training
12. Labour Standards
13. Supply Chain Management
14. Product Responsibility
15. Anti-corruption
16. Community Investment

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

A. ENVIRONMENTAL

Overview

The Group is principally engaged in the manufacturing and trading of down-the-hole (“DTH”) rock drilling tools, the trading of piling and drilling machinery, and the trading of rock drilling equipment.

We recognise that a healthy environment is crucial for economic progress and societal well-being. The Group is committed to conducting its business in an environmentally responsible and sustainable manner. This commitment is demonstrated by our diligent efforts to utilise resources such as energy, water, and raw materials efficiently.

Moreover, we are committed to upholding high environmental standards. To ensure strict compliance with the relevant requirements under applicable laws and regulations in Hong Kong and the PRC, the Group has established a Safety Committee (安全生產領導小組) and formulated comprehensive internal guidelines and procedures for environmental protection, e.g., “Enterprise Environmental Protection Management System Policy” (企業環保管理制度). By complying with relevant local environmental regulations and international general practices, we strive to further alleviate the impacts of our business operations on the environment.

Emissions

We have complied with the requirements as set out in the local environmental laws and regulations in the PRC, including, but not limited to, the “Environmental Protection Law of the PRC” (中華人民共和國環境保護法), the “Law of the PRC on the Prevention and Control of Atmospheric Pollution” (中華人民共和國大氣污染防治法), the “Standards of Guangdong Province on Emission Limits of Air Pollutants” (廣東省地方標準 — 大氣污染物排放限值 DB44/27-2001) issued by the Department of Ecology and Environment of Guangdong Province in the PRC and the “Emission standard of air pollutants for industrial kiln and furnace” (工業窯爐大氣污染物排放標準 GB9078-1996). There were no cases of non-compliance with laws and regulations related to air emissions during the Reporting Period.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

A. ENVIRONMENTAL *(Continued)*

Emissions *(Continued)*

Air Emissions

The primary source of the Group's air emissions is the consumption of natural gas by the Group's boilers, as well as diesel and petrol consumed by vehicles. During the Reporting Period, the air emissions of Nitrogen oxides ("**NOx**") and particulate matter ("**PM**") showed an increase while sulphur oxides ("**SOx**") decreased, attributed to the acquisition of a new petrol-powered vehicle, whilst the elimination of on-site canteen natural gas usage following the factory relocation led to a drop in cooking-related emissions, with the overall data further refined by a transition to a more accurate calculation method based directly on fuel invoices. The Group has not achieved the target of maintaining the same level of air emissions as in the financial year ended on 31 March 2025 ("**2024/25**"). To uphold the principles of sustainable development, the Group is committed to reducing or maintaining air emissions in the next reporting period between 90% and 120% of the baseline level of 2025/26.

With respect to the emission sources mentioned above, we actively adopt the following emission reduction measures:

- All usage of fuel and mileage of the vehicles are recorded by drivers on a daily basis to monitor the usage of vehicles; and
- Vehicles are under regular maintenance checks to facilitate fuel consumption efficiency, ensure road safety and keep emissions to a minimum

The performance of air emissions is summarised below:

Air Emissions ¹	Unit	2025/2026	2024/2025
NOx	kg	351.45	287.28
SOx	kg	0.42	0.46
PM	kg	31.92	27.57

¹ The calculation method of air emissions refers to "How to prepare an ESG Report — Appendix 2: Reporting Guidance on Environmental KPIs" issued by the HKEX; the presentation and disclosure method of air emissions data has been refined to better align with HKEX requirements.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

A. ENVIRONMENTAL *(Continued)*

Hazardous Waste and Non-hazardous Waste

We have complied with the requirements as set out in the local environmental protection laws and regulations in the PRC, including but not limited to, the “Environmental Protection Law of the PRC” (中華人民共和國環境保護法), the “Law of the PRC on the Prevention and Control of Environment Pollution Caused by Solid Wastes” (中華人民共和國固體廢物污染環境防治法), and the “Water Pollution Prevention and Control Law of the PRC” (中華人民共和國水污染防治法). There were no cases of non-compliance with laws and regulations relating to the generation of hazardous and non-hazardous waste during the Reporting Period.

During our production and daily operations, a variety of waste is generated, some of which is hazardous and others non-hazardous. Among the hazardous wastes are cutting fluid, machinery oil, and used oil rags. On the other hand, non-hazardous waste predominantly consists of paper and paper boxes, as well as iron scrap.

During the Reporting Period, the Group experienced a decrease in hazardous waste generation due to the process upgrade to eco-friendly and water-based paints, effectively eliminating the generation of waste paint cans, activated carbon, or filter wool. The reduction in cutting fluid and engine oil consumption was a one-off result of the factory relocation, as all machinery had to be completely drained of fluids before dismantling and transport, which temporarily inflated consumption in the previous reporting period. Therefore, the Group achieved the target of maintaining the same level of hazardous waste intensity as in 2024/25.

In terms of non-hazardous waste, iron scrap generated increased due to a one-off disposal of accumulated production offcuts and a temporary shift to manufacturing larger-diameter products, which generated higher volumes of iron scrap during production. Therefore, the Group has not achieved the target of maintaining the same level of non-hazardous waste intensity as in 2024/25. To uphold the principles of sustainable development, the Group is committed to reducing or maintaining the total hazardous and non-hazardous waste intensity in the next reporting period to between 90% and 120% of the baseline level of 2025/26.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

A. ENVIRONMENTAL *(Continued)*

Hazardous Waste and Non-hazardous Waste *(Continued)*

To mitigate the negative environmental impact of hazardous waste disposal, we have taken proactive measures by engaging reputable third-party recycling companies to handle our waste management. These recycling companies possess the necessary licenses, such as the “Hazardous Waste Collection, Storage, Disposal Business License” (危險廢物收集、儲存、處置經營許可證) and the “Dangerous Goods Road Transport Business License” (道路危險貨物運輸經營許可證) to ensure proper handling and disposal of hazardous wastes. As for non-hazardous waste generated, we have established partnerships with dedicated recyclers who purchase and process these materials in an environmentally responsible manner. By collaborating with these specialised recyclers, we enabled the recycling and reuse of non-hazardous waste materials. Furthermore, to manage waste production, the Group maintains a “Waste Register” to monitor hazardous and non-hazardous waste volumes. Employees are encouraged to minimise material usage, including promoting double-sided printing and utilising online communication channels to reduce paper waste.

The performance of waste generated is summarised below:

Hazardous Waste	Unit	2025/26	2024/25
Cutting fluid	tonnes	6.39	18.55
Machinery oil	tonnes	0.83	2.25
Used oil rags	tonnes	1.94	2.32
Waste paint cans	tonnes	– ²	0.58
Waste activated carbon	tonnes	–	1.82
Waste filter wool	tonnes	–	0.01
Total Hazardous Waste	tonnes	9.16	25.53
Hazardous Waste Intensity³	tonnes/unit produced	0.0005	0.0016
Non-hazardous Waste			
Paper/paper boxes	tonnes	0.78	0.82
Iron scrap	tonnes	279.30	180.96
Total Non-hazardous Waste	tonnes	280.08	181.78
Non-hazardous Waste Intensity	tonnes/unit produced	0.0155	0.0111

² Following the factory relocation during the Reporting Period, the coating process was upgraded to use eco-friendly water-based paints. Consequently, no waste paint cans, activated carbon, or filter wool were generated during the Reporting Period.

³ The total units produced in 2025/26 was 18,096 (2024/25: 16,315) sets. This data is also used to calculate other intensity data.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

A. ENVIRONMENTAL *(Continued)*

Use of Resources

We strictly comply with the requirements set out in the local environmental protection laws and regulations in the PRC, including, but not limited to, the “Environmental Protection Law of the PRC” (中華人民共和國環境保護法) regarding the efficient use of resources.

We believe that efficient resource consumption means not only consuming less but also consuming resources at their optimal level. Our main sources of resource usage are electricity, water, raw materials and packaging materials.

