

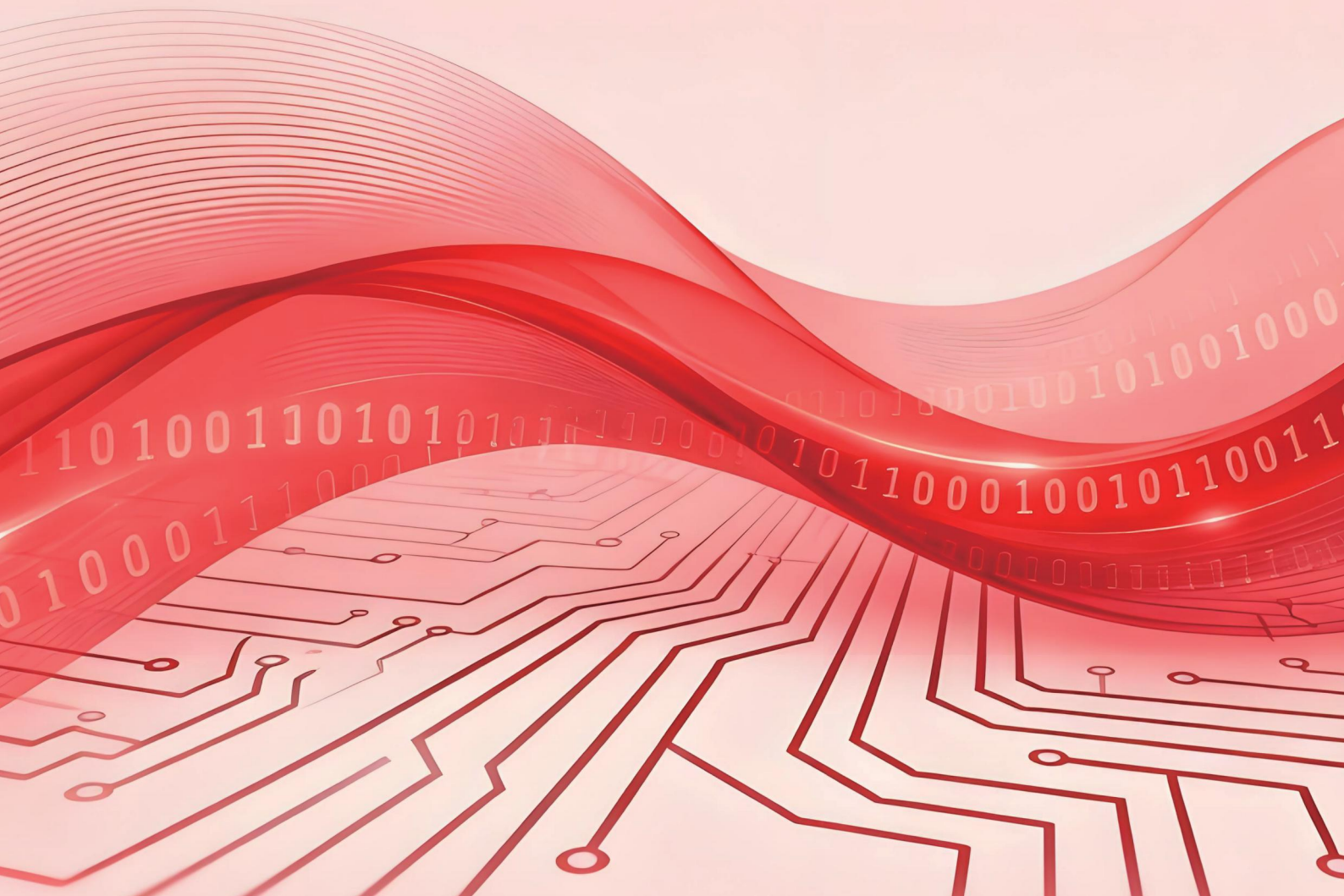
Changhong Jiahua Holdings Limited

長虹佳華控股有限公司


(Incorporated in Bermuda with limited liability)

(Stock Code: 3991)

ESG Report 2025



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ABOUT THIS REPORT

BASIS OF PREPARATION

This Environmental, Social and Governance ("ESG") report is prepared in accordance with the Environmental, Social and Governance Reporting Code as set out in Appendix C2 to the Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange and has complied with the "Mandatory Disclosure Requirements", the "comply or explain" provisions and the reporting principles in the Listing Rules.

RELEASE CYCLE

This report is issued on a yearly basis and, unless otherwise stated, covers the reporting period from 1 January 2025 to 31 December 2025.

PUBLICATION

This report is published on the Stock Exchange's website and the Company's website.

REPORTING SCOPE

This report covers Changhong Jiahua Holdings Limited (the "Company") and its subsidiaries (the "Group").



ESG REPORTING PRINCIPLES

Materiality: Comply on the materiality principles of Stock Exchange, this report discloses the deliberations of the board and the ESG working Group on ESG issues, the communication with stakeholders, the process of identifying materiality issues and the matrix of materiality issues.

Quantitative: The sources of the statistical criteria, calculation methods, assumptions and/or calculation tools and conversion factors for the quantitative KPIs are described in this report.

Balance: This report presents the Group's performance during the reporting period without bias, avoiding choices, omissions or presentation formats that may unduly influence readers' decisions or judgments.

Consistency: The statistical methods used to disclose the data in this report remain consistent with last year.

CONTACT INFORMATION

Changhong Jiahua Holdings Limited

Address: Unit 1412, 14/F, West Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong

Tel: (852) 3152 2178

Fax: (852) 2815 1119

Email: fengyl@changhongit.com





ESG STATEMENT OF THE BOARD

The Group is committed to continuously improving its ESG governance as a long-term objective. The Group has developed a framework that integrates environmental, social and governance into its day-to-day operations. The Group has established the ESG Working Group composed of senior managers of the Group to ensure that its ESG governance strategies are communicated and implemented.

The Board formulates the Group's ESG strategy and is responsible for the risks associated with ESG. To enhance the Group's ESG governance, the Working Group assists the Board in regularly discussing and assessing the group's ESG governance risks, performance and strategies. In 2025, the Board considered material issues and reporting strategies and approved the publication of this report.

The Working Group is committed to organizing and implementing the ESG strategy and guidelines formulated by the Board of Directors, supervising and managing ESG-related risks and the effectiveness of internal control measures, taking charge of ESG-related issues in daily management and compiling annual ESG reports, etc.. In the future, the Group will strive to expand sustainable development business, promote new growth with new drivers, maintain long-term stable cooperation with partners, and develop together with stakeholders. At the same time, the Group will strengthen communication with stakeholders, continue to improve the ESG management system, further improve the ESG governance level of the Group, and continue to create more value for shareholders and stakeholders. The Board will take the ultimate responsibilities for the ESG strategies, management and performance of the Group. The Board reviews and decides the ESG policies, strategies and structures, determines the Materiality assessment, supervises the ESG-related overall management and decision-making, evaluates and determines the ESG risks and opportunities and other important issues, reviews and decides its ESG objectives, and regularly reviews the ESG performance. The Board reviews and monitor the ESG-related objectives through regular meetings or/and reports and other forms and supervises the Group's ESG risks and opportunities to ensure the effectiveness of the ESG risk management and internal monitoring mechanism. The Group pays attention to the coordinated and sustainable development of enterprises with the society and environment. While pursuing economic benefits and enterprise development, it consciously incorporates social responsibility into its business strategy, carries on its business with integrity and compliance, actively performs social responsibilities and obligations, realizes the healthy and harmonious development of the Company and employees, the Company and society, and the Company and the environment, and continues to create value for shareholders.



