



APAC RESOURCES

APAC Resources Limited 亞太資源有限公司

(Incorporated in Bermuda and re-domiciled to Hong Kong with limited liability)

(於百慕達註冊成立並遷冊至香港之有限公司)

Stock Code 股份代號: 1104

2025/26

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告



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ABOUT THIS REPORT

APAC Resources Limited (the “Company” or “APAC Resources”, together with its subsidiaries, the “Group” or “We”) is pleased to present its Environmental, Social and Governance (“ESG”) Report (the “Report”). This Report outlines the Group’s sustainability initiatives and selected targets and Key Performance Indicators (“KPIs”) that are material to the Group and its stakeholders on ESG issues. This Report supplements information disclosed in the Company’s published 2025/26 Annual Report.

The reporting period is from 1 July 2025 to 30 June 2026 (the “Reporting Period”).

APAC Resources is an established natural resource investment fund and commodity trading house which owns strategic interests in natural resource companies with the main business lines comprising of primary strategic investment; resource investment; and commodity trading business, focused primarily on metals, mining and energy and investment in financial assets.

Reporting Boundary and Scope

This Report covers the operations of APAC Resources and all its subsidiaries and details the Group’s overall environmental and social policies for the operations of its businesses in the Mainland China and the Hong Kong Special Administrative Region (“Hong Kong”) of the People’s Republic of China (“PRC”).

The Report and its environmental and social KPIs cover the performance of the Group’s major offices during the Reporting Period. The scope is determined based on whether the Group has operational control over the entity, and excludes business divisions without physical operations or associated joint venture companies which the Group has no control in their operations.

The Report is prepared and disclosed by the Group in accordance with the Environmental, Social and Governance Reporting Guide (the “ESG Guide”) set out in Appendix C2 and the New Climate Requirements (Part D) of Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”), and in compliance with the mandatory disclosure requirements and “comply or explain” provisions thereof.

Following the deconsolidation of Prodigy Gold NL (“PRX”) from the Group effective 30 October 2024, its operations and financial results have ceased to be included in the Group’s consolidated financial statements. Consequently, PRX’s attributable ESG metrics, including environmental consumption and social data, have been excluded starting from the current Reporting Period to align strictly with the updated group financial boundary.

Reporting Principles

All information of this Report has been compiled according to the data and information obtained within the Group. The preparation of this Report strictly adheres to the reporting principles of “materiality”, “quantitative”, “balance” and “consistency”.

Materiality	The Report is prepared by engaging stakeholders and conducting materiality assessments, including identifying ESG-related issues, considering the opinions from internal management and concerns of different stakeholders, evaluating the relevance and importance of the issues, as well as formulating and reviewing the data reported. The Report comprehensively covers the material issues concerned by different stakeholders.
Quantitative	The Report discloses the quantitative environmental and social KPIs and presents the ESG performance of the Group comprehensively. The standards, methods, reference data and sources of information of the major emissions, as well as the conversion factors used by its KPIs, are listed in the Report.
Balance	This Report presents an unbiased overview of the Group’s ESG performance without inappropriate use of selections, omissions, or other forms of presentation that may influence the reader’s decision or judgement.
Consistency	This Report is prepared in accordance with the ESG Guide, as well as consistent methodology for the calculation of KPIs in order to provide a meaningful comparison over years. Unless otherwise indicated, the disclosure of KPIs is in line with the ESG report of last year.

GOVERNANCE STRUCTURE

Approach and Strategy

APAC Resources believes in delivering long term, sustainable value creation not only to our shareholders and investors but also to all our stakeholders, including employees, and the broader environment and society. In doing so, we recognise that the choices we make will have an impact on the communities in which we carry on business and we are committed to delivering positive social and environmental impacts through our business activities. Central to our ESG approach is our commitment to create sustained value for all our stakeholders. We believe a robust governance structure is important in effectively managing risk and ESG performance. We consider stakeholder opinions are crucial for our continuous improvement. We strongly believe that ongoing communication with major stakeholders is vital to understand the interests and expectations of our stakeholders, as well as to help us prioritise ESG topics that may ultimately serve the Company.

During the Reporting Period, the Group has commissioned an independent third-party consulting firm to assist in identifying ESG matters and providing suggestions for the ESG performance of the Group. The consulting firm assisted in analysing the concerns on ESG matters from the Group's stakeholders and conducting materiality assessment.

The board of directors of the Company (the "**Board**") is accountable for the oversight of ESG issues and endorses the initiative to pursue a clear ESG management approach that is closely in line with the Group's overall business strategic development. The Board has delegated the day-to-day responsibility for all related matters including the set-up of the ESG goals and targets to the senior management and department heads. Department heads are responsible for identifying, evaluating and managing business and operating risks including ESG and climate-related risks and opportunities for the Group. The results and findings are reported annually by department heads to the Chairman of Executive Committee, who puts forward the same to the Audit Committee and the Board for review when formulating strategy and major transaction decisions to assess the potential impact of climate-related risks and associated trade-offs. In addition, designated personnel of the management are responsible to identify and manage ESG issues, collect and analyse relevant ESG data from various departments and report in the ESG Report on an annual basis. In light of the updated ESG guidelines regarding climate-related disclosures, the Company is currently considering establishing a formalized roadmap to integrate dedicated climate risk assessments into the Board regular meeting.