Energy, Water and Raw Materials

The Group’s major energy consumption is the direct energy contributed by the natural gas in boilers at the employees’ canteen, as well as the diesel and petrol consumed by the vehicles. Additionally, there is indirect energy stemming from the purchased electricity.

During the Reporting Period, the Group reduced its overall energy consumption and water consumption, and the intensity decreased. The drop in electricity consumption was driven by the factory relocation, which eliminated temporary renovation power use, and infrastructure upgrades at the new site that reduced power distribution losses. Water consumption decreased because one-off refurbishment water had ceased in the previous reporting period, and catering water was eliminated following the discontinuation of the legacy staff canteen during the Reporting Period. Therefore, the targets established in the last reporting period for energy consumption and water consumption have been achieved as planned.

To uphold the principles of sustainable development, the Group is committed to reducing or maintaining energy and water consumption intensity in the next reporting period to between 90% and 120% of the baseline level of 2025/26.

We have implemented multiple measures to reduce our usage of energy and raw materials, which include:

- Control raw material usage and reduce raw material wastage by procuring raw materials, especially tungsten carbide rings, with sizes similar to finished products, and monitor the quality of our work-in-progress and products closely;
- Switch off electronic appliances and lights during lunch hours and non-working hours;
- Keep the doors closed while the air-conditioners are in use; and
- Recycle raw materials whenever possible.

We do not have any issues sourcing water, and the existing supply meets our daily operational needs. Water consumption by the Group is minimal and is used mainly for basic cleaning and sanitation. To reduce water wastage, we regularly inspect the water supply facilities and actively promote water conservation awareness among our employees.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

A. ENVIRONMENTAL *(Continued)*

Use of Resources *(Continued)*

Energy, Water and Raw Materials *(Continued)*

The performance of energy consumption is summarised below:

Energy Consumption	Unit	2025/26	2024/25
Direct Energy Consumption⁴			
Natural gas	kWh	228,746.36	278,133.23
Diesel	kWh	159,885.24	134,185.37
Petrol	kWh	116,676.34	159,400.88
Indirect Energy Consumption			
Purchased electricity	kWh	535,495.50	779,350.00
Total Energy Consumption	kWh	1,040,803.44	1,351,069.48
Energy Consumption Intensity	kWh/unit produced	57.52	82.81
Water Consumption			
Total Water Consumption	m³	1,973.00	4,596.00
Water Consumption Intensity	m³/unit produced	0.11	0.28

⁴ The unit conversion method of energy consumption data is formulated according to the "Energy Statistics Manual" released by the International Energy Agency (the "IEA").

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

A. ENVIRONMENTAL *(Continued)*

Use of Resources *(Continued)*

Packaging Materials

The Group's major packaging materials include splints, laminated timber, straps, and coil nails. During the Reporting Period, the total packaging materials intensity decreased. The reduction in splint, laminated timber, and strap was a one-off result of the factory relocation, as the previous period required a temporary surge in these materials to protect the flooring and wrap equipment during the move. The increase in coil nail consumption was driven by a temporary export order of large-diameter products, which required extra packaging reinforcement for secure transport.

The performance of the packaging materials produced is summarised below:

Packaging Materials	Unit	2025/26	2024/25
Splint and laminated timber	tonnes	50.80	60.54
Strap	tonnes	1.00	1.10
Coil nails	tonnes	0.26	0.22
Total Packaging Materials	tonnes	52.06	61.86
Packaging Materials Intensity	tonnes/unit produced	0.003	0.004

The Environment and Natural Resources

We value environmental sustainability and strive to incorporate it into every aspect of our business. As noted above, we have adopted a variety of environmentally friendly practices across our business. In addition to emissions and waste, noise is unavoidably created when we operate our machines. We strive to minimise the nuisance caused to the nearby community. Noise control measures are adopted in our productions, including sound insulation, vibration reduction, noise elimination, and sound absorption.

With noise pollution, the Group's production facilities have complied with the "Emission Standard for Industrial Enterprises Noise at Boundary" (工業企業廠界環境噪聲排放標準 GB12348-2008) in the PRC.

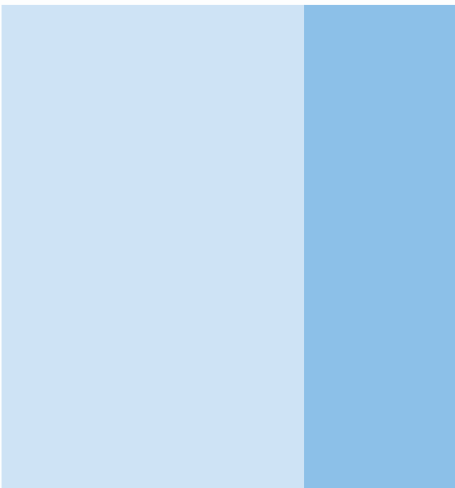
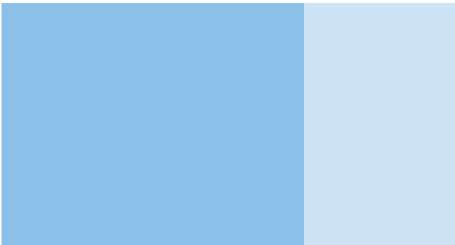
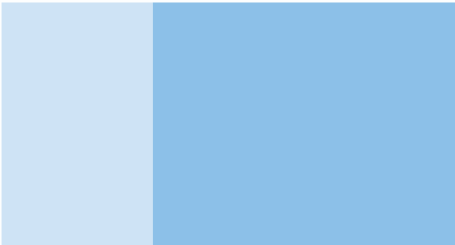
With our efforts made in environmental protection, we are pleased to report that there were no non-compliance issues regarding all relevant laws and regulations in Hong Kong and the PRC during the Reporting Period.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

A. ENVIRONMENTAL *(Continued)*

Climate Change

We have taken into account the potential climate-related risks in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (the “TCFD”). The Board regularly reviews and identifies all climate-related issues that may pose risks to the Group in the short-, medium-, and long-term. During the Group’s annual enterprise risk assessment, all potential risks and opportunities arising from climate change are covered, and their corresponding mitigation strategies are evaluated. The potential transition risks and physical risks from climate change, which may pose adverse financial impacts on the Group’s businesses and their corresponding mitigation strategies, are shown below:

Risk Type	Potential Financial Impact	Short-term (This Reporting Period)	Medium-term (1–3 years)	Long-term (4–10 years)	Mitigation Strategy
	Low  Medium  High 				
Transition Risks	Policy and Legal Increased compliance costs and potential disruption related to new climate-related regulations.				Regularly monitor the regulatory environment and strictly adhere to the Group’s emission-reduction measures to maintain a low emission level.
	Market Reduced demand for goods due to a shift in consumer preferences to greener products.				Continue to monitor the product market to ensure that our products exceed customer demands and expectations.
Physical Risks	Acute Extreme weather conditions such as storms that lead to supply chain disruption, reduction of revenue and loss of property.				Maintain a large supplier base and set up safety measures and contingency plans in regard to extreme climate events.
	Chronic Increased operating costs related to increased need for cooling and heating due to changing temperatures.				Adopt the Group’s energy conservation measures detailed in the above section headed “Use of Resources”.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

A. ENVIRONMENTAL *(Continued)*

Climate Change *(Continued)*

We are confident that both transition and physical risks do not have a material impact on the Group's operations. Nonetheless, we will continue to monitor any climate change risk to minimise our exposure to climate change-related risks.

Regarding the newly introduced requirements in Part D: Climate-related Disclosure of the HKEX's Reporting Code, the Group has reviewed the current disclosure capabilities, internal resources, and data maturity. We have determined that the existing climate disclosure framework will continue to apply at this stage, and that the new requirements have not yet been fully integrated. Looking ahead, the Group will continue to refine climate data collection methods, risk management, and scenario analysis capabilities. In accordance with the HKEX's implementation guidance and schedule, we aim to progressively enhance the transparency and completeness of relevant information to more fully comply with the HKEX's climate-related disclosure requirements.