ABOUT US AND APPROACH TO ESG

The Company is a state-owned company listed in Hong Kong (stock code 3991). With the business philosophy of "being a good partner to help with growth and support success", the Company is committed to becoming a remarkable digitalization and intelligentization comprehensive service provider in the new era, building an intelligent commercial system, improving its core digital and intelligent capabilities to empower itself and partners for value enhancement, providing partners and clients with intelligent distribution and solution services for ICT products, and expanding the new ecosystem of technical services, so as to help partners grow and succeed in a long and sustainable manner.

In 2004, the Company officially started its business. In 2011, it was classified into the group of enterprises with the annual revenue reaching or exceeding RMB10 billion. In 2013, it was listed in Hong Kong. In 2020, its business scale exceeded RMB40 billion (tax-inclusive), ranking among the best in ICT industry enterprises and the 276th in the "Top 500 Chinese Listed Company Brands", and the 270th in the "Top 500 Asian Brands". The Company has been ranked among the "Top Ten Value-Added Distributors in China's Digital Ecosystem" and the "Top Ten Influential Brands in China's ICT Ecosystem" for many years. By virtue of its excellent performance in building an innovative ecosystem to empower the development of the digital intelligence industry, the Company has been honored as a "Top 100 Enterprise in the Low-Altitude Economy Industry" , a "Top 50 VR Enterprise in China" , and an "Innovative Service Provider in the Next-Generation Information Technology Industry", and won hundreds of honorary awards from local governments, authoritative associations, and cooperative enterprises in such areas as marketing performance, integrity management, social responsibility, and brand image.



APPROACH TO ESG

The Group focuses on the sustainable development of coordination among the business, the society and the environment. In pursuit of economic efficiency and business development, we consciously incorporate social responsibility into our business strategy for an honest and compliant operation, and actively fulfills our social responsibilities and obligations, to achieve a healthy and harmonious development between the Group and our staff; the Group and the society; and the Company and the environment, and continue to create value for the Shareholders.

CORPORATE MISSION

The Group is committed to supporting its partners' digital and intelligent upgrading, aspires to become a listed company with good profitability and a remarkable digitalization and intelligentization comprehensive service provider in China, hence maintaining long-term sustainable development and creating maximum returns for shareholders.

CORPORATE VISION

- To become a remarkable digitalization and intelligentization comprehensive service provider in China
- To become a remarkable listed company bringing satisfactory returns to the Shareholders
- To become a paradise for the career development of professional managers



CORPORATE CULTURE

- Targets and results oriented: with clearly defined strategic targets, use the targets to be achieved to plan, figure out the timelines, strategies, measures and road maps in accomplishing them and then move forward step by step. Achieve targets through scientific and systemic ways of thinking and focus on results accountability. Fully mobilize the core strength to target, precise alignment, and continuously enhance the effectiveness of the work.
- Achieve targets through focused and efficient communications. Be straight to the point, have clear subjects during communication, important first and then secondary, be targets and results oriented and focus on facts but not individuals.
- Seek for truth, seek for diversity, and explore other kinds of possibilities: apply rules that are discovered during exploration process, seek for and apply differences in rules. Advocate "engineer culture", activate the creation gene, establish the innovative thinking mode of Chinese digitalization and intelligentization comprehensive service enterprises, revitalize the vitality of creation and endeavor to achieve corporate improvement and industry perfection.

CORE BUSINESS PHILOSOPHY

Be a good partner to help with growth and support success: We strive to coordinate resources, provide digital and intelligent service for sustainable growth of partners in a specialized way, and work with partners to expand digital and intelligent ecology, create new digital and intelligent value and share development achievements in the new era.

DEVELOPMENT STRATEGY

As a technology service enterprise, the Company, building on intelligent distribution services, actively applies advanced digital technologies such as artificial intelligence, adheres to a strategy of driving development through new technologies, expands in a diversified manner into areas related to new quality productive forces, promotes service innovation and ecosystem value creation, and is committed to becoming an outstanding integrated digital intelligence service provider.



2025 OPERATING PERFORMANCE

In 2025, while global economic growth generally slowed down, escalating geopolitical conflicts and rising trade protectionism continued to disrupt industrial and supply chains globally. In the face of a complex and challenging domestic and international landscape, the Chinese economy forged ahead against headwinds, maintaining overall stable performance while making steady progress, demonstrating strong resilience and vitality.

In 2025, the Group actively responded to the adverse market environment, steadfastly implemented its business policy of "creating ecological value and being a partner for high-quality growth", and made every effort to build diverse and professional smart distribution service capabilities to promote business transformation and upgrading. Seizing new opportunities presented by AI technology, the Group actively pursued development opportunities, accelerated the layout of its ecosystem, and leveraged on innovation to create ecological value.

In 2025, the Group recorded an income of about HK\$43,826.24 million, up by 9.6% over the same period of 2024; gross margin in 2025 was 3.19%, down by about 0.27 percentage point from the same period of 2024, mainly due to the increased intensity in market competition. The profit attributable to shareholders in 2025 was approximately HK\$400.86 million, up by about 5.69% over the same period of 2024 and the basic earnings per share was HK\$15.59 cents, up by HK\$0.84 cents from HK\$14.75 cents in the same period of 2024.



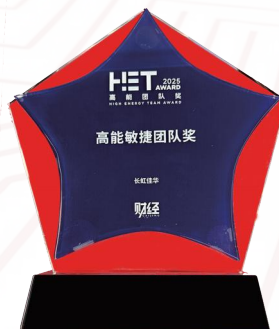
2025 CORPORATE HONOR

- Received the New-Generation Information Technology Industry Innovative Service Provider award from ChinaSo in 2025.
- Received the 2025 IDC China Ecosystem Award - Channel Collaboration Leader from IDC in 2025.
- Received the Top 500 Asian Brands 2025 award from the China Asia Economic Development Association in 2025.
- Received the Top Ten Most Influential Brands in China's ICT Ecosystem 2025 award from the China Asia Economic Development Association in 2025.
- Received the Agile Team Award of the Year 2025 from Harvard Business Review in 2025.
- Received the China VR Top 50 Enterprises 2025 award from the China VR Top 50 Enterprises Working Committee in 2025.
- Received the Silver Award in the New E-commerce Track of the 2025 Global Digital Trade Innovation Competition from the 4th Global Digital Trade Expo in 2025.
- Received the Innovative Value Enterprise award of the 2025 Global Digital Trade Innovation Competition from the 4th Global Digital Trade Expo in 2025.
- Received the TencentOS Innovative Solution Award from Tencent Cloud in 2025.
- Received the TencentOS High-Potential Service Provider award from Tencent Cloud in 2025.
- Received the Tencent Cloud Database Outstanding Service Provider award from Tencent Cloud in 2025.
- Received the 2024 Best Cloud Value Distributor award from Fortinet in 2025.
- Received the Best Distributor Performance Award for Fiscal Year 2024 from Siemens in 2025.
- Received the Outstanding Organization for Digitalization Achievements of Western China Enterprises 2025 award from the Organizing Committee of the Western China Enterprise Digital Intelligence Development Conference in 2025.
- Received the Top 100 Enterprises in the Low-Altitude Economy Industry 2025 award from the Organizing Committee of the Fuzhou International Digital Products Expo in 2025.
- Received the Innovative Application Scenario in the Low-Altitude Economy 2025 award from the Organizing Committee of the Fuzhou International Digital Products Expo in 2025.
- Received the 2024 Best Supplier - Non-Food Division, Sam's Club award from Walmart China in 2025.
- Received the Best Ecosystem Partner on Campus award from Tmall Campus in 2025.
- Received the Best ESG Partner Award 2025 from Dell Technologies in 2025.
- Received the FY25 Microsoft (China) Best Go-Global CSP Partner Award from Microsoft in 2025.