To effectively supervise and promote the ESG development, the Board continuously monitors ESG-related work and keeps track of the latest regulations on ESG disclosure issued by the Stock Exchange, ensuring close cooperation among departments, achieving the goals of compliant operation and social responsibilities. To ensure the Board possesses appropriate competencies to oversee climate risks, the Company is developing a training plan for both the Board and senior management. Moving forward, the Company plans to arrange a few climate-specific training sessions or briefings. Based on the goals formulated, relevant systems and policies and the status of execution are reviewed regularly, and the coordination and management of ESG matters are also closely monitored. The Board also reviews the adequacy of resources and budget allocated for the Company's ESG-related work, with relevant disclosures provided on an annual basis. However, the Group has not yet established climate-related targets linked to remuneration.

The Board has set up a Sustainability Policy which covers the Company's principles in the area of employment and labour practices, business integrity, the environment and the community. The management endeavors to embrace these principles as part of our practice and governance to guide our business and operational decision-making and to contribute to the sustainable development of society and the environment.

Materiality Assessment and Stakeholder Engagement

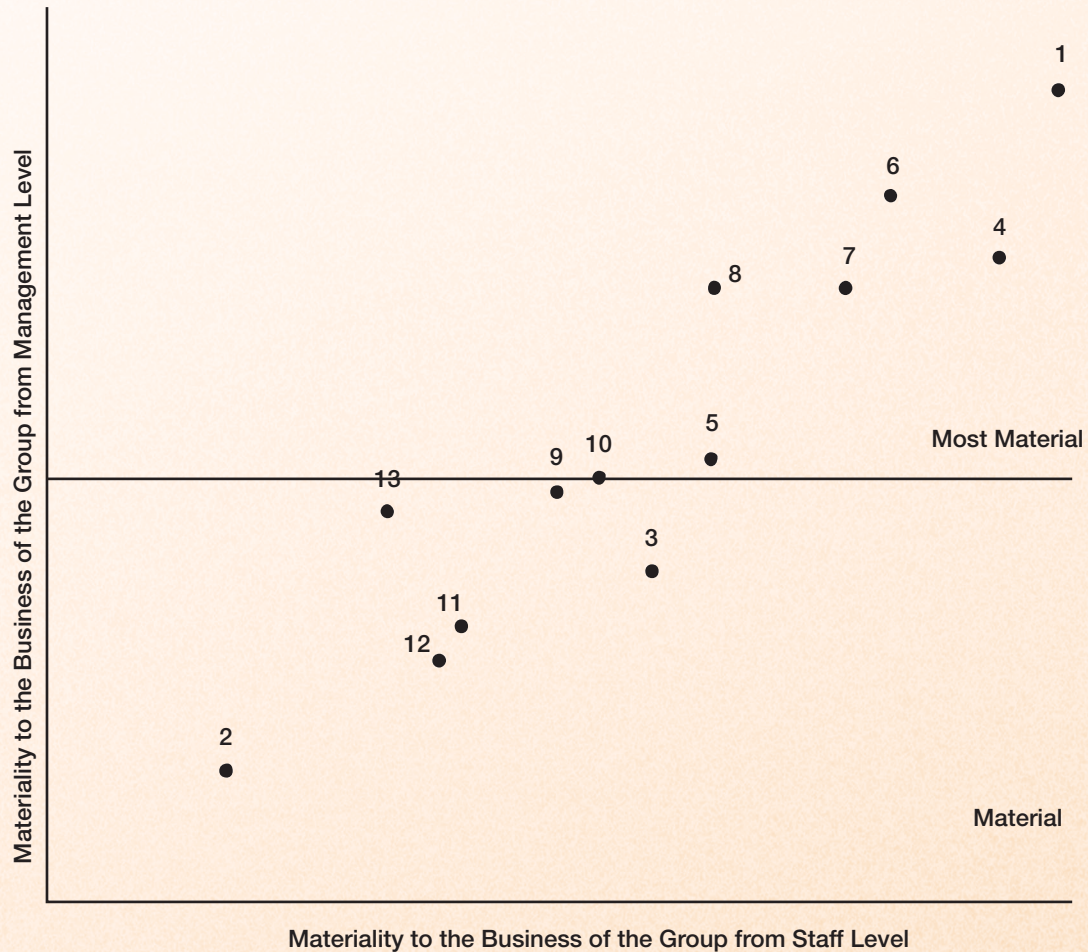
The Group aims to actively collaborate with its stakeholders to ensure that their opinions can be voiced out through a proper communication channel.

We defined material stakeholder groups as those which have frequent connections, significant financial and operational influence, and form a long-term and strategic relationship with the Group. After conducting a materiality screening, our material stakeholders are identified as: the Board, management, government and regulatory authorities, shareholders and investors, employees, customers, suppliers and, media and the public.