Greenhouse Gas Emissions

The Group's primary contributors to greenhouse gas (the "GHG") emissions include direct GHG emissions resulting from the stationary combustion of natural gas in boilers at the staff canteen, as well as the mobile combustion of diesel and petrol by vehicles. Additionally, there are indirect GHG emissions stemming from purchased electricity, and other indirect GHG emissions associated with business air travel by employees.

During the Reporting Period, the GHG emissions intensity decreased. Scope 1 decreased as the factory relocation ended canteen natural gas usage and fuel data tracking was refined, despite adding a new petrol vehicle; Scope 2 fell because the move ended temporary renovation power consumption and new infrastructure cut distribution losses; and Scope 3 business travel emissions decreased through a conscious shift from flights to low-carbon travel alternatives, such as high-speed rail, to support our environmental commitments. Therefore, the target established in the previous reporting period has been achieved as planned. To uphold the principles of sustainable development, the Group is committed to reducing or maintaining the GHG emissions intensity in the next reporting period to between 90% and 120% of the baseline level of 2025/26.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

A. ENVIRONMENTAL *(Continued)*

Climate Change *(Continued)*

With respect to the emission sources mentioned above, we actively adopt the following emission reduction measures:

- All machines and equipment would be turned off when they are not in use;
- All usage of fuel and mileage of the vehicles are recorded by drivers on a daily basis to monitor the usage of vehicles; and
- Vehicles are under regular maintenance checks to facilitate fuel consumption efficiency, ensure road safety, and keep emissions at a minimum.

The performance of GHG emissions is summarised below:

GHG Emissions ⁵	Unit	2025/26	2024/25
Scope 1: Direct GHG Emissions			
Scope 1a — Stationary Combustion Sources			
GHG emissions	kgCO ₂ e	47,331.01	57,549.88
Scope 1b — Mobile Combustion Sources			
GHG Emissions	kgCO ₂ e	72,017.24	77,404.06
Scope 2 — Energy Indirect GHG Emissions			
GHG Emissions	kgCO ₂ e	309,545.94	482,167.79
Scope 3 — Other Indirect GHG Emissions			
<i>Business air travel by employees</i>			
GHG Emissions	kgCO ₂ e	—	5,386.00
Total GHG Emissions	kgCO₂e	428,894.19	622,507.73
GHG Emissions Intensity	kgCO₂e/unit produced	23.70	38.16

⁵ GHG emission data are presented in terms of carbon dioxide equivalent (“CO₂e”) and are based on, including but not limited to, “How to prepare an ESG Report — Appendix 2: Reporting Guidance on Environmental KPIs” issued by the HKEX, “Guidelines for Accounting and Reporting of Greenhouse Gas Emissions by Public Building Operation Enterprises (Trial)(公共建築運營企業溫室氣體排放核算方法與報告指南(試行))” issued by National Development and Reform Commission of PRC, the “Announcement Regarding the Release of 2024 Electricity Carbon Footprint Factor Data(關於發布2024年電力碳足跡因子數據的公告)” issued by the Ministry of Ecology and Environment of the PRC, the “HK Electric Investments Sustainability Report 2025” released by The Hong Kong Electric Co., Ltd., the “2025 Sustainability Report” released by CLP Holdings Limited, and the ICAO Carbon Emissions Calculator developed by International Civil Aviation Organization; the presentation and disclosure method of GHG emissions data has been refined to better align with HKEX requirements.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

A. ENVIRONMENTAL *(Continued)*

Climate Change *(Continued)*

Climate-related Transition Plan

Currently, the Group has not developed a climate-related transition plan, but the Group remains actively engaged in fortifying its underlying climate capabilities. At this stage, the Group's focus centres on embedding sustainability principles into day-to-day operations and driving energy efficiency enhancements across its business activities, which ensures the cultivation of a robust foundation and operational resilience, which are decisive for any future transition planning.

The Group intends to keep monitoring evolving climate disclosure requirements, international frameworks, and emerging market practices. The Group remains dedicated to evaluating the viability, strategic pathways, and optimal timeline for formulating and executing a structured climate-related transition plan that harmonises with its operational characteristics whilst meeting escalating regulatory expectations.

Climate-related Transition and Physical Risks

Given that the financial quantification of climate-related transition risks, physical risks, and opportunities involves highly complex factors such as scenario analysis, asset risk attribution, time-horizon assumptions, and methodological judgments, the Group is currently in the process of progressively establishing relevant data collection, internal assessment models, and management processes. Given the Group's business nature focusing on the design, manufacture, and sale of the DTH drilling tools, the financial impact of the relevant climate risks and opportunities on assets and business activities still requires further quantitative assessment within a more mature and consistent methodological framework.

Therefore, during the Reporting Period, the Group primarily focused on identifying potential climate-related transition and physical risks and was unable to provide comprehensive qualitative and quantitative disclosures — including specific climate-related opportunities, associated capital deployment, and the respective monetary amounts or percentages. The Group remains committed to enhancing its capabilities in climate risk identification, assessment, and quantification. As data quality improves and internal management processes are refined, we aim to disclose more comparable, decision-useful quantitative information in due course.

Internal Carbon Pricing

The Group has not yet applied an internal carbon pricing mechanism in its decision-making processes during the Reporting Period, including investment appraisal, capital allocation, transfer pricing, or scenario analysis, and no price per metric tonne of GHG emissions was used to assess the cost of the Group's emissions.

Nevertheless, the Group recognises that internal carbon pricing may, over time, become a useful management tool to support climate-related decision-making, risk assessment, and the evaluation of decarbonisation opportunities. As part of its evolving climate-related management approach, the Group will continue to assess the potential applicability of internal carbon pricing with reference to, among other factors, regulatory developments, industry trends, market practices, stakeholder expectations, and the operational characteristics of its business.

The Group will continue to monitor developments in climate-related disclosure requirements and broader market practice and will consider whether and how an internal carbon pricing mechanism may be developed and applied in the future where appropriate.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

A. ENVIRONMENTAL *(Continued)*

Climate Change *(Continued)*

Carbon Offset

During the Reporting Period, the Group did not purchase or retire any carbon credits to offset its GHG emissions to achieve any net GHG emissions target. The Group's current climate-related approach remains primarily focused on monitoring emissions, operational efficiency, and emissions reduction at source.

The Group recognises that carbon credits may play a complementary role in corporate climate strategies as carbon markets continue to develop. Accordingly, the Group will continue to assess the potential role of carbon credits within its longer-term climate strategy with reference to evolving regulatory expectations, market developments, industry trends and recognised market resources, including relevant guidance and market developments associated with the HKEX's Core Climate and other recognised carbon market frameworks. The Group will continue to review relevant developments and, where appropriate, enhance its disclosures in future reporting years.

Industry-based Metrics

The Group has conducted a preliminary assessment of the applicability of the relevant indicators to its business nature. Taking into account the operation model, carbon emission structure, and risk characteristics of the industrial engineering as well as the fact that the collection of relevant data and internal management processes are still at a stage of gradual enhancement, the Group was not yet in a position to disclose the relevant industry-specific indicators during the Reporting Period.

B. SOCIAL

Employment and Labour Practices

As a responsible employer, we strictly comply with all relevant employment laws and regulations that have a significant impact on us, including but not limited to the “Employment Ordinance” (僱傭條例), the “Minimum Wage Ordinance” (最低工資條例), the “Employees’ Compensation Ordinance” (僱員補償條例), the “Mandatory Provident Fund Schemes Ordinance” (強制性公積金計劃條例) and the “Sex Discrimination Ordinance” (性別歧視條例) in Hong Kong, as well as the “Labour Law of the PRC” (中華人民共和國勞動法), the “Labour Contract Law of the PRC” (中華人民共和國勞動合同法), the “Production Safety Law of the PRC” (中華人民共和國安全生產法), the “Social Insurance Law of the PRC” (中華人民共和國社會保險法), the “Law of the PRC on Safeguarding the Rights and Interests of Women” (中華人民共和國婦女權益保障法) and the “Law of the PRC on the Protection of Disabled Persons” (中華人民共和國殘疾人保障法) in the PRC.