- Received the 2024 Tencent Cloud Outstanding Partner Award from Tencent Cloud in 2025.
- Received the 2024 Outstanding Service Award for the Financial Industry from Tencent Cloud in 2025.
- Received the 2024 Tencent Meeting Diamond Award from Tencent Cloud in 2025.
- Received the 2024 Outstanding Performance Award for the Financial Industry from Tencent Cloud in 2025.
- Received the 2024 Integration Innovation Award from Tencent Cloud in 2025.
- Received the 2024 Best General Distributor award from Hitachi Vantara in 2025.
- Received the 2024 Outstanding Contribution Award from Barco in 2025.
- Received the Innovation Marketing Award from the Microsoft Marketing Summit in 2025.
- Received the 2024 Industry Expansion Award from Vertiv in 2025.
- Received the 2024 Best Partner Award from Great Wall Technology in 2025.
- Received the Outstanding Service Provider award from ZEISS in 2025.
- Received the 2024 New Economy Top 500 Most Promising Enterprises award from the China Enterprise Evaluation Association in 2025.
- Received the FY25 Microsoft (China) Best Go-Global CSP Partner Award from Microsoft in 2025.
- Received the 2024 Exemplary Enduring Partnership Award for General Agents from Schneider Electric Critical Power in 2025.
- Received the 2024 Best Partner Award from Leayo Group in 2025.
- Received the 2024 Business Excellence Award from Sichuan Changhong Electronic Holding Group Co., Ltd. in 2025.
- Received the Top 500 Chinese Listed Company Brands 2024 award from the China Asia Economic Development Association and Global Times in 2025.
- Received the Top 100 Innovative Enterprises in the New Economy 2024 award from the China Asia Economic Development Association and Global Times in 2025.



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STAKEHOLDERS ENGAGEMENT

The interest and opinions of stakeholders on our business activities are of great significance to the Group's sustainable development. The Group attaches great importance to communication with various stakeholders and establishes effective communication with stakeholders through various platforms and communication methods.

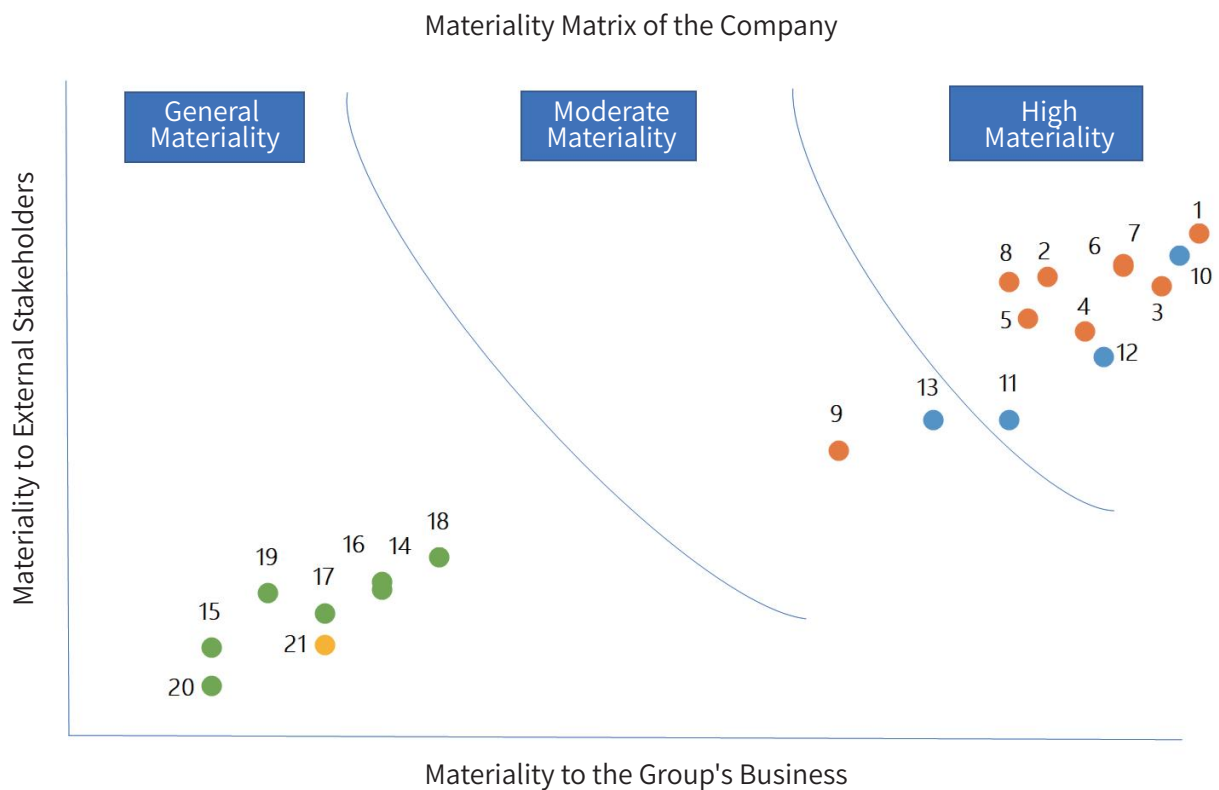
COMMUNICATION WITH STAKEHOLDERS

Stakeholders	Expectations	Communication methods	Measures
Investors /Shareholders	<ul style="list-style-type: none"> • Return on investment • Information disclosure 	<ul style="list-style-type: none"> • General Meeting • Periodic reports, announcement • Company website 	<ul style="list-style-type: none"> • Continued to enhance the Group's profitability • Released regular reports and announcements as required
Partners /Suppliers	<ul style="list-style-type: none"> • Candid cooperation • Fair and just 	<ul style="list-style-type: none"> • Regular meetings • Agreements • Field visit 	<ul style="list-style-type: none"> • Fulfilled cooperation agreements • Established long-term stable relationship with core partners
Customer	<ul style="list-style-type: none"> • Relationship stability • Service support 	<ul style="list-style-type: none"> • Product supply • Agreements • Customer services • Company website • Field visit 	<ul style="list-style-type: none"> • Signed annual cooperation agreements with the customers • Provided a wealth of products • Provided technical, training and other services
Employee	<ul style="list-style-type: none"> • Compensation and benefits • Working environment • Career development 	<ul style="list-style-type: none"> • Labour Contract • Employee training • Employee internal communication • Employee performance evaluation 	<ul style="list-style-type: none"> • Improved compensation benefits and performance system • Provided a clean and comfortable working environment • Planned staff promotion path • Provided rich training courses
Community	<ul style="list-style-type: none"> • Harmonious community 	<ul style="list-style-type: none"> • Company website • WeChat account 	<ul style="list-style-type: none"> • Built a harmonious community • Conducted public welfare activities

MATERIALITY ASSESSMENT

The Group conducts stakeholder communication and materiality assessment through telephone, questionnaire, etc. by reference to the Stock Exchange's ESG Reporting Code and the materiality map of the Sustainability Accounting Standards Board (SASB), to enable stakeholders to understand their environmental, social and governance vision, to further determine the disclosure focus of the ESG report and respond to the expectations and requirements of stakeholders. We took into account internal and external views to define sustainability issues that are relevant to our business and stakeholders.