Stakeholders	Requirement and Expectation	Communication channels
Government and regulatory authorities	• Compliance with national policies, laws and regulations • Supporting local economic growth • Driving local employment • Tax payment in full and on time	• Routine reports • Site visits and meetings • Laws and regulations
Shareholders and investors	• Corporate governance • Diversity and inclusivity • Enhancement in company core value • Financial and investment stability • Information transparency and effective communication • Compliant operation • Ethical business operation	• General meetings and other shareholders' meetings • Annual and interim reports • Announcements and circulars • Company website
Employees	• Training opportunities and career development • Protection of employee's information and privacy • Health and safety work environment • Rights, compensation and benefits	• Training events and seminars • Performance reviews • Staff meetings and briefings • Employee activities
Customers	• Products and services quality • Protection of privacy • Health and Safety • Operations with integrity • Performance of contracts	• Call and email • Face-to-face meetings
Suppliers	• Operations with integrity • Fair competition • Fair supplier selection process • Performance of contracts • Mutual benefits and win-win cooperation • Stable and qualified products and services	• Call and email • Websites • Brochures • Supplier sustainability reports
Media and the public	• Social engagement and development • Environmental protection • Open and transparent information	• Annual and interim reports • ESG reporting • Company website • Community events • Regular public notices and announcements

During the Reporting Period, we gathered feedback across all organizational levels, from staff to management, via target questionnaires. These insights on key sustainability topics directly inform the Board's strategic planning and direction.

The materiality assessment criteria were aligned with industry benchmarks, reporting standards, and our operational footprint, spanning environmental, social, operational, and community factors. These findings were integrated across all levels of our ESG governance framework and are illustrated in the materiality matrix below.



Details of the 13 issues identified for materiality assessment are listed below from most to least material:

Material Issues		Section in This Report
1	Compliance	• Governance Structure • Environmental • Social
4	Anti-corruption and Money Laundering	• Anti-Corruption
6	Workplace Health and Safety	• Health and Safety
7	Human Resource Management	• Employment
8	Employee Development and Training	• Development and Training
5	Labour Standards	• Labour Standards
10	Resource Consumption and Utilization Efficiency	• The Environmental and Natural Resources
9	Emissions and Waste Management	• Emissions
3	Supply Chain ESG Management	• Climate Change
13	Community Investment	• Community Investment
11	Environment and Natural Impact	• The Environmental and Natural Resources
12	Climate Change	• Climate Change
2	Product Responsibility	• Product Responsibility

The Group will continue to promote the engagement of different stakeholders in a bid to collect their valuable and constructive opinions and suggestions on the Group’s development policy. The Group will also improve its ESG performance and strengthen its management of ESG risks in the process of business development.

Confirmation and Approval

The information in the Report has been compiled according to the data and information obtained within the Group. This Report has been reviewed and approved by the Board.

ENVIRONMENTAL

The Group's Sustainability Policy encompasses our general approach towards environmental issues. We endeavour to:

- Observe relevant laws and regulations and aim to go beyond minimum requirements;
- Prevent/minimise air and greenhouse gas emissions, discharges into water and land, or generation of hazardous and non-hazardous waste;
- Make efficient use of resources, including energy, water and other raw materials;
- Minimise the impact of the Group's activities on the environment and natural resources;
- Engage our staff, customers and partners to promote environmentally sustainable business practices and constantly re-assess our processes to minimise environmental impact; and
- Identify and mitigate significant climate-related issues which have impacted or may impact the Company.

Emissions

We recognise the importance of reducing our greenhouse gas emissions to drive sustainable growth of our operations and the society. The Group is not involved in any manufacturing activities.

Following the deconsolidation of PRX from the Group effective 30 October 2024, its attributable environmental consumption data has been excluded starting from the current Reporting Period to align strictly with the updated group financial boundary. As a result, in the Reporting Period, due to the boundary adjustment following the exclusion of PRX's environmental data, and the resulting material incomparability, historical comparative emissions data from prior years is not displayed in this Report. Readers are advised to refer to the ESG reports published in previous years for historical emissions data.

Emissions produced directly by the Group are primarily attributed to electricity consumption, and the use of vehicles in Hong Kong and Mainland China. These vehicles are used for senior staff’s local travel in Hong Kong and Mainland China. Emissions generated directly by the Group are presented as follows:

Indicators ¹	2026 gram
Particulate matters	116
SOx emission	40
NOx emission	1,581

The greenhouse gas emission² (Scope 1) generated from these vehicles was recorded for approximately 7 tCO₂e, equivalent to approximately 0.45 tCO₂e/employee.

The greenhouse gas emission (Scope 2) generated indirectly by the Group related to the purchased electricity was approximately 17 tCO₂e, equivalent to approximately 0.60 tCO₂e/employee. The use of electricity resources will be further explained in the sections headed “Use of Resources” and “The Environment and Natural Resources”.

In 2026, the Group has begun mapping relevant other indirect GHG emissions (Scope 3) amongst the 15 Scope 3 categories. This includes Category 4: Waste Generated in Operations³. The Scope 3 Category 4 emissions generated from paper waste was approximately 0.50 tCO₂e, equivalent to approximately 0.03 tCO₂e/employee. The other categories are not included as they are either irrelevant to our business, data are unavailable, or unreliable for quantification. We recognise that there is room for improvement regarding reporting of Scope 3 and aim to expand our data disclosure in the future.

¹ Calculation of air emissions including NOx, SOx and PM is based on the Reporting Guidance on Environmental KPIs published by the Stock Exchange.