We have formulated our internal policies in accordance with relevant labour laws and regulations related to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination and other benefits and welfare, and employment development and training.

To ensure that key policies are clearly and consistently communicated to our employees, the Group has established a “Staff Handbook” (員工手冊), which details the rights of our employees, such as working hours, leave entitlements and other benefits and welfare. Every employee is provided with a copy of the policy when they join the Group.

During the Reporting Period, there was no incident of non-compliance in relation to relevant labour laws and regulations, and the Group had not been subject to any material labour laws claim, lawsuit, penalty, or disciplinary action.

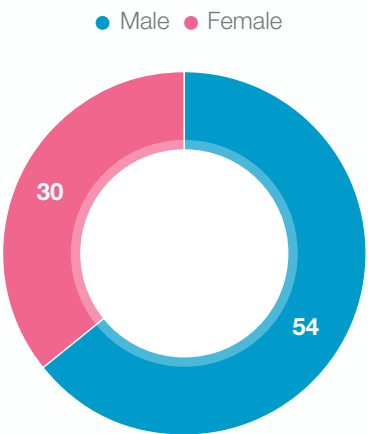
B. SOCIAL (Continued)

Employment and Labour Practices (Continued)

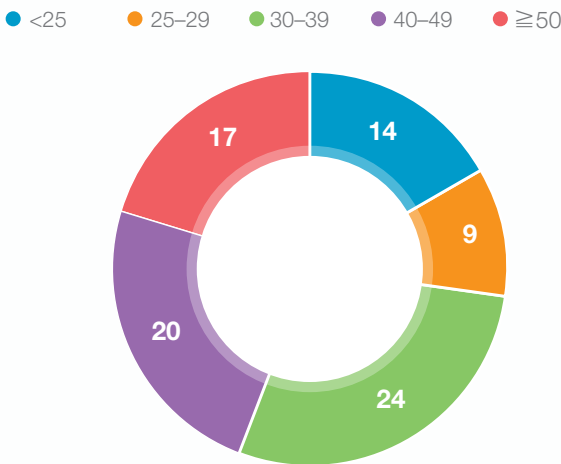
Our Team

We believe that a diversified and equitable workforce is vital for our business development. We strive to ensure our recruitment process is fair and without any discrimination. As at 31 March 2026, the Group had a total of 84 (31 March 2025: 101) employees. Details of our workforce by gender, employment type, age group and geographical region are as follows:

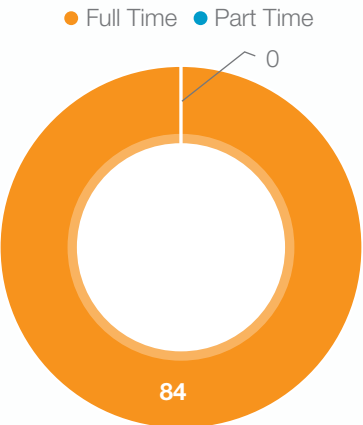
Total number of employees by gender



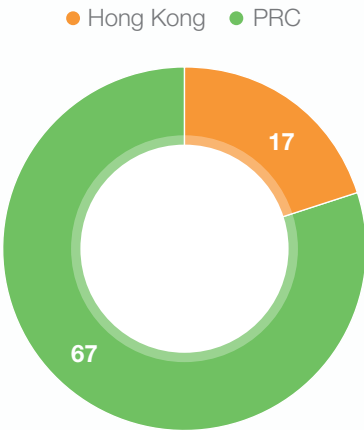
Total number of employees by age group



Total number of employees by employment type



Total number of employees by geographical region



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

B. SOCIAL *(Continued)*

Employment and Labour Practices *(Continued)*

Our Team *(Continued)*

During the Reporting Period, 30 (2024/25: 19) employees left the Group, which constitutes a total employee turnover rate of 36% (2024/25: 19%)⁶. Our turnover rate by gender, age group and geographical region is as follows:

Employees Turnover Rate ⁷	2025/26	2024/25
By Gender		
Male	31	15%
Female	43	26%
By Age Group		
< 25	143	56%
25–29	22	27%
30–39	8	8%
40–49	15	–%
≥ 50	18	–%
By Geographical Region		
The PRC	39	23%
Hong Kong	24	–%

Welfare and Benefits

The Group has established a fair and reasonable remuneration regime, adhering to the principle of fairness, incentive and legality. Employee remuneration includes basic salaries, annual remuneration, and attendance bonuses. For effective personnel management, we offer rewards (e.g., promotions) and impose punishments (e.g., dismissals) based on employees' attendance and performance.

Employees who have completed their probation are entitled to all statutory holidays, leave, and welfare as stipulated in national and local laws and regulations, including, but not limited to, paid maternity leave, paternity leave, compassionate leave, and annual leave.

⁶ The total employee turnover rate is calculated by dividing the total number of employees leaving employment during the financial year by the number of employees at the end of the financial year, then multiplying by 100%.

⁷ The employee turnover rate for each category is calculated by dividing the number of employees leaving employment in the specified category during the financial year by the number of employees in the specified category at the end of the financial year, then multiplying by 100%.

B. SOCIAL *(Continued)*

Employment and Labour Practices *(Continued)*

Child Labour and Forced Labour

The Group does not tolerate the recruitment of child labour and the use of forced labour. We ensure that the labour contracts signed with our employees are on a fair, equal, voluntary and mutually agreed basis. Every recruitment is subject to a stringent internal review process that includes verifying applicants' personal information. For example, the Human Resources Department carefully verifies applicants' identities to ensure that child labour is not recruited. Any individuals under the legal working age are not recruited.

We believe that maintaining a good work-life balance is essential to employees' physical and mental health. Thus, our employees are never forced to work overtime. We also managed the work schedules for our employees in the PRC production facility with no more than 8 working hours per day and 44 hours per week on average, to comply with the "Labour Law of the PRC" (中華人民共和國勞動法) in the PRC.

Upon the discovery of any non-compliance, the Group will launch an immediate investigation to protect affected individuals. Standard operating procedures will be enforced to rectify the situation, and strict disciplinary measures will be applied to any staff member found complicit in such violations. If necessary, the Group will further improve the labour mechanism to address illegal behaviour.

During the Reporting Period, the Group has complied with relevant employment laws and regulations, including but not limited to, the "Law of the PRC on the Protection of Minors" (中華人民共和國未成年人保護法) and the "Provisions on the Prohibition of Using Child Labour" (中華人民共和國國務院令 – 禁止使用童工規定) in the PRC. All our employees are aged over 18 and have been properly employed in accordance with the requirements of all applicable laws and regulations. The Group does not use any unlawful or unfair means to restrict the employee benefits and rights enjoyed by its employees. No non-compliance incidents or grievances were noted by the Group during the Reporting Period.

Equal Opportunity, Diversity and Anti-discrimination

The Group is committed to providing a friendly working environment where employees are treated fairly and equally. All employees are assessed based on their ability, job performance, and contribution, irrespective of their nationality, race, religion, disability, sexual orientation, political opinion, gender, age, or family status. Through proactive enforcement of the policy prohibiting discrimination and harassment, we strive to create a workplace free of bullying, belittling, and sexual harassment.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

B. SOCIAL *(Continued)*

Health and Safety

The Group is dedicated to providing a safe working environment for all of our employees. The occupational health and safety of our employees are always our top priority. We make every effort to minimise and avoid potential occupational hazards.

During the Reporting Period, the Group has complied with relevant laws and regulations regarding health and safety, including but not limited to, the “Production Safety Law of the PRC” (中華人民共和國安全生產法), and the “Law of the PRC on Prevention and Treatment of Occupational Diseases” (中華人民共和國職業病防治法) in the PRC.

To ensure occupational health and safety, we have established a comprehensive set of policies regarding the occupational health and safety management system. Moreover, the Group has established a “Fire Safety Management Guideline” that outlines the procedures for fire safety inspections to ensure that fire safety equipment is in good condition. Regular fire drills are also conducted to ensure that employees are well aware of evacuation routes and fire extinction measures.