The 21 business-related issues we've identified focus on four areas: governance and operations, employment and labor practices, environment, and community. According to the materiality assessment, we have summarized 11 issues that are of "high materiality" including compliance operations, anti-corruption, enterprise risk management, procurement and supply chain management, customer service management, customer privacy protection, information security, product/service quality management, compliance with labor legislation, staff training and development, and staff health and safety. In this report, key disclosures are made with reference to the results, and a materiality matrix of the Company is drawn accordingly as follows:





The results of the following importance ESG issues have been approved and confirmed by the Board:

Sorted by Materiality	No.	Issues
High materiality issues	1	Compliance Operations
	2	Anti-corruption
	3	Enterprise Risk Management
	4	Procurement and Supply Chain Management
	5	Customer Service Management
	6	Customer Privacy Protection
	7	Information Security
	8	Product/Service Quality Management
	10	Compliance to Labour Legislation
	11	Staff Training and Development
	12	Staff Health and Safety
	Moderate materiality issues	9
13		Employee Participation, Diversity and Inclusion
General materiality issues	14	Energy Management
	15	Greenhouse Gas Emission
	16	Waste Disposal
	17	Exhaust Emission Reduction
	18	Water Resource Management
	19	Use of Natural Resources
	20	Addressing Climate Change
	21	Community Philanthropy





GOVERNANCE

CORPORATE GOVERNANCE

In order to achieve corporate mission of the Group, we have established good corporate governance practices based on the principles of integrity, transparency, openness and efficiency, and implemented and improved various policies, internal controls procedures and other management framework. We will continue to learn and understand the development of corporate governance practices with reference to the world's leading institutions, relevant regulations by the regulatory bodies and the expectation of the investors. We will also review and enhance the corporate governance procedures and practices from time to time so as to ensure the long-term sustainable development of the Group.

COMPLIANCE MANAGEMENT


The Group is subject to various laws and regulations set by the PRC national, provincial and municipal governments relevant to our business operation, including The Company Law of the Peoples Republic of China (《中華人民共和國公司法》), Civil Code of the People's Republic of China (《中華人民共和國民法典》) and Labour Contract Law of the People's Republic of China (《中華人民共和國勞動合同法》), etc.. Compliance procedures are in place to ensure adherence to the applicable laws, rules and regulations. In addition, the Group has attached great importance to the improvement of internal management systems and continuously improved relevant internal rules and regulations in accordance with relevant regulatory requirements and internal management needs. The Group complies with the relevant laws and regulations that have a significant impact on our operations. Further, any changes in applicable laws, rules, and regulations are brought to the attention of relevant employees and operational units from time to time.

INTERNAL RISK CONTROL

The Group established the Basic System of Compliance Risk Management (《合規與風控管理基本制度》) and Internal Control Manual (《內部控制手冊》) in accordance with the relevant regulatory requirements and the internal control framework required by the Ministry of Finance to clarify the management rules, systems, critical control points, and corresponding controls of the key control links. The process ensures that the Group's business management is legally compliant, corporate assets are secure, financial information and related information are accurate and reliable, aiming to improve operation efficiency and promote company's strategic planning. In 2025, the Group continued to improve its risk control and management systems such as the risk management mechanism that integrates business management and compliance requirements, integrated risk management mechanism, compliance review mechanism, violation reporting mechanism, problem correction and accountability mechanism, and sound evaluation and reporting mechanism, to ensure the Company's stable operations and sustainable development. At the same time, the Group carried out risk identification and evaluation, regularly summarized the list of major risks identified, and effectively identified and controlled various risks arising from the operation process through daily and special internal control inspection and prevention. This year, no significant ESG-related risk was found in the Group.

ANTI-CORRUPTION

The Group strictly abides by national and regional laws and regulations such as the Criminal Law of the People's Republic of China (《中華人民共和國刑法》) Anti-Unfair Competition Law of the People's Republic of China (《反不正當競爭法》) and formulated a number of rules and systems including Code of Supervision on Staff Independence (《員工獨立性監管守則》), Measures on the Implementation of Accountability and Liability Investigation (《責任追究實施管理辦法》) and Measures for the Administration of Information Disclosure (《信息公示管理辦法》) to supervise and regulate our employees' behavior in economic activities, maintain the objectivity, impartiality and synergy of the Group's business activities, avoid business operation risks and prevent all kinds of conflicts of interest, prevent misconduct such as bribery, extortion, fraud and money laundering, secure the Group's reputation as well as interests of the Group and customers, and build a sound ordered market. In 2025, there was no corruption lawsuit brought against the Group or its employees, and there was no corruption lawsuit that had been concluded or was pending. All employees of the Group signed a "Commitment to Clean Practices" to regulate clean practices and properly fulfill their duties, and all the directors of the Company participated in the training courses on corporate governance and related regulations, held by a law firm hired, or read the latest information on regulatory matters and documents relevant to the directors' functions and responsibilities, to ensure that all the directors comply with relevant provisions.



In 2025, the Group carried out five special anti-corruption and compliance management trainings for all employees (including part of directors), with a single training duration of 60 minutes. In addition, it irregularly issued special anti-corruption publications and training materials to continuously improve the anti-corruption awareness of the management and employees.


ENVIRONMENTAL PROTECTION

The Group is committed to supporting environmental sustainability. We strictly comply with national and regional environmental laws and regulations, including the Environmental Protection Law of the People's Republic of China and the Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution, and implement stringent environmental protection policies to ensure the fulfillment of our environmental responsibilities. We have obtained ISO 14001 Environmental Management System certification.

Our principal operations are office-based. Our main environmental impacts include office water and electricity consumption, fuel consumption from office vehicles, and carbon emissions arising from employee business travel. We do not have a material impact on the environment or natural resources. Nevertheless, we continue to pay close attention to climate-related issues, carry out risk identification, assessment, and control, and actively explore potential development opportunities in relevant areas, so as to avoid indirect potential impacts arising from climate factors. The Group remains firmly committed to ensuring that the products and services it provides comply with relevant environmental standards.

GOVERNANCE

The Group has established a climate governance mechanism featuring coordinated operation between the Board and management. The Board is responsible for overseeing the governance framework, strategies, and targets relating to climate-related risks and opportunities, while management is responsible for implementation and regular reporting.



Through internal assessments, external training, and other measures, the Board and management strengthen their professional capabilities in climate risk management, and dynamically assess the skills and competencies required for oversight. Climate-related risks and opportunities are reported to the Board through regular reporting, risk assessments, and industry trend analysis, with material matters reported in a timely manner. The Group has incorporated climate-related targets into its sustainability management system, with management regularly monitoring progress to ensure effective implementation. Given that the Group is a non-manufacturing enterprise and is therefore subject to limited direct impact from climate-related risks, it will continue to monitor changes in industry structure and dynamically optimize its strategic deployment.

STRATEGY

(I) Climate-related risks and opportunities

• Risk

In the course of providing intelligent distribution of ICT products and solution services to partners and customers, the Group is exposed to climate-related physical risks and transition risks. Physical risks are mainly reflected in logistics disruptions, warehousing safety concerns, and fluctuations in energy supply caused by extreme weather, which may affect inventory turnover and business continuity. These are long-term risks with a time horizon of more than five years. Transition risks mainly arise from the reshaping of the industry landscape driven by increasingly stringent global climate policies and the rapid development of digital technologies and artificial intelligence. Market and customer demand for sustainable, energy-efficient, and low-carbon applications continues to increase, driving the industry to accelerate its green transformation. These are long-term risks with a time horizon of more than five years. In response to these changes, we will adopt proactive measures to strengthen green operations and the green and low-carbon management of the supply chain, and steadily enhance the Company's resilience and sustainable development capabilities in addressing climate challenges.

• Opportunities

Using smart business upgrading as a key driver, the Group reduces offline office activities and resource consumption and improves operational efficiency through digitalization, paperless office practices, and online collaboration. At the same time, it promotes green warehousing, smart scheduling, and green logistics to reduce operating costs; leverages cloud computing technology to optimize its business architecture, achieve intensive use of resources, and reduce infrastructure energy consumption; and continues to improve climate governance and information disclosure, so as to seize market opportunities arising from the combined momentum of the digital economy and the dual-carbon strategy.