² Calculation and emission factors of total GHG emission are based on the Reporting Guidance on Environmental KPIs published by the Stock Exchange, CLP Sustainability Report 2024, 關於做好2023 — 2025年部分重點行業企業溫室氣體排放報告與核査工作的通知 — 生態環境部辦公廳, and工業其他行業企業溫室氣體排放核算方法與報告指南(試行)by the National Development and Reform Commission of the PRC.

³ Calculation of Category 4 emissions are based on the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004), with emissions factors from GHG Conversion Factors 2026 by Department for Energy Security and Net Zero (DESNZ).

The Group did not generate any hazardous waste during the Reporting Period. The Group's non-hazardous waste consists of paper, office equipment waste, office stationery, as well as domestic waste generated from our employees. As a result, no disclosure is made in this Report because such numbers are not relevant to our business. During the Reporting Period, the Group did not have any cases of material non-compliance in relation to air or greenhouse gas emissions, discharge into water or land, and the generation of non-hazardous waste.

In line with our policy to minimise air and greenhouse gas emissions and generation of hazardous and non-hazardous waste, major operations are equipped with audio conferencing facilities to minimise the need for face to face meetings and keep business travelling to a minimum. We aim to reduce the amount of waste generated by diverting useful resources from landfills to recycling or repurposing, whenever applicable.

In alignment with the national commitment to achieve carbon neutrality by 2060 and the Hong Kong Government's target of 2050, the Group has integrated these strategic goals into our own sustainability roadmap and is actively working towards achieving carbon neutrality.

Use of Resources, The Environment and Natural Resources

We place a high priority on the efficient use of resources and consume limited amounts of electricity, paper and water.

Environmental protection guidelines in relation to energy savings, materials recycling and reduction in paper consumption are in place. For instance, staff are encouraged to use duplex printing for internal documents, return used printer toner capsules and coffee capsules to respective suppliers and facilities and procedures are in place for paper waste recycling. Staff are reminded to switch off lights and equipment after work, during lunch break or while working outside the office and wherever possible. Electronic communication and storage are promoted and energy efficiency of office equipment is taken into consideration in making purchase decisions. During the Reporting Period⁴, the Group's total electricity consumption was 29,967 kWh, equivalent to 1,873 kWh/employee. The Group's total paper consumption was 92,111 pages, equivalent to 5,757 pages/employee respectively.

Throughout the Group's operations in Hong Kong and Mainland China, the following business processes were implemented whenever possible to improve efficiency and to reduce paper usage:

- Electronic bank and broker statements;
- Publishing this Report on websites instead of printed form;
- Recycling schemes of office equipment and supplies; and
- Internal electronic administration and communication platform.

⁴ Due to the boundary adjustment following the exclusion of PRX's environmental data, its attributable consumption data has been excluded starting from the current Reporting Period to align strictly with the updated group financial boundary. As a result, in the Reporting Period, due to the boundary adjustment and the resulting material incomparability, historical comparative data from prior years is not displayed in this report. Readers are advised to refer to the ESG reports published in previous years for historical environmental data.

We endeavour to minimise water consumption and consume water responsibly throughout our business. In Hong Kong and Mainland China, water consumption relates only to the personal consumption of our staff for their personal hygiene and the cost was absorbed into the cost of building management which was not reflected in this measurement. No issue in sourcing water for the Group's operation had been noted during the Reporting Period.

Owing to the nature of the business of the Group, packaging materials were not used and are insignificant to the Group.

Except for the abovementioned, the Group's businesses have no direct impact on the environment and natural resources. Despite the growth in activities, the Group targets to maintain its current energy, paper and water consumption with the steps described above.

Climate Change

Climate change is materially affecting societies and economies around the world and also impacts upon our businesses. As a listed company, we are aware of the increasing demands and requirements of climate-related information disclosures.

The risks posed by "stranded assets" that unexpectedly lose value as a result of climate change are a major concern in the investment industry. At APAC Resources, climate change is increasingly becoming a focus of investment risk as our investments are mainly in mining, metals and energy companies which are of relatively high carbon emission. In evaluating climate risk, we consider both the physical risks brought by more frequent and severe weather conditions and other environment impacts and the transition risks from changes in government policies, technological innovation and shift in market preference. To ensure systematic action, the Company will develop a climate-related transition plan to address risks across its operations.

The investment implications of climate risk are multi-faceted and complex. We conduct climate risk analysis through ongoing engagements with the companies in which we invest. We have increasingly focused our investments on segments that are exposed to low carbon industries, including electric vehicles, battery metals and renewable energy. If relevant and appropriate, we will also consider applying hedging tools or implementing and managing divestment strategies across different dimensions, changing the balance of our portfolio and its risk/return parameters in order to mitigate climate risk. In this respect, our ultimate goal is to invest in companies that are well positioned to manage the physical and transition risks and opportunities associated with climate change.

In addition, changes in weather patterns and the increased severity of extreme weather events will likely disrupt the continuity of daily operations. For this reason, we have developed emergency protocols to handle such events, including procedures to respond to typhoons and black rainstorms.

Climate Risk Assessment and Strategy

Climate-related risks are identified and assessed within our Risk Management framework. Material physical and transitional risks are evaluated based on their likelihood, potential impact and relevance to our strategic investments.