Furthermore, the Group has developed emergency plans regarding production disruptions, fire control, and industrial injuries. In the occurrence of any material operational disruption, actions are taken immediately in accordance with the emergency plan. Impacts on production efficiency and the environment caused by the accident are to be assessed and kept to a minimum.

We ensure that our workers are technically and professionally certified before assigning them to operate special equipment. The Human Resources Department closely monitors the validity of these certificates. The certificates are properly retained during the respective employees’ service period. Operation manuals for different equipment are also available to curb workplace accidents.

To remain in line with the safety requirements of our production facility, the Human Resources Department conducts daily inspections of hygiene, workplace, and machinery safety. Inspections of designated protective measures, such as the protective clothing and face masks used by staff operating the machines, are also conducted regularly.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

B. SOCIAL *(Continued)*

Health and Safety *(Continued)*

In addition, the Group provides regular safety and first-aid training at various levels to raise employees' awareness of workplace health and safety. If an employee sustains a work-related injury, the Group will take all necessary measures to ensure that the employee receives proper medical care and treatment.

During the Reporting Period, there were 3 (2024/25: 1) cases of work injuries costing 234 (2024/25: 185.5) lost working days. The recorded work injury cases were reported to the Ministry of Human Resources and Social Security of the PRC and the Labour Department in Hong Kong, in accordance with applicable laws and regulations. Eligible employees are receiving or have been granted the corresponding compensation and support. For the past three reporting periods, including the Reporting Period, there were no work-related fatality cases. Documents from the government and hospitals were properly kept by the Human Resources Department for follow-up actions and future reference.

Development and Training

Employees are our most valuable asset. Thus, we place strong emphasis on the personal development of our employees. A wide range of training programmes is provided for our employees to enhance their knowledge and capabilities.

Orientation training sessions are provided for newly recruited employees by their respective department supervisors. The training covers an introduction to our Group, our department structure, responsibilities, required skills, and work instructions.

We also require all newly recruited staff to attend safety training before commencing their duties. Upon completion of the training, our staff would have a good understanding of the relevant laws and regulations, the Group's internal safety policies, and the available safety measures. The aim of providing such training is to minimise the chance of having any work-related injuries.

During the Reporting Period, we organised a wastewater leakage emergency drill to test employees' emergency response capabilities regarding wastewater leakage, strengthen departmental collaboration, improve the enterprise's wastewater leakage contingency plan, and minimise accident hazards.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

B. SOCIAL *(Continued)*

Development and Training *(Continued)*

During the Reporting Period, the percentage of total trained employees was 21% (2024/25: 54%)⁸, while the average training hours completed per employee was 2.50 (2024/25: 3.09) hours⁹. The breakdown of the percentage of employees trained and the average training hours completed per employee by gender and employee category is shown as follows:

Percentage of Employees Trained ¹⁰	2025/26	2024/25
By Gender		
Male	78%	51%
Female	22%	49%
By Employee Category		
Entry level	83%	91%
Middle level	17%	5%
Management level	–	4%
Average Training Hours Completed per Employee ¹¹	2025/26	2024/25
By Gender		
Male	2.32	2.06
Female	3.13	4.72
By Employee Category		
Entry level	2.97	4.03
Middle level	0.17	0.50
Management level	–	0.29

⁸ The total percentage of trained employees is calculated by dividing the total number of employees who took part in training during the financial year by the total number of employees at the end of the financial year, then multiplying by 100%.

⁹ The average training hours completed per employee is calculated by dividing the total number of training hours during the financial year by the total number of employees at the end of the financial year.

¹⁰ The percentage of employees trained by category is calculated by dividing the number of employees in the specified category who took part in training during the financial year by the total number of employees who took part in training during the financial year, then multiplying by 100%.

¹¹ The average training hours by category is calculated by dividing the number of training hours for employees in the specified category during the financial year by the number of employees in the specified category at the end of the financial year.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

B. SOCIAL (Continued)

Supply Chain Management

The Group places a strong emphasis on supplier management. We have formulated a “Purchasing Policy” (採購管理制度) that clearly outlines the procurement procedures and supplier selection criteria.

We work closely with our existing suppliers to ensure product quality and reduce the environmental impact of manufacturing in our production facilities. To ensure the effectiveness and sustainability of our supply chain, we continue to carefully select new suppliers based on our defined criteria, including size, products and services, quality, delivery time, and cost-effectiveness. We also set clear expectations for our suppliers regarding environmental impact and child labour. In addition, suppliers with more advanced, environmentally friendly production technologies are preferred to minimise unnecessary waste during the production process.

Approved suppliers are evaluated annually to ensure they meet the requirements for quality, delivery time, and engineering techniques. The Group also continuously monitors and evaluates suppliers' records in handling environmental and social issues. Suppliers who are not up to standard for an extended period are to be disqualified.

During the Reporting Period, the Group had a total of 76 (2024/25: 73) suppliers. The Group will continue to work closely with our suppliers and strive to optimise our supply chain capabilities to fulfil our responsibilities in social and environmental protection. The breakdown of our suppliers by geographical region is shown as follows:

Number of Suppliers by Geographical Region

By Geographical Region	2025/26	2024/25
The PRC	71	69
Hong Kong	2	2
Korea	2	2
Others	1	—

Product Responsibility

The Group strictly complies with the relevant laws and regulations relating to product responsibility that have a significant impact on us, including, but not limited to, the “Product Quality Law of the PRC” (中華人民共和國產品質量法), the “Law of the PRC on the Protection of Consumer Rights and Interests” (中華人民共和國消費者權益保護法), the “Tort Law of the PRC” (中華人民共和國侵權責任法) in the PRC, and the “Trade Description Ordinance” (商品說明條例) and the “Sale of Goods Ordinance” (貨品售賣條例) in Hong Kong.

During the Reporting Period, the Group was not aware of any material non-compliance with the relevant laws and regulations related to health and safety, advertising, labelling and privacy matters relating to products and services provided.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

B. SOCIAL *(Continued)*

Product Responsibility *(Continued)*

Quality Assurance

In order to minimise our product liability risk and ensure customer satisfaction, the Group has established a “Quality Management System and Process Policy” (品質管理制度及流程). The policy provides clear guidance on implementing quality assurance plans. The Quality Control Department is responsible for inspections of raw materials, work-in-progress and finished goods. To further ensure product quality, the Quality Control Department issues inspection reports prior to product delivery to our customers. As such, we strive to maintain and exceed our standards of quality products in the future.

In addition, regular inspections and maintenance of our machines and equipment are conducted to ensure they function properly. The Production Department is required to immediately report any machinery malfunctions and arrange for repair and maintenance. During the Reporting Period, no product was sold or shipped that was subject to recall for safety or health reasons.

Customer Service

Sound customer service is essential to maintaining long-term relationships with our customers. To ensure that our customers have adequate knowledge of how to operate the products, the Group has established an experienced after-sales team to provide on-site technical support in Hong Kong and Macau upon request. The Group also requires overseas distributors in Scandinavia, Japan and India to provide the end users with after-sales technical support.

The Group makes every effort to promptly investigate and resolve all disputes and complaints lodged by customers. All complaints received are promptly diverted to and handled by our Quality Control Department. In the event of a non-artificial performance failure, the Group would recall the products and provide customers with a refund of up to 100%. Moreover, we offer customers other value-added services, including repair and maintenance services for the machinery and equipment they purchased from us. We will continue to maintain strong relationships with our customers and improve the quality of our products and services.

During the Reporting Period, the Group did not receive any material complaints related to product and service quality.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

B. SOCIAL *(Continued)*

Product Responsibility *(Continued)*

Intellectual Property Rights

During the Reporting Period, we have strictly complied with relevant laws and regulations in regard to product responsibility in Hong Kong and the PRC that have a significant impact on us, including, but not limited to, the “Copyright Ordinance” (版權條例) in Hong Kong, and the “Trademark Law of the PRC” (中華人民共和國商標法), the “Civil Code of the PRC” (中華人民共和國民法典), and the “Copyright Law of the PRC” (中華人民共和國著作權法) in the PRC.