(II) Business model and value chain

The Group is positioned as an outstanding integrated digital intelligence service provider for the new era, proactively responding to the development of digital technology and global climate challenges. We focus on providing partners and customers with intelligent distribution of ICT products and solution services, continuously expanding the new ecosystem of technology services and supporting the long-term growth and success of our partners. The Group continuously improves its intelligent business system, empowers green distribution and low-carbon services through digitalization, coordinates various resources in an integrated manner, and supports the high-quality development of partners through professional digital intelligence services. In the future, we will join hands with all parties to build a digital intelligence ecosystem and a low-carbon ecosystem, and jointly create new digital intelligence value and a new future of sustainable development.

(III) Strategy and decision-making

As a technology service enterprise, the Group, building on intelligent distribution services, actively applies advanced digital technologies such as artificial intelligence, adheres to a strategy of driving development through new technologies, expands in a diversified manner into areas related to new quality productive forces, and promotes service innovation and ecosystem value creation. At the same time, the Group places importance on environmental protection and climate risk management, actively practices green and low-carbon principles in business development, steadily advances green operations and low-carbon practices, and is committed to becoming an outstanding integrated digital intelligence service provider.

(IV) Financial position, financial performance, and cash flow

The Group's principal businesses are IT product distribution, cloud services, and ecosystem services. Its operational activities are mainly centered on warehousing and logistics, digital office operations, channel services, and supply chain management. As it does not belong to a high-energy-consuming or high-emission industry, climate-related environmental factors currently have, and are expected in the foreseeable future to continue to have, relatively limited direct impact on the Group's financial position, operating results, and cash flows.

The Group continues to promote paperless office practices and digitalized operations, thereby reducing resource consumption and carbon emissions while further improving operational efficiency and optimizing its cost structure. Going forward, the Company will continue to strengthen environmental and climate risk management and promote the development of a green supply chain, so as to safeguard sound operations and cash flow security while achieving environmental sustainability and sustainable high-quality development.



(V) Climate resilience

The Group is currently subject to limited direct climate impact. Relying on a three-tier governance structure consisting of Board oversight, management execution, and interdepartmental coordination, we dynamically update our climate response strategies to ensure system resilience. This framework supports our simultaneous management of risks and capture of environmental opportunities, deeply integrating climate considerations into strategic planning so as to adapt agilely to regulatory and market changes.

Looking ahead, we will continue to fulfill our corporate responsibilities in climate governance and, by leveraging our existing professional capabilities, integrated strengths, and resource allocation, continuously deepen and improve our climate scenario analysis.

RISK MANAGEMENT

In accordance with our internal risk management procedures, we have integrated climate risk management into our business operations and established a closed-loop management mechanism covering the entire process of risk identification, risk assessment, risk response, and strategy execution, so as to ensure that climate-related risks are effectively identified, assessed, and addressed.

The Group regularly reviews and monitors climate-related physical risks and transition risks, and dynamically optimizes its risk management strategies and response measures in light of business development, regulatory requirements, and changes in industry trends, so as to ensure the effectiveness and adaptability of climate risk management.

The management team is responsible for the day-to-day monitoring of climate risks and major strategic adjustments, and has formulated specific control measures for physical risks and transition risks. The specific risk control measures are as follows:



Risk Type	Impact on the Company	Strategy
Physical Risk	Extreme weather events, such as typhoons and heavy rainstorms, may cause logistics disruptions and damage to warehousing equipment, resulting in slower inventory turnover, delayed fulfillment, increased operating costs, and adverse effects on business continuity.	Optimize the multi-warehouse layout and establish disaster recovery mechanisms; upgrade warehouse protection facilities and adopt intelligent monitoring and early warning systems; optimize logistics routes and expand diversified logistics partners.
Transition Risk	The reshaping of the industry landscape driven by increasingly stringent global climate policies and the rapid development of digital technologies and artificial intelligence has led to continuously rising market and customer demand for sustainable, energy-saving, and low-carbon applications, thereby driving the industry to accelerate its green transformation.	Building on intelligent distribution, the Group leverages digital technologies such as artificial intelligence to drive business innovation and expand into areas related to new quality productive forces. At the same time, it practices green and low-carbon principles, actively explores green operating models, promotes the integration of business development with low-carbon development, and enhances its ability to respond to market transformation.

METRICS AND TARGETS

We will commence the preliminary identification of Scope 3 with the relevant departments, with a view to clarifying the categories of emissions that are material to the Group's business, as a basis for future external disclosure. We are committed to reducing the environmental impact of our operating activities. On the premise of maintaining a similar scale of operations, we will continue to maintain or further reduce greenhouse gas emissions.

The Group has made disclosures with reference to the climate-related disclosure requirements set out in Part D of Appendix C2 and has, where applicable, adopted the "reasonable information relief" under the "comply or explain" approach. For certain disclosure items that are still at the stage of developing methodologies and data systems, such as scenario analysis, the quantification of expected financial impacts, and the incorporation of climate factors into decision-making and incentive mechanisms, the Group has provided explanations and formulated enhancement plans, including gradually defining the boundaries of Scope 3 emissions, introducing scenario analysis methodologies, and establishing a framework for quantifying financial impacts, so as to continuously improve the completeness and comparability of disclosures.



Emissions

The Group's business operations do not involve hazardous waste, large amounts of waste gas or non-hazardous waste. In 2025, the Group did not have material non-compliance issues related to environmental issues.

AIR POLLUTION EMISSION

The Group's air pollutants mainly originate from automobiles. The Group controls the number of cars and mileage and tries to use the online video conference system or teleconference to reduce business trips, energy consumption and emission of carbon dioxide. In 2025, the Group's vehicle-generated air pollutant emissions included 859 grams of nitrogen oxides (2024: 465 grams), representing a year-on-year increase of 84.73%; 59 grams of sulfur oxides (2024: 51 grams), representing a year-on-year increase of 15.68%; and 63 grams of particulate matter (2024: 34 grams), representing a year-on-year increase of 85.29%. The increase was mainly attributable to more frequent use of company vehicles for business hospitality and customer visits.

GREENHOUSE GASES EMISSION

The Group's emissions of greenhouse gases are mainly derived from the use of electricity and fuel use of company vehicle, and indirect greenhouse gas emissions from few paper waste. The Group has set target to reduce the average energy consumption of electricity in office area (MWh / m²), and fuel consumption (fuel consumption per employee), using FY2025 as the baseline year. The Group manages its carbon emissions by reducing energy consumption. In 2025, the Group achieved the objective of reducing fuel consumption per capita through the following measures:

- Try to avoid travel during peak congestion, plan routes in advance to improve traffic efficiency, reduce vehicle fuel use to vehicle exhaust emissions; reduce fuel consumption and indirect greenhouse gas emissions by maintaining vehicle's performance regularly.
- Save electricity, advocate to turn off lighting when leaving; use separate switches to control air conditioning temperature and service time to reduce indirect greenhouse gas emissions.

(1) Emission from the use of electricity

The Group leases offices in 22 cities in Mainland China, and Hong Kong. In 2025, electricity consumption amounted to 1,198 megawatt-hours, involving carbon emissions of 636 tons (2024: 681 tons), decreasing by 6.60%. In 2025, the per capita carbon emissions associated with electricity consumption of the Group were 0.46 tons (2024: 0.48 tons), decreasing by 4.17%. The energy consumption of electricity per unit of office area in 2025 was 0.083 MWh/m², which slightly decreased compared with 0.084 MWh/m² in 2024. (The carbon emission conversion factor for electricity consumption was based on the announcement on the Release of the 2023 Carbon Dioxide Emission Factors for Electricity, issued by the Ministry of Ecology and Environment in December 2025).