Type of Risk	Description	Potential Impacts	Timeframe	Mitigation Plan
Physical Risk: Extreme Weather Events	Increased severity and frequency of typhoons, flood and torrential rain under climate change	• Temporary suspension of operations at investee companies and delays to business activities • Damage to infrastructure	Mid-term	• Formulate standardised emergency response plans to address extreme weather events • Conduct pre-typhoon and post-event inspections to ensure safe working conditions
Physical Risk: Chronic Long-Term Climate Shifts	Sustained high temperatures, altered annual rainfall patterns and gradual sea level rise bring persistent long-term climate pressures to operations in subtropical regions	• Reduced efficiency and productivity due to sustained high temperatures and heat stress	Long-term	• Formulate standardised climate adaptation plans to address the long-term impacts of sustained high temperatures, changing rainfall patterns and sea level rise
Physical Risk: Coastal Flooding Risks	Gradual sea level rise coupled with storm surges expose low-lying sites to repeated inundation risks	• Inundation may disrupt operations at coastal and low-lying assets	Long-term	• Assess long-term coastal flooding and sea level rise risks when evaluating investments or other material assets
Transitional Risk: Regulatory & Mandatory Sustainability Disclosure Requirements	Gradually tightened statutory requirements on energy conservation and emission reduction, as well as more stringent mandatory climate and sustainability data disclosure standards	• Additional costs and resources required to ensure sustainability data compliance • Risk of regulatory penalties, reputational damage and reduced investor confidence in the case of noncompliance	Short to Mid-term	• Monitor applicable sustainability requirements in applicable jurisdictions
Transitional Risk: Market Client Green Demand Shift	Growing preference of clients for green, low-carbon investments	• Additional costs required for investments on green, low-carbon investments	Mid-term	• Incorporate ESG and climate-related criteria into operation and decision-making processes

Climate change also presents sustainable development opportunities for the Group. As a investment fund and commodity trading house, we monitor green finance policies, energy-transition developments and latest market demand in green market. We seek to capture these opportunities through investments that support the climate transition, while improving the sustainability and climate resilience of our investment.

Type of Opportunities	Description	Potential Impacts	Timeframe
Energy Saving & Operational Efficiency Enhancement	Optimise energy consumption management across offices	- Reduced long-term energy and fuel consumption costs - Steady reduction of Scope 1 and Scope 2 carbon emissions	Mid-term
Green Market Opportunity Expansion	Growing demand for green and low-carbon investments creates new investment and trading opportunities	Investment portfolio diversification and enhance long-term business growth	Mid-term

Business Model and Value Chain

The Group's business model and value chain are exposed to a range of climate-related risks and opportunities arising from its strategic investments. We manage these risks and seek to capture relevant opportunities through our risk management framework and sustainability strategy. The potential impacts on the Group's business model and value chain are set out below.

Climate-Related Risks: Impacts on Business Model and Value Chain

The climate-related risks identified by the Group may affect its investment portfolio in the ways described below.

Types of Risks	Climate-Related Risks	Effects on Business Model	Effects on Value Chain
Physical Risks (Acute)	Increased severity and frequency of typhoons, flooding and torrential rain driven by climate change	Temporary disruption to investment activities	Disruption to investee with outdoor operations
Physical Risks (Chronic)	Persistent high temperatures, shifting rainfall patterns and gradual sea-level rise	Higher long-term operating and capital costs, and potential impact on asset value and investment returns	Reduced efficiency of investee operations, water stress, and greater exposure of coastal and low-lying assets
Transition Risks (Policy & Legal)	Evolving energy conservation and emission control regulations, alongside stricter industrial environmental compliance standards	Increased compliance obligations, reporting costs and pressure to align investment practices with regulatory expectations	Greater data collection, due diligence and compliance requirements across investment portfolio
Transition Risks (Market)	Growing market appetite for low-carbon investments	Shifts in investment demand, trading opportunities and competitive positioning	Requirement to improve sustainability performance, sourcing practices and disclosure across the supply chain

Climate-related Opportunities: Effects on Business Model and Value Chain

Climate change also brings notable sustainable development opportunities to upgrade the Group's business model and optimise its full value chain:

Types of

Opportunities	Climate-Related opportunities	Effects on Business Model	Effects on Value Chain
Resource Efficiency	Optimise energy, water and resource use across offices, investments and operating activities	Lower operating costs, improve capital efficiency and enhance overall sustainability performance	More efficient use of energy, water and materials across investee companies
Green Market & Sustainable Supply Chain	Expand investment in low-carbon solutions across investment portfolio	Broaden revenue opportunities and strengthen the Group's position in green and transition-related markets	Increase in funding and support on low-carbon transition across the value chain
Climate Resilience Enhancement	Strengthen climate adaptation measures, business continuity planning and asset resilience across key investments	Reduce operational disruption and protect long-term investment value	Improve resilience of assets against physical climate risks

Climate Resilience

The Group assesses climate-related risks and opportunities across its strategic investments and assets. Key risks include extreme weather, coastal flooding, changing regulations and increasing demand for lower-carbon investments. Opportunities include investment in green market and low-carbon solutions.

Climate-related risks include potential disruption to investee operations, damage to assets, increase in compliance and reporting costs, and affect the value and competitiveness of certain investments. We will consider climate-related factors in its strategic decisions.