We actively seek patent and design protection for important innovations and designs. Our Research and Development Department (“**R&D Department**”) actively monitors the status and usage of the Group’s intellectual property (“**IP**”). When potential IP infringement is identified, the case will be reported to the R&D Department. If the reported infringement is confirmed, the case will be passed to the management for further action.

Moreover, we act proactively to protect our IP rights against third-party infringers. For Research and Development Cooperation, a technical cooperation agreement specifying the confidentiality requirements of proprietary information and rights upon patent entitlement is signed with the relevant parties to protect the Group’s IP rights.

In addition, parties with access to the Group’s IP sign confidentiality agreements. We also require our staff to sign the confidentiality agreement and anti-competitive agreement.

Data Protection

The majority of our products are custom-made to suit individual customers’ needs. Construction drawings are forwarded to the Production Department to produce customised products. To avoid information leakage, copying and/or scanning of the construction drawings is strictly prohibited. Computers with access to the construction drawings are also not connected to the internet or to external storage devices.

Moreover, all employees of the Group sign non-disclosure agreements to ensure they are aware of their legally binding obligation to protect the Group’s confidential information. Disciplinary action will be taken against the employee in case of breach, and the Group will reserve its right to legal action. The Group’s practices in collecting, using and maintaining its information are strictly compliant with the “Personal Data (Privacy) Ordinance” (個人資料(私隱)條例) in Hong Kong, and the “Personal Information Protection Law of the PRC” (中華人民共和國個人信息保護法) and the “Cybersecurity Law of the PRC” (中華人民共和國網絡安全法) in the PRC.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

B. SOCIAL *(Continued)*

Anti-Corruption and Money Laundering

During the Reporting Period, we have compiled all relevant local and national laws and regulations relating to the prevention of bribery, extortion, fraud and money laundering, including, but not limited to, the “Prevention of Bribery Ordinance” (防止賄賂條例) in Hong Kong, and the “Criminal Law of the PRC” (中華人民共和國刑法) and the “Anti-Money Laundering Law of the PRC” (中華人民共和國反洗黑錢法) in the PRC.

The Group prohibits acts of corruption and bribery committed by its employees. Our “Anti-corruption Policy” and “Whistleblowing Policy” clearly set out the procedures and channels for reporting corruption and fraudulent cases. As stipulated in the policy, every employee should immediately report any suspected cases of fraud or corruption.

After detecting a potential case of fraud or corruption, the investigation will be conducted with due care and kept confidential. For proven cases of fraud, management will take corrective action immediately.

In the event of a conflict of interest, employees must declare their interests and report the matter to the Group’s management. Employees are strictly prohibited from abusing their power and/or taking advantage of their position for personal gain.

Since the Group’s business is not highly exposed to the risk of corruption, no training in this area was conducted during the Reporting Period. Although no standalone anti-corruption training seminars were conducted during the Reporting Period, the Group continues to monitor and review the internal governance. The Group regularly circulates anti-corruption materials via internal communication channels, such as corporate emails and informational posters. We remain committed to exploring viable anti-corruption training resources to further cultivate and reinforce a culture of integrity across the organisation. All directors received training on corporate governance prior to joining the Group, so that they are aware of their duties and responsibilities on integrity. The Group will provide and subsidise anti-corruption training for its employees and directors when necessary. During the Reporting Period, we were not aware of any cases or reports of corruption, bribery, extortion, fraud or money laundering.

Community Investment

Community investment is an integral part of our corporate culture. We are committed to our social responsibilities and to building a better society.

We are committed to disseminating the spirit of service in our community and creating sustainable societal value. During the Reporting Period, we have taken the initiative to support our local community by donating to the Tung Wah Group of Hospitals and Taishan Charitable Association. The focus area of our contribution is health and elderly welfare. A total of HK\$13,000.00 was donated to the above institutions to provide medical and social services to the underprivileged, particularly the elderly.

We will continue to devote our time, resources and capital to the betterment of society. By doing so, we hope to encourage our employees to serve the community while promoting corporate social responsibility and making a positive impact on society.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

HKEX ENVIRONMENTAL, SOCIAL AND GOVERNANCE CODE CONTENT INDEX

Part C: “Comply or explain” Provisions

Subject Areas, Aspects, General Disclosures and KPIs

Aspect	Description	Chapter/Section
A. Environmental		
Aspect A1: Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Emissions
KPI A1.1	The types of emissions and respective emissions data.	Emissions
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Emissions
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Hazardous Waste and Non-hazardous Waste
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	Emissions
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Hazardous Waste and Non-hazardous Waste
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials. Note: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.	Use of Resources
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Energy, Water and Raw Materials
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Energy, Water and Raw Materials
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Energy, Water and Raw Materials
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Energy, Water and Raw Materials
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Packaging Materials

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

HKEX ENVIRONMENTAL, SOCIAL AND GOVERNANCE CODE CONTENT INDEX *(Continued)*

Part C: “Comply or explain” Provisions

Subject Areas, Aspects, General Disclosures and KPIs

Aspect	Description	Chapter/Section
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer’s significant impacts on the environment and natural resources.	The Environmental and Natural Resources
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	The Environmental and Natural Resources
B. Social		
Aspect B1: Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Employment and Labour Practices
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Our Team
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Our Team
Aspect B2: Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Health and Safety
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Health and Safety
KPI B2.2	Lost days due to work injury.	Health and Safety
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Health and Safety

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

HKEX ENVIRONMENTAL, SOCIAL AND GOVERNANCE CODE CONTENT INDEX *(Continued)*

Part C: “Comply or explain” Provisions

Subject Areas, Aspects, General Disclosures and KPIs

Aspect	Description	Chapter/Section
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees’ knowledge and skills for discharging duties at work. Description of training activities.	Development and Training
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Development and Training
KPI B3.2	The average training hours completed per employee by gender and employee category.	Development and Training
Aspect B4: Labour Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Child Labour and Forced Labour
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Child Labour and Forced Labour
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Child Labour and Forced Labour
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Supply Chain Management
KPI B5.1	Number of suppliers by geographical region.	Supply Chain Management
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Supply Chain Management
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply Chain Management
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supply Chain Management

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

HKEX ENVIRONMENTAL, SOCIAL AND GOVERNANCE CODE CONTENT INDEX *(Continued)*

Part C: “Comply or explain” Provisions

Subject Areas, Aspects, General Disclosures and KPIs

Aspect	Description	Chapter/Section
Aspect B6: Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Product Responsibility
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Quality Assurance
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Customer Services
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Intellectual Property Rights
KPI B6.4	Description of quality assurance process and recall procedures	Quality Assurance Customer Services
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Data Protection
Aspect B7: Anti-corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Anti-Corruption and Money Laundering
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Anti-Corruption and Money Laundering
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored	Anti-Corruption and Money Laundering
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Anti-Corruption and Money Laundering

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

HKEX ENVIRONMENTAL, SOCIAL AND GOVERNANCE CODE CONTENT INDEX *(Continued)*

Part C: “Comply or explain” Provisions		
Subject Areas, Aspects, General Disclosures and KPIs		
Aspect	Description	Chapter/Section
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.	Community Investment
KPI B8.1	Focus areas of contribution (e.g., education, environmental concerns, labour needs, health, culture, sport).	Community Investment
KPI B8.2	Resources contributed (e.g., money or time) to the focus area.	Community Investment