(2) Emission from the use of fuel

The Group owns a few vehicles for travel and reception of the executives. The fuel consumption in 2025 was 4,023 liters, increasing by 15.2% from 3,491 liters in 2024. In 2025, the Group's per capita fuel consumption was 2.87 liters, representing an increase of 17.14% from 2.45 liters in 2024. The Group will continue to take measures to reduce vehicle fuel consumption and closely monitor progress toward its targets. In 2025, the carbon emissions involved in fuel consumption were 9.1 tons, representing an increasing of 15.19% from 7.9 tons in 2024. In 2025, the Group's per capita carbon emissions associated with fuel consumption were 0.0064 tons, representing a slight increase from 0.0055 tons in the previous year. (The source of carbon emission conversion factors involved in fuel use is the "2006 IPCC (Intergovernmental Panel on Climate Change) Guidelines for National Greenhouse Gas Inventories", carbon emission factor for vehicle fuel: 2.2631 Kg/L)

(3) HAZARDOUS WASTE AND NON-HAZARDOUS WASTE

The Group's business operations do not involve hazardous waste or large amounts of non-hazardous waste as defined by the national laws and regulations. The non-hazardous waste generated by the Group mainly includes paper and a small amount of electronic products. The Group promotes paperless office software and secondary use of printing papers, produces portable notebooks, sends holiday e-cards and prints by swiping cards to reduce paper consumption. Very little paper is actually discarded. Strictly implementing garbage classification, for scrapped electronic products, they are recycled by units that have environmental recycling qualifications, while waste batteries and other hazardous wastes are required to be put into hazardous dustbins to avoid causing environmental pollution. The Group advocates employees to practice the concept of environmental protection, pay attention to the classification of waste consumed in daily life, and arrange specialized personnel to deal with waste to maintain environmental hygiene. In 2025, the Group did not carry out bulk disposal of any types of electronic products.



(4) SOLID WASTE DISCHARGE

We uphold the "4R" principle: reduce, reuse, replace, and recycle. As our business focuses on information technology software trading, no waste is generated in the course of production. Only non-hazardous municipal waste is generated in our offices, all of which is disposed of lawfully and collected daily by government service agencies. Therefore, we consider this issue not material to the Group and therefore have not disclosed relevant data in this report.

(5) WASTEWATER

The Group's business operations do not involve wastewater discharge. During the reporting period, there were no incidents of non-compliance with relevant environmental laws and regulations in relation to emissions that had a material impact on the Group.

USE OF RESOURCES

The Group actively implements the concept of environmental protection and conservation, and formulates policies and measures for the management of environmental protection, including: 1) the Group enhances the awareness of energy saving and consumption conservation of its staff through posters and promotional videos; 2) increases the use of the renewable energy, solar hot water; and 3) installs more energy-saving lighting equipment and intelligent electricity-saving system for air conditioners in offices, which can automatically adjust the turning on and off time and the temperature settings of air-conditioners according to weather conditions.

(1) Use of fuel

The Group owns a few vehicles for travel and reception of the executives. The fuel consumption in 2025 was 4,023 liters, increasing by 15.24% from 3,491 liters in 2024. In 2025, the Group's per capita fuel consumption was 2.87 liters, increasing by 17.14% from 2.45 liters in 2024. The Group will closely take continuous measures to reduce vehicle fuel use and closely monitor the progress of the target.

- Traveling either at off-peak hours or on less crowded roadways;
- Make full use of mobile internet for route planning and navigation in advance, adopt the optimal route, and avoid wasting trips to reduce fuel consumption;
- Maintain the vehicle regularly to maintain its performance and avoid increasing fuel consumption.

(2) Use of water

The Group's use of water originated from office usage. In some of regions, the water supply service in the office is provided by the building management. In this case, water consumption data is not available. The water supply to the offices in Beijing, Nanjing, Fuzhou, Xi'an and Shenyang was managed by the Group itself.

The Group's business does not involve production, and water use is mainly water for offices. During FY2025, the Group has set a target of reducing the water consumption intensity (cubic meters per employee) over the next 3 years, using FY2025 as the baseline year. Specific water-saving measures are as follows:


- Release environmental protection and saving slogans in the company forum to enhance environmental awareness;
- Use induction water switches to control water flow;
- Strengthen the maintenance of water equipment and improve the efficiency of equipment operation to avoid equipment failure waste of water resources.

There was no issue in sourcing water that is fit for purpose in the Group's operations. Through the above measures, the water consumption in these regions was 3,756 tons in 2025, decreasing by 12% from 4,221 tons in 2024. In 2025, the Group's per capita water consumption was 2.68 tons, decreasing by 9% compared with 2024. This year, the objective had been achieved, and good progress had been made.

(3) Use of paper

The use of paper by the Group mainly originates from office consumption.

The Group has set a target to reduce the total non-hazardous wastes intensity (tonnes per employee) over the next 3 years, using FY2025 as the baseline year. For achieving the set target, the Group has implemented the following measures:

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- Make full use of electronic online information systems and reduce the use of paper;
 - Simplify type setting if is necessary to use paper;
 - Recycle packaging boxes.

Through the above measures, the Group used 0.54 million pieces of paper in 2025 (2024: 0.54 million pieces), which was the same as the previous year. This year, the objective had been achieved, and good progress had been made. The Group will continue to promote electronic contracting to reduce the use of paper.

(4) Use of packaging materials

Issues relevant to the use of packaging materials are not applicable to the Group due to the Group's business nature since 2020.

(5) The energy management

The energy consumption of electricity per unit of office area in 2025 was 0.083 MWh/m², which slightly decreased compared with 0.084 MWh/m² in 2024. The Group will closely monitor the progress of the objective in the coming year. In 2025, the Group will continue to implement energy saving management measures, advocate the use of energy-saving, efficient and environmentally office equipment, and reduce the average energy consumption of electricity in office area (MWh / m²) compared to the same period last year, using FY2025 as the baseline year. Specific measures are as follows:

- Conserve electricity, promote the use of natural light without affecting work, and turn off lighting when leaving work or leaving;
- Use separate switch control in office and conference room, including centralized control of air conditioning temperature and service time;
- Set up full-time property management staff responsible for pipeline inspection and maintenance, reduce waste;
- In terms of fuel consumption, strengthen vehicle management and advocate green and low-carbon travel;
- Increase the use of modern intelligent communication equipment in business cooperation, reduce unnecessary business trips of employees, so as to reduce the use of vehicles and planes.



6. The environment and natural resources

The Group's business operations have no significant impact on the natural environment and natural resources. We always adhere to strictly implement monitoring and control measures related to water saving, power saving, energy saving and emission reduction, and minimize the impact on the natural environment and natural resources.

CLIMATE CHANGE

The Group continues to pay attention to the possible impact of climate change on its operations, identifying and assessing the risks associated with climate change. Extreme weather, such as typhoons and snowstorms, may bring risks such as facility damage and employee injury, which may lead to operation and turnover efficiency or expose the Group to risks related to default. In order to minimize potential risks, the Group purchases insurance for storage and transportation and/or requires the Group's servicer who providing storage and transportation service to purchase insurance to protect risks that may be caused by extreme weather. In addition, the Group advocates green travel for employees, low-carbon way of energy saving and emission reduction, and improve the utilization efficiency of operation resources such as office supplies. The Group continues to pay attention to changes in climate -related policies and regulations, and timely alerts management of changes affecting business operations to ensure effectiveness.

SOCIAL

RELATIONSHIP WITH CUSTOMERS, SUPPLIERS, EMPLOYEES AND OTHER STAKEHOLDERS

We believe that maintaining a good relationship with its business partners, customers, suppliers, employees and other stakeholders is important to the Group's business performance and development. Accordingly, the management of the Group has kept good communication, exchanged ideas and shared business updates with the stakeholders when appropriate. The Group also creates a framework for motivating staff and maintaining close relationship with staff. During the year ended 31 December 2025, there were no material and significant disputes between the Group and its customers, suppliers, employees and other stakeholders.

EMPLOYMENT

By focusing on the implementation of value creation and targeting at transparent performance and systematic management, the Group implements the scientific and fair performance management approach to secure the separation and implementation of its overall strategic goals at every segment, while maximizing the innovation and development of personal potential and talents to guide the constant growth of its staff.