Key uncertainties include future regulatory developments, the frequency and severity of extreme weather events, changes in demand, and the cost of climate transition. We will continue to monitor these risks and engage with investee companies where relevant.

In the short term, we will strengthen climate risk monitoring and data collection. In the medium term, it will enhance climate-related due diligence. In the long term, we will further integrate climate resilience into its strategy.

The Group plans to conduct climate scenario analysis with reference to relevant IPCC and Paris-aligned pathways in future reporting periods. For the current Reporting Period, we provide a qualitative assessment based on its existing risk management and internal control measures.

Current Financial Effects

Climate-related risks and opportunities may affect the Group's financial position, operating results and cash flows through its investments. During the Reporting Period, climate-related expenditure mainly related to climate risk monitoring, operational resilience and sustainability data management.

Climate-related risks may result in higher operating, compliance and asset-maintenance costs, as well as potential disruption to investee operations. Climate-related opportunities, including investments green market and low-carbon solutions, may support portfolio diversification, new business opportunities and long-term revenue growth.

Based on the current assessment, no climate-related risks are expected to result in material adjustments to the carrying amounts of the Group's assets or liabilities in the next reporting period. Climate-related expenditure and investments were not material to the Group's overall financial position, profit before tax or cash flows. Accordingly, separate quantitative breakdowns are not disclosed.

Anticipated Financial Effects

Over the short, medium and long term, climate-related risks and opportunities may affect the Group's investment returns, asset values, and operating costs. The Group's main climate-related expenditure is expected to relate to climate risk assessment and sustainability data management.

The Group will progressively consider climate-related factors in strategic planning. Climate-related expenditure is expected to be funded primarily through internal operating cash flows. We will continue to assess whether additional capital or external financing is required as its climate-related investments and activities develop.

Risk Management

The Group identifies and assesses climate-related risks across its strategies. Key risks include extreme weather events, chronic climate change, coastal flooding, regulatory developments, and shifting market demand for low-carbon solutions.

Climate-related risks are qualitatively assessed based on their nature, likelihood and potential impact, together with operational, financial, investment and other enterprise risks. Risk monitoring is supported by investment due diligence, market and regulatory monitoring, and periodic management review.

Climate-related opportunities are identified through investment reviews, market analysis and sustainability assessments. These opportunities include investments in green market and low-carbon solutions.

Climate-related risk and opportunity management are integrated into the Group's risk management framework. Relevant assessment results are reported to senior management and, where appropriate, the Board, and are considered in strategic planning and decision-making.

The Group has not yet adopted formal climate-related scenario analysis for the current Reporting Period. We plan to assess the feasibility of applying climate scenarios aligned with relevant IPCC and Paris Agreement pathways in future reporting periods.

Metrics and Targets

The Group's assets and business activities potentially exposed to physical and transition risks mainly comprise investments in natural resource and financial asset investments. Given the different nature and geographical locations of these assets and the varying availability of information from investee companies and counterparties, complete quantitative breakdowns by asset value and percentage are not currently available.

We will continue to improve the identification and monitoring of climate-sensitive assets and activities and will evaluate the feasibility of providing quantitative disclosures in future reporting periods.

To manage climate-related risks and capture transition opportunities, the Group may allocate capital towards climate-resilient assets, resource-efficiency measures, and investments that support the energy transition. Climate-related capital expenditure, financing and investment during the Reporting Period were not material to the Group's overall financial position. Such expenditure and investments were primarily funded through internal operating cash flows, without reliance on external financing.

The Group has not adopted an internal carbon price for investment decisions. Accordingly, no internal price per tonne of greenhouse gas emissions was applied during the Reporting Period.

Climate-related performance indicators have not yet been incorporated into the remuneration assessment of the Group's directors and senior management. There is currently no direct linkage between remuneration and climate-related targets or performance.

The Group monitors climate-related indicators relevant to its business model and portfolio, including:

- Scope 1 and Scope 2 greenhouse gas emissions from the Group's own operations, where applicable;
- Energy consumption and resource-use information;
- Exposure of investments and business activities to physical and transition risks;
- Weather-related disruption to investee operations, logistics and commodity shipments; and
- Sustainability and emissions data obtained from investee companies and relevant business partners.

As of the end of the Reporting Period, the Group has not established formal quantitative decarbonisation or carbon-neutrality targets with defined base years, reduction percentages and target deadlines.

The Group currently adopts qualitative approaches, including climate-related due diligence, monitoring of climate-sensitive investments, and support for lower-carbon business opportunities.

The Group will assess the feasibility of establishing quantitative medium and long-term climate targets as data availability, portfolio coverage and business needs develop. As no quantitative climate targets have currently been established, disclosures relating to target coverage, emission scopes, base years, interim milestones and absolute or intensity reduction benchmarks are not applicable for the current Reporting Period.

SOCIAL

Our people are our most important assets that will drive the long-term development of the Group. The Group’s policy on employment is as follows:

- Observing relevant laws and regulations;
- Being an equal-opportunity employer, implementing fair practices relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare for our staff;
- Providing a safe, healthy and quality workplace and protecting employees from occupational hazards;
- Promoting a good work-life balance for staff;
- Investing in training and professional development of our staff for the purpose of improving their knowledge and skills for discharging duties at work;
- Maintaining an open dialogue with our staff, facilitating a transparent two-way communication; and
- Preventing child and forced labour.