HKEX ENVIRONMENTAL, SOCIAL AND GOVERNANCE CODE CONTENT INDEX *(Continued)*

D. Climate-related Disclosures

(I) Governance

19.(a)	An issuer shall disclose information about:	
(a)	the governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities. Specifically, the issuer shall identify that body(s) or individual(s) and disclose information about:	The Group is currently enhancing the relevant assessment framework, data collection and internal review processes. The relevant information will be disclosed once the supporting information is available for reliable disclosure.
(i)	how the body(s) or individual(s) determines whether appropriate skills and competencies are available or will be developed to oversee strategies designed to respond to climate-related risks and opportunities.	
(ii)	how and how often the body(s) or individual(s) is informed about climate-related risks and opportunities.	
(iii)	how the body(s) or individual(s) takes into account climate-related risks and opportunities when overseeing the issuer's strategy, its decisions on major transactions, and its risk management processes and related policies, including whether the body(s) or individual(s) has considered trade-offs associated with those risks and opportunities; and	

HKEX ENVIRONMENTAL, SOCIAL AND GOVERNANCE CODE CONTENT INDEX *(Continued)*

D. Climate-related Disclosures

- (iv) how the body(s) or individual(s) oversees the setting of, and monitors progress towards, targets related to climate-related risks and opportunities (see paragraphs 37 to 40), including whether and how related performance metrics are included in remuneration policies (see paragraph 35); and
- (b) management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities, including information about:
 - (i) whether the role is delegated to a specific management-level position or management-level committee and how oversight is exercised over that position or committee; and
 - (ii) whether management uses controls and procedures to support the oversight of climate-related risks and opportunities and, if so, how these controls and procedures are integrated with other internal functions.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

HKEX ENVIRONMENTAL, SOCIAL AND GOVERNANCE CODE CONTENT INDEX *(Continued)*

D. Climate-related Disclosures

(II) Strategy

Climate-related Risks and Opportunities

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

Business model and value chain

21. An issuer shall disclose information that enables an understanding of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain. Specifically, the issuer shall disclose:
- (a) a description of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain; and
 - (b) a description of where in the issuer's business model and value chain climate-related risks and opportunities are concentrated (for example, geographical areas, facilities and types of assets).
- The Group is currently enhancing the relevant assessment framework, data collection and internal review processes. The relevant information will be disclosed once the supporting information is available for reliable disclosure.

HKEX ENVIRONMENTAL, SOCIAL AND GOVERNANCE CODE CONTENT INDEX *(Continued)*

D. Climate-related Disclosures

Strategy and decision-making

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|-----|--|--|
| 22. | <p>An issuer shall disclose information that enables an understanding of the effects of climate-related risks and opportunities on its strategy and decision-making. Specifically, the issuer shall disclose:</p> <ul style="list-style-type: none"> (a) information about how the issuer has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the issuer plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation. Specifically, the issuer shall disclose information about: <ul style="list-style-type: none"> (i) current and anticipated changes to the issuer's business model, including its resource allocation, to address climate-related risks and opportunities; (ii) current and anticipated adaptation and mitigation efforts (whether direct or indirect); (iii) any climate-related transition plan the issuer has (including information about key assumptions used in developing its transition plan, and dependencies on which the issuer's transition plan relies), or an appropriate negative statement where the issuer does not have a climate-related transition plan; and (iv) how the issuer plans to achieve any climate-related targets (including any greenhouse gas emissions targets (if any); and (b) information about how the issuer is resourcing, and plans to resource, the activities disclosed in accordance with paragraph 22(a). | <p>The Group is currently enhancing the relevant assessment framework, data collection and internal review processes. The relevant information will be disclosed once the supporting information is available for reliable disclosure.</p> |
| 23 | <p>An issuer shall disclose information about the progress of plans disclosed in previous reporting periods in accordance with paragraph 22(a).</p> | <p>The Group is currently enhancing the relevant assessment framework, data collection and internal review processes. The relevant information will be disclosed once the supporting information is available for reliable disclosure.</p> |

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

HKEX ENVIRONMENTAL, SOCIAL AND GOVERNANCE CODE CONTENT INDEX *(Continued)*

D. Climate-related Disclosures

Financial position, financial performance and cash flows

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Current financial effect

An issuer shall disclose qualitative and quantitative information about:

- (a) how climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period.
- (b) the climate-related risks and opportunities identified in paragraph 24(a) for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements.

The Group is currently enhancing the relevant assessment framework, data collection and internal review processes. The relevant information will be disclosed once the supporting information is available for reliable disclosure.

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Anticipated financial effect

The issuer shall provide qualitative and quantitative disclosures about:

- (a) how the issuer expects its financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities, taking into consideration:
 - (i) its investment and disposal plans; and
 - (ii) its planned sources of funding to implement its strategy; and
- (b) how the issuer expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities.

The Group is currently enhancing the relevant assessment framework, data collection and internal review processes. The relevant information will be disclosed once the supporting information is available for reliable disclosure.

HKEX ENVIRONMENTAL, SOCIAL AND GOVERNANCE CODE CONTENT INDEX *(Continued)*

D. Climate-related Disclosures

Climate resilience

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An issuer shall disclose information that enables an understanding of the resilience of the issuer's strategy and business model to climate-related changes, developments and uncertainties, taking into consideration the issuer's identified climate-related risks and opportunities. An issuer shall use climate-related scenario analysis to assess its climate resilience using an approach that is commensurate with an issuer's circumstances. In providing quantitative information, the issuer may disclose a single amount or a range. Specifically, the issuer shall disclose:

- (a) the issuer's assessment of its climate resilience as at the reporting date, which shall enable an understanding of:
 - (i) the implications, if any, of the issuer's assessment for its strategy and business model, including how the issuer would need to respond to the effects identified in the climate-related scenario analysis;
 - (ii) the significant areas of uncertainty considered in the issuer's assessment of its climate resilience; and
 - (iii) the issuer's capacity to adjust, or adapt its strategy and business model to climate change over the short, medium or long term;

The Group is currently enhancing the relevant assessment framework, data collection and internal review processes. The relevant information will be disclosed once the supporting information is available for reliable disclosure.

HKEX ENVIRONMENTAL, SOCIAL AND GOVERNANCE CODE CONTENT INDEX *(Continued)*

D. Climate-related Disclosures

- (b) how and when the climate-related scenario analysis was carried out, including:
 - (i) information about the inputs used, including:
 - (1) which climate-related scenarios the issuer used for the analysis and the sources of such scenarios;
 - (2) whether the analysis included a diverse range of climate-related scenarios;
 - (3) whether the climate-related scenarios used for the analysis are associated with climate-related transition risks or climate-related physical risks;
 - (4) whether the issuer used, among its scenarios, a climate-related scenario aligned with the latest international agreement on climate change;
 - (5) why the issuer decided that its chosen climate-related scenarios are relevant to assessing its resilience to climate-related changes, developments or uncertainties;
 - (6) time horizons the issuer used in the analysis; and
 - (7) what scope of operations the issuer used in the analysis (for example, the operation, locations and business units used in the analysis);
 - (ii) the key assumptions the issuer made in the analysis; and
 - (iii) the reporting period in which the climate-related scenario analysis was carried out.

HKEX ENVIRONMENTAL, SOCIAL AND GOVERNANCE CODE CONTENT INDEX *(Continued)*

D. Climate-related Disclosures

(III) Risk Management

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An issuer shall disclose information about:

- (a) the processes and related policies it uses to identify, assess, prioritise and monitor climate-related risks, including information about:
 - (i) the inputs and parameters the issuer uses (for example, information about data sources and the scope of operations covered in the processes);
 - (ii) whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related risks;
 - (iii) how the issuer assesses the nature, likelihood and magnitude of the effects of those risks (for example, whether the issuer considers qualitative factors, quantitative thresholds or other criteria);
 - (iv) whether and how the issuer prioritises climate-related risks relative to other types of risks;
 - (v) how the issuer monitors climate-related risks; and
 - (vi) whether and how the issuer has changed the processes it uses compared with the previous reporting period;
- (b) the processes the issuer uses to identify, assess, prioritise and monitor climate-related Opportunities (including information about whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related opportunities); and
- (c) the extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the issuer's overall risk management process.

The Group is currently enhancing the relevant assessment framework, data collection and internal review processes. The relevant information will be disclosed once the supporting information is available for reliable disclosure.