Based on the annual business plan, we formulate the corresponding human resource planning plan. Depending on business progress and employment needs, it recruits talents through various internal and external channels to form diversified businesses team with different genders, ages, education backgrounds, knowledge and skills, and work experience. As of December 31 2025, the Group had a total of 1,340 employees (2024: 1,423). The distribution of employees by gender, age group, and region is as follows:


	employees	percentage (%)
By gender		
Male	815	60.82
Female	525	39.18
By age groups		
Under the age of 30	342	25.52
30-40	603	45.00
40-50	344	25.67
Aged over 50	51	3.81
By geographical region		
China (including Hong Kong)	1338	99.85
Indonesia	2	0.15
By employment type		
Full-time employee	1339	99.93
Part-time employees	1	0.07

In 2025, the Group's overall employee turnover rate was approximately 20.85% (2024: 28.67%). By gender, age group and regional classification of employee turnover in the following table:

	number of demission	turnover rate(%)
By gender		
Male	194	22.78
Female	94	17.74
By age groups		
Under the age of 30	101	27.6
30-40	132	20.85
40-50	45	13.47
Aged over 50	10	20.62
By geographical region		
China (including Hong Kong)	288	20.88
Indonesia	0	0.00

The Group adheres to the principle of equal opportunity in recruitment and promotion, opposes discrimination based on factors such as religion, nationality, gender and age, and strictly implements same pay for same work. For those resigned employees who are capable and willing to rejoin, the Group will also reemploy them with an open and enthusiastic attitude.

Applicants who meet the job recruitment requirements and have passed background investigations are formally employed and enter into formal labour contracts. The Group's working hours are in accordance with the working hours system that the national law stipulates that the daily working hours do not exceed 8 hours, and the average working time per week does not exceed 40 hours. At the same time, the employees enjoy statutory paid vacations and annual vacations. The Group has formulated clear management measures for the employees' departure, and clearly established corresponding rules and procedures in the Employee Handbook in accordance with the laws and regulations for different departure situations. When there is a situation in which it is necessary to release the employee's labour relationship, the Group terminates the labour contract in accordance with the Labour Contract Law and related regulations, and strictly complies with the requirements of laws and regulations.



Through systematic training, we enable new employees to quickly and comprehensively understand the company profile. Through the mentor system, we help new employees integrate into the company faster and better. Through the establishment of the staff service platform in the enterprise community network, the policies, regulations and rules closely related to the daily staff are publicized to facilitate the staff to inquire and understand. Through the implementation of EAP (Employee Assistance Program), we interact with employees in a timely manner and answer their questions and doubts.

We determine employee compensation based on the employee's length of service, job function and performance with reference to the salary level of the same industry in the market, so that employees can get a competitive salary in the market while embodying the value of the job. The Group has developed a complete performance management approach, and conducts staff position adjustment and promotion based on the results of employee performance assessment.

In order to motivate staff to achieve the strategic business objectives efficiently, stimulate their working passion and create positive working atmosphere, we conduct the selection and appraisal activities of "excellent staff" and "collaboration star" every year, with an aim of giving public recognition to those outstanding staff in the sales, technology, sales support, platform service and crossfunctional collaboration.

At the beginning of every year, we hold large annual carnival show, which are undertaken by employees from show planning to its performance, providing a platform for staff to exhibit their capabilities and talents. In 2025, we held an offline Carnival, where employee satisfaction reached 99.99%. We also organized colorful birthday parties for employees, and carefully selected birthday gifts for them, making their birthdays more meaningful. We have been organizing Women's Day activities for over 10 consecutive years to support female employees. We hold the staff sports meeting every year to call on all staff to keep fit and create a positive, healthy and lively company atmosphere.



HEALTH AND SAFETY

The Group complies with the Occupational Disease Prevention Act (《職業病防治法》) and Working Injury Insurance Regulations (《工傷保險條例》) in China and strives to build a healthy, safe, comfortable and tidy office environment by conducting office environment assessment activities in various branches, so that every employee feels as pleasant as possible. We installed air purification fresh air equipment and regularly detect and manage air quality in the office area. Professional drinking water treatment solutions are adopted to ensure the quality of drinking water, green plants are regularly replaced. The Group has obtained ISO45001 Occupational Health and Safety Management System Certification.

We are people-oriented, and strive to provide caring welfare and care for employees. In addition to the statutory welfare, we provided a number of special welfares, including the selection of different physical examination institutions and packages according to the needs of employees for physical examination, and in combination with the physical examination results of employees, organized health lectures and released health theme promotional emails. We distributed health pots to the employees with the aim of making the employees and their families pay attention to health and health preservation; increased subsidies for meals, transportation and communications, set up special serious illness subsidy funds, purchased employee travel accident insurance, safety insurance for staff in pandemic areas, allocated public first-aid kits, and provided gift money to the employees when they get married and have children. In 2025, we paid more attention to the practicality and cost-effectiveness of employees' welfare products, which enhanced the employees' sense of identity with the Company. In addition, the Group did not record any work-related fatalities in the past three years. In 2025, the Group recorded 21 working days lost due to work-related injuries, which involved employees who were in traffic accidents on the way to work. We promptly provided care to employees injured at work upon learning of their injuries and organized for appropriate personnel to oversee and follow up on the management of work-related injury matters, ensuring the protection of employees' rights and interests.

We put great emphasis on safety and environmental management, strictly implement the working guideline for safety responsibility, and adopt a number of measures including swiping card for access and exit, visitor registration, safety patrolling, video surveillance, and changing the access card password regularly to safeguard the Group's normal operation order. We regularly conduct fire knowledge publicity and fire drills and post security warning tips, to enhance the safety and environmental awareness of employees.


DEVELOPMENT AND TRAINING

We strive to provide employees with a good environment for growth, a fair assessment mechanism and an open transfer opportunity to achieve a win-win situation for employee development and company development.

In 2025, the Group's employee training coverage rate was 100%. A total of 753 training sessions were conducted, with total training hours amounting to 24,113.67 hours. The average training hours per employee for both male and female employees were 16.94 hours, representing an increase of 2% from 2024. The average training hours per person for senior management and middle management were 18.37 hours, representing a decrease of 29% from 2024, while the average training hours per person for general employees were 15.49 hours, representing an increase of 11% from 2024. The number of training attendances by middle- and senior-level management was 5,661, accounting for approximately 27%, while the number of training attendances by general employees was 15,157, accounting for approximately 73%. The number of training attendances by male employees was 10,858, accounting for 52%, while the number of training attendances by female employees was 9,960, accounting for 48%. Training content comprehensively covers employees' development needs, ranging from macroeconomics, industry trends, corporate strategy and market insights to compliance and risk control, AI technology applications, product and professional knowledge, general skills, corporate culture, and emotional and stress management, thereby forming a multidimensional empowerment matrix. The goal is to systematically enhance employees' business mindset, professional capabilities, leadership, and psychological resilience, so as to support them in addressing market challenges and achieving all-round development.

We firmly believe that investing in employees is investing in the future of the enterprise. In 2025, the Group continued to increase its efforts in cultivating core talent, with the aim of building sustainable organizational capabilities to meet future challenges. We have designed and implemented a number of innovative training programs for key groups such as young executives, product managers, and sales teams.

For example, the "Business Elite - Panoramic Management Talent Cultivation Program" for high-potential executives represented a breakthrough exploration and systematic innovation in the Group's talent development model. As the Group's first large-scale, immersive, and comprehensive sandbox simulation project, it deeply integrates the Company's actual business scenarios, brings together the wisdom and experience of multiple senior executives and relevant departments, and organically combines modules such as strategic planning, market insights, business strategies, finance and tax management, compliance and risk control, and corporate management.