In Hong Kong and Mainland China, the Group’s employment of staff is governed by the following laws and regulations:

Laws and regulations

Employment Ordinance (Cap. 57 of the Laws of Hong Kong)	Disability Discrimination Ordinance (Cap. 487 of the Laws of Hong Kong)
Employment of Young Persons (Industry) Regulations (Cap. 57C of the Laws of Hong Kong)	Occupational Safety and Health Ordinance (Cap. 509 of the Laws of Hong Kong)
Employees’ Compensation Ordinance (Cap. 282 of the Laws of Hong Kong)	Family Status Discrimination Ordinance (Cap. 527 of the Laws of Hong Kong)
Occupational Retirement Schemes Ordinance (Cap. 426 of the Laws of Hong Kong)	Race Discrimination Ordinance (Cap. 602 of the Laws of Hong Kong)
Sex Discrimination Ordinance (Cap. 480 of the Laws of Hong Kong)	Minimum Wage Ordinance (Cap. 608 of the Laws of Hong Kong)
Mandatory Provident Fund Schemes Ordinance (Cap. 485 of the Laws of Hong Kong)	Labour Law and Labour Contract Law of the People’s Republic of China

The Group has no known non-compliance with the above relevant laws and regulations. The Group ensures that our compensation and benefits (including working hours, rest periods, welfare) are comparable to the prevailing manpower market conditions and individual performance.

Further information on the Group’s remuneration policy is also included in the “Management Discussion and Analysis” section of its published 2025/26 Annual Report.

Employment

Human resources are the foundation for the development of the Group. To create sustainable growth for the Group, good recruitment and retention practices must be enforced to keep talent and enlarge the talent pool. We are determined to comply with and go beyond all applicable laws and regulations in the respective jurisdictions of the Group's operations.

We apply equal opportunities and gender diversity policies to eliminate discrimination, harassment and victimisation in employment on the grounds such as age or gender. APAC Resources' gender diversity objectives signify that men and women are hired at a balanced rate, they both are equally paid and appreciated. Both genders are given the same working opportunities in our workplaces.

We aim to create a people-oriented management approach by implementing relevant employment policies and collecting feedback from employees. The employment policies are formally documented listing out the details about the engagement, termination, work location and working hours, remuneration and allowances, types of leave, fringe benefits, training and development, safety precautions, arrangement under adverse weather, employee code of conduct, discipline, grievance procedure and policies related to employees. The employment policies and practices are reviewed and updated regularly and whenever there are changes in the policies or legal requirements to ensure continuous improvements of employment standards.

Following the deconsolidation of PRX from the Group effective 30 October 2024, its attributable social data has been excluded starting from the current Reporting Period to align strictly with the updated group financial boundary. As a result, in the Reporting Period, the Group's social data boundary covers staff in Hong Kong and Mainland China:

	Total Workforce 2026 ⁵	Employee Turnover 2026
By Gender		
Male	12	17%
Female	6	0%
By Age Group		
≤ 30	2	0%
31 – 40	3	0%
41 – 50	6	17%
≥ 50	7	14%
By Geographical Region		
Hong Kong	13	15%
Mainland China	5	0%
Overseas	0	–
By Employee Category		
Managerial staff	9	22%
General staff	9	0%
By Employment Type		
Full-time	18	11%
Part-time	0	–

⁵ Due to the boundary adjustment following the exclusion of PRX's social data, and the resulting material incomparability, historical comparative social data from prior years is not displayed in this Report. Readers are advised to refer to the ESG reports published in previous years for historical social data.

Health and Safety

The Group endeavours to provide a safe and pleasant working environment for our staff. Employees are required to familiarize themselves with the location of fire alarms, fire-fighting equipment, fire escape routes and emergency response protocols. Fire drills are also conducted regularly in accordance with property management guidelines. Safety equipment including first-aid boxes and trolleys for heavy goods is accessible in the workplace. In addition, to maintain good indoor air quality, smoking indoors is strictly prohibited.

No work-related fatalities were recorded over the past three years and no working days were lost due to work injury during the Reporting Period.

Development and Training

The Group is committed to fostering a culture of continuous learning in our organisation. Emphasis is placed on staff training which is tailored to furnish our workplace with the necessary professional and market knowledge and skills relevant to their work, as well as to build our talent pool. Our directors are required to participate in training to enhance their knowledge to enable them to discharge their duties and responsibilities more effectively. Management have participated in various seminars including anti-money laundering, professional and regulatory refresh and update. Our investment specialists have frequently attended various seminars and webinars in order to keep up to date on the investment markets. Internal training courses are conducted to equip our staff with required working knowledge. The Group has also provided support for our staff in their continuous professional development.

	Percentage of Employees Trained 2026 ⁶	Average Training Hours 2026
By Gender		
Male	100%	10
Female	100%	11
By Employee Category		
Managerial staff	100%	15
General staff	100%	6

Labour Standards

The Group respects all basic human rights and forbids any forms of child or forced labour practice. The human resources function is responsible for monitoring and ensuring compliance with the latest and relevant laws and regulations that are related to labour.