HKEX ENVIRONMENTAL, SOCIAL AND GOVERNANCE CODE CONTENT INDEX *(Continued)*

D. Climate-related Disclosures

(IV) Metrics and Targets

Greenhouse Gas Emissions

28	An issuer shall disclose its absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tons of CO ₂ equivalent, classified as:	Climate Change
	(a) Scope 1 greenhouse gas emissions;	
	(b) Scope 2 greenhouse gas emissions; and	
	(c) Scope 3 greenhouse gas emissions.	
29	An issuer shall:	
	(a) measure its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) unless required by a jurisdictional authority or another exchange on which the issuer is listed to use a different method for measuring greenhouse gas emissions;	
	(b) disclose the approach it uses to measure its greenhouse gas emissions including:	Climate Change
	(i) the measurement approach, inputs and assumptions the issuer uses to measure its greenhouse gas emissions;	
	(ii) the reason why the issuer has chosen the measurement approach, inputs and assumptions it uses to measure its greenhouse gas emissions; and	
	(iii) any changes the issuer made to the measurement approach, inputs and assumptions during the reporting period and the reasons for those changes;	

HKEX ENVIRONMENTAL, SOCIAL AND GOVERNANCE CODE CONTENT INDEX *(Continued)*

D. Climate-related Disclosures

- (c) for Scope 2 greenhouse gas emissions disclosed in accordance with paragraph 28(b), disclose its location-based Scope 2 greenhouse gas emissions, and provide information about any contractual instruments that is necessary to enable an understanding of the issuer's Scope 2 greenhouse gas emissions; and
- (d) for Scope 3 greenhouse gas emissions disclosed in accordance with paragraph 28(c), disclose the categories included within the issuer's measure of Scope 3 greenhouse gas emissions, in accordance with the Scope 3 categories described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011).

Climate-related Transition Risks

30	An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related transition risks.	The Group is currently enhancing the relevant assessment framework, data collection and internal review processes. The relevant information will be disclosed once the supporting information is available for reliable disclosure.
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Climate-related Physical Risks

31	An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related physical risks.	The Group is currently enhancing the relevant assessment framework, data collection and internal review processes. The relevant information will be disclosed once the supporting information is available for reliable disclosure.
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ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

HKEX ENVIRONMENTAL, SOCIAL AND GOVERNANCE CODE CONTENT INDEX *(Continued)*

D. Climate-related Disclosures

Climate-related Opportunities

32	An issuer shall disclose the amount and percentage of assets or business activities aligned with climate-related opportunities.	The Group is currently enhancing the relevant assessment framework, data collection and internal review processes. The relevant information will be disclosed once the supporting information is available for reliable disclosure.
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Capital Deployment

33	An issuer shall disclose the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.	The Group is currently enhancing the relevant assessment framework, data collection and internal review processes. The relevant information will be disclosed once the supporting information is available for reliable disclosure.
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Internal Carbon Prices

34(a)	An issuer shall disclose: (a) an explanation of whether and how the issuer is applying a carbon price in decision-making (for example, investment decisions, transfer pricing, and scenario analysis); and (b) the price of each metric tonne of greenhouse gas emissions the issuer uses to assess the costs of its greenhouse gas emissions; or an appropriate negative statement that the issuer does not apply a carbon price in decision-making.	The Group is currently enhancing the relevant assessment framework, data collection and internal review processes. The relevant information will be disclosed once the supporting information is available for reliable disclosure.
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HKEX ENVIRONMENTAL, SOCIAL AND GOVERNANCE CODE CONTENT INDEX *(Continued)*

D. Climate-related Disclosures

Remuneration

35	An issuer shall disclose whether and how climate-related considerations are factored into remuneration policy, or an appropriate negative statement. This may form part of the disclosure under paragraph 19(a)(iv).	The Group is currently enhancing the relevant assessment framework, data collection and internal review processes. The relevant information will be disclosed once the supporting information is available for reliable disclosure.
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Industry-based Metrics

36	An issuer is encouraged to disclose industry-based metrics that are associated with one or more particular business models, activities or other common features that characterise participation in an industry. In determining the industry-based metrics that the issuer discloses, an issuer is encouraged to refer to and consider the applicability of the industry-based metrics associated with disclosure topics described in the IFRS S2 Industry-based Guidance on implementing Climate-related Disclosures and other industry-based disclosure requirements prescribed under other international ESG reporting frameworks.	The Group is currently enhancing the relevant assessment framework, data collection and internal review processes. The relevant information will be disclosed once the supporting information is available for reliable disclosure.
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HKEX ENVIRONMENTAL, SOCIAL AND GOVERNANCE CODE CONTENT INDEX *(Continued)*

D. Climate-related Disclosures

Climate-related Targets

37	An issuer shall disclose: (a) the qualitative and quantitative climate-related targets the issuer has set to monitor progress towards achieving its strategic goals; and (b) any targets the issuer is required to meet by law or regulation, including any greenhouse gas emissions targets. For each target, the issuer shall disclose: (a) the metric used to set the target; (b) the objective of the target (for example, mitigation, adaptation or conformance with science-based initiatives); (c) the part of the issuer to which the target applies (for example, whether the target applies to the issuer in its entirety or only a part of the issuer, such as a specific business unit or geographic region); (d) the period over which the target applies; (e) the base period from which progress is measured; (f) milestones or interim targets (if any); (g) if the target is quantitative, whether the target is an absolute target or an intensity target; and (h) how the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target.	Climate Change
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HKEX ENVIRONMENTAL, SOCIAL AND GOVERNANCE CODE CONTENT INDEX *(Continued)*

D. Climate-related Disclosures

38	An issuer shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target, including: (a) whether the target and the methodology for setting the target has been validated by a third party; (b) the issuer's processes for reviewing the target; (c) the metrics used to monitor progress towards reaching the target; and (d) any revisions to the target and an explanation for those revisions.	Climate Change
39	An issuer shall disclose information about its performance against each climate-related target and an analysis of trends or changes in the issuer's performance.	Climate Change

HKEX ENVIRONMENTAL, SOCIAL AND GOVERNANCE CODE CONTENT INDEX *(Continued)*

D. Climate-related Disclosures

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For each greenhouse gas emissions target disclosed in accordance with paragraphs 37 to 39, an issuer shall disclose:

- (a) which greenhouse gases are covered by the target;
- (b) whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target;
- (c) whether the target is a gross greenhouse gas emissions target or a net greenhouse gas emissions target. If the issuer discloses a net greenhouse gas emissions target, the issuer is also required to separately disclose its associated gross greenhouse gas emissions target;
- (d) whether the target was derived using a sectoral decarbonisation approach; and
- (e) the issuer's planned use of carbon credits to offset greenhouse gas emissions to achieve any net greenhouse gas emissions target. In explaining its planned use of carbon credits, the issuer shall disclose:
 - (i) the extent to which, and how, achieving any net greenhouse gas emissions target relies on the use of carbon credits;
 - (ii) which third-party scheme(s) will verify or certify the carbon credits;
 - (iii) the type of carbon credit, including whether the underlying offset will be nature-based or based on technological carbon removals, and whether the underlying offset is achieved through carbon reduction or removal; and
 - (iv) any other factors necessary to enable an understanding of the credibility and integrity of the carbon credits the issuer plans to use (for example, assumptions regarding the permanence of the carbon offset).

Climate Change

HKEX ENVIRONMENTAL, SOCIAL AND GOVERNANCE CODE CONTENT INDEX *(Continued)*

D. Climate-related Disclosures

Applicability of Cross-industry Metrics and Industry-based Metrics

41	In preparing disclosures to meet the requirements in paragraphs 21 to 26 and 37 to 38, an issuer shall refer to and consider the applicability of cross-industry metrics (see paragraphs 28 to 35) and (ii) industry-based metrics (see paragraph 36).	The Group is currently enhancing the relevant assessment framework, data collection and internal review processes. The relevant information will be disclosed once the supporting information is available for reliable disclosure.
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Yuk Wing Group Holdings Limited
煜榮集團控股有限公司