During the recruitment process, we require all personnel to provide valid personal identification documents for verification purposes, while background checks are also carried out whenever necessary. We ensure candidates selected are not aged below 18 and are suitable to be engaged for the position concerned. The integrity of candidates will also be considered during the selection process. In the unlikely event that false information or a false identity is discovered, the Group will address the situation by closely following the necessary procedures in accordance with laws and regulations.

⁶ Due to the boundary adjustment following the exclusion of PRX’s social data, and the resulting material incomparability, historical comparative social data from prior years is not displayed in this Report. Readers are advised to refer to the ESG reports published in previous years for historical social data.

During the Reporting Period, the Group was not aware of any material non-compliance with relevant laws and regulations that have a significant impact on the Group relating to labour standards. Additionally, no cases of child or forced labour were reported during the Reporting Period. For any instance of irregularity or failure to comply with relevant rules and regulations involved, corrective actions would be taken immediately to rectify the situation, terminating the employment and reporting to the relevant governmental authorities.

Supply Chain Management

The Group aims at building our primary strategic investments which will provide off-take to complement our commodity business in China. The Group's sole supplier of commodity trading is a listed company in Australia in which the Group has equity interest. We manage environmental and social risks through ongoing engagements with the supplier. We have periodically reviewed its sustainability reports for its awareness and commitment to its environmental and social responsibilities and risks.

As an investment fund, the Group's general business suppliers include providers of information technology, financial information and services, agents, consultants, law firms and over 70 securities brokers located mainly in Hong Kong, Australia, Canada, the United States of America and the United Kingdom. These are not considered to pose significant environmental and social risks for our business and procurement decisions are based on pricing, track record of good practices, suitability as well as the reputation of suppliers.

Following the deconsolidation of PRX from the Group effective 30 October 2024, suppliers attributable to PRX has been excluded starting from the current Reporting Period to align strictly with the updated group financial boundary.

Product Responsibility

The Group is dedicated to providing products with good quality and up to the specification to our customers. Customers of commodity trading are provided with quality certifications to prove the product quality. The Group strictly complies with all relevant laws and regulations relating to health and safety, advertising, labelling and privacy matters relating to products. The Group is involved in money lending activities operating under the Money Lenders Ordinance (Cap. 163 of the Laws of Hong Kong) and Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Cap. 615 of the Laws of Hong Kong). Other than that, there are no laws and regulations that have a significant impact on the Group.

Comprehensive policies and procedures have been implemented to facilitate a responsible and efficient investment process. Investment opportunities are subject to stringent screening in line with our procedures by the investment team, comprised of experienced professionals, to ensure our investment decisions are prudent, consistent and impartial.

We strictly protect the confidentiality of non-public material information. All staff members are reminded of the importance of keeping confidential any aspects of the Group's business and the need to comply with the requirements of confidentiality. Non-disclosure agreements are signed with the counterparty where applicable to prevent leakage and loss of confidential information.

During the Reporting Period, there are no products sold and shipped subject to recalls for safety and health reasons or complaints in relation to our products or services (2025: Nil). The Group was not aware of any material non-compliance of laws and regulations that have a significant impact on the Group relating to product and services responsibility, including matters in relation to data privacy and copyright (2025: Nil).

We respect intellectual property rights, including but not limited to trademarks, patents and copyrights. Employees shall not misappropriate or allow outside parties to obtain and exploit intellectual property, unless permission has been obtained by copyright owners. We carry out periodic inspection of employees' computers, ensuring that genuine software is installed.

Anti-Corruption

The Group is committed to compliance with applicable anti-corruption laws and regulations and to uphold ethics. The Group's anti-corruption policy is included in the employee handbook to facilitate employees' easy access. The Group has also implemented a whistleblowing policy for reporting fraud, corruption and other improprieties for employees and those who deal with the Group. We encourage the reporting of suspected business irregularities and provide clear channels specifically for this purpose for access to the Chairman of the Audit Committee. The Group also provides assurance to protect the whistle-blower from common concerns such as confidentiality, reprisal and victimisation. This policy is circulated to employees periodically. To maintain appropriateness to our business and regulatory compatibility, the anti-corruption policy and the whistleblowing policy are subject to review from time to time.

Relevant laws and regulations that have a significant impact on our business on this aspect include the Prevention of Bribery Ordinance (Cap. 201 of the Laws of Hong Kong). During the Reporting Period, there were no concluded legal cases (2025: No concluded legal cases) regarding corrupt practices brought against the Group or its employees and no significant risks relating to corruption had been identified. Directors and relevant staff are provided with training materials on anti-corruption and ethical issues in order to strengthen business ethics and to keep them updated in relation to regulatory and ethical requirements.

COMMUNITY

Community Investment

APAC Resources undertakes the responsibility of a good corporate citizen by encouraging our staff to participate in community and charitable activities and support with sponsorship and donation.

APAC Resources focused its engagement on helping those in need and developing a sustainable and healthier local community. During the Reporting Period, our staff members have joined charity events such as "Hong Kong & Kowloon Walk for Millions", "New Territories Walk for Millions", and the fund-raising campaign "Skip a Meal" organised by World Vision Hong Kong. The Group has donated in aggregate approximately HK\$82,000 (2025: approximately HK\$51,000) to various charity organisations in Hong Kong, such as Hong Kong Cancer Fund and World Vision Hong Kong.



APAC RESOURCES

APAC Resources Limited
亞太資源有限公司