It created a highly realistic and dynamically competitive panoramic business capability development platform for more than 100 core backbone employees, effectively driving the development of participants' overall business perspective and enhancing their strategic thinking and risk decision-making capabilities in complex environments.

Another example is the "Rock-Solid Advancement" program, which adopts a training model of "practical seminars + case sharing + expert guidance" and covers all of the Group's product managers. Led and personally guided by senior management, the program provides in-depth interpretation ranging from the role positioning of product managers to management experience and the Company's operating principles, thereby clarifying strategic direction and management requirements. At the same time, outstanding business leaders are invited to share successful experiences, and each seminar focuses on two to three benchmark or typical business cases for scenario-based discussion, promoting cross-departmental experience sharing and joint strategy development. Combined with focused enhancement on business pain points, the program helps product managers solve practical problems encountered in their work.

These initiatives have not only deepened employees' professional capabilities and business perspectives, but also strengthened the organization's overall resilience, adaptability, and innovative vitality, helping employees and the Company grow together into a more responsible and competitive market participant, calmly respond to market changes, and seize opportunities for sustainable development. The Group has established a systematic knowledge transfer mechanism and assigns a mentor to each new employee to accelerate his or her integration and growth. Meanwhile, we have vigorously developed our internal trainer team. During the year, 7 newly certified internal trainers were added, bringing the total number of active internal trainers to 53, and 81 internal training sessions were conducted throughout the year, effectively promoting the accumulation and sharing of organizational knowledge.

We value the contributions and well-being of our internal trainers. On Teachers' Day, the Group specially organized an honorary event for internal trainers, granting certification to newly certified trainers and recognizing the outstanding internal trainers of the year. The event also incorporated employee wellness initiatives, with a professional coach specially invited to lead the internal trainer team in practicing Baduanjin, reflecting the Company's ongoing commitment to the all-round development and physical and mental well-being of its talent.

We firmly believe that investing in employees is the most sustainable investment for the future of the enterprise. The efforts not only support employee growth, but are also aimed at building an organization with stronger learning capability, cohesion, and long-term competitiveness, thereby laying a solid talent foundation for the Company's sustainable development.



LABOUR STANDARD

The Group is in compliance with the Labour Contract Law (《勞動合同法》) of China, Employment Ordinance (Chapter 57 of the Laws of Hong Kong) and the relevant laws and regulations, pursuant to which employees are entitled to social insurance, housing provident fund, paid annual leave and other statutory benefits, and female employees are entitled to prenatal examination, maternity and nursing leave. Respecting human rights, the Group complies with the Prohibition of Child Labour Regulations (《禁止使用童工規定》), and prohibits child labour and other forced labour. After recruiting employees, we will collect supporting documents to check the age and prevent false information and misleading during the background check. In addition, the Group will sign labour contracts with employees in compliance with the Labour Contract Law (《勞動合同法》), specifying all details to protect their rights and interests, and so as to avoid forced labour.

The Group will take immediate action to correct any violation of laws and regulations, such as employment of child labor or forced labor. In the fiscal year 2025, the Group did not find any serious violation of laws and regulations in relation to the employment, such as employment of child labor and forced labor.

UPSTREAM AND DOWNSTREAM COLLABORATION AND OPERATION MANAGEMENT

As the PRC agent of numerous international ICT suppliers, the Group conducts extensive cooperation with suppliers to provide professional products and solutions to channel partners. We have formulated a supplier access audit system to evaluate suppliers' qualifications, financial status, product quality, production and supply, service capacity, Business licenses, etc. Through formulating a series of procurement policies including procurement principles, procurement methods and procurement monitoring mechanism, we achieve a centralized and unified comprehensive planning of procurement. We expect suppliers to consider the environmental, social, health and safety and governance in their operations.




The Group issued "Environmental, Occupational Health and Safety Notice" (《環境、職業健康安全告知書》) to some supplier, and added relevant contents of environmental, health and safety requirements into the terms of our cooperation contract with the supplier. The content includes requirements for suppliers to launch in-depth environmental publicity and education, promote the concept of scientific development, strictly comply with environmental protection laws and regulations, practically strengthen pollution prevention and control, consciously safeguard the public's environmental rights and interests, and consciously accept public supervision. Suppliers are required to pay medical insurance and work injury insurance for their employees; the age of their employees is in line with national labor laws and relevant regulations of the industry, and they are in good health; they seriously organize safety protection work during production and implement a fire safety responsibility system, and regularly check various labor protection measures and safety measures to ensure that there are no safety accidents during production; the office area and the operation area are set up separately, and the workers' meals, drinking water, resting places, etc. are in line with the hygiene system. The office area and operation area are separated, and workers' meals, drinking water, and resting places are in compliance with the hygiene system. Suppliers are required to set up necessary quality control points in the key processes that form the final products to monitor the quality of the processes and the quality of the products at any time to ensure the consistency, stability and reliability of the quality of the products. The Group's cooperative suppliers implement the Company's supplier access rules, covering 32 domestic provinces and autonomous regions (including Hong Kong, Macao and Taiwan) as well as overseas regions, including 479 suppliers in North China, 35 suppliers in Northeast China, 666 suppliers in East China, 293 suppliers in South China, 134 suppliers in Central China, 232 suppliers in Southwest China, 72 suppliers in Northwest China, and 64 overseas suppliers. The group has established a supplier management system, reviewed the qualifications of upstream suppliers, and optimized the resources of upstream suppliers through performance appraisal, all the group's suppliers were included in the supplier management System audit.

The Group evaluates its supply capacity and quality management level through supplier access procedures. The supplier shall provide the relevant quality system certification certificate or the authorized agent documents of the relevant manufacturer, so that the Group can select appropriate suppliers to support its operation and reduce potential risks. We visit key suppliers on the spot, inspect their warehouses and production operations, evaluate their safety, environmental protection and operation capacity in the operation process. Under the same conditions, we tend to choose the same strong but less packaged products suppliers. In addition, the products of the Group belong to electronic products and are durable.



For enterprise level segment, based on agent products, we actively deploy emerging areas such as cloud computing, AI computing power and applications, metaverse, low-altitude economy, and digital marketing. By virtue of our technical service capabilities, we integrate rich product portfolios and solutions to provide a variety of industry solutions and scenario solution services. We provide one-stop multi-cloud infrastructure integration products and solution services, and provide customized on-cloud solutions in the entire process from cloud consulting, cloud planning to cloud migration, cloud operation and maintenance, and cloud security management, to ensure that partners and customers maximize the effects and value in the application of cloud technologies. We have built a professional technical team to provide full-cycle integrated solution services in the entire project process from AI computing center infrastructure construction consulting, planning and design to pre-sales and in-sales support, product testing and delivery, and operation and maintenance training, to meet the diversified, intelligent, green and low-carbon AI computing demands. In terms of AI applications, we provide consulting and planning, solution selection and adaptation, as well as delivery and operation and maintenance services for vertical AI models, serving industry scenarios such as education, retail, agriculture, and technology manufacturing, thereby enhancing deployment efficiency and application effectiveness. We have also built an advanced security service team consisting of elites from well-known security laboratories and senior security teams to provide a full range of network security products, security solutions, and customized digital security services based on the personalized needs in different business scenarios. We connect the rich metaverse production tools and consumer terminals, deploy the global leading products and software applications, and serve new scenarios that integrate the physical and digital worlds in the metaverse. In areas such as large-scale VR spaces, the industrial metaverse, robot remote sensing training, and immersive entertainment, we provide partners and users with immersive, interactive, and intelligent scenario services. We have also been named one of the "Top 50 VR Enterprises in China" for three consecutive years. In the rapidly developing low-altitude economy industry, we connect digital intelligence technologies with low-altitude applications and have developed three core integrated service capabilities, namely professional low-altitude product supply, low-altitude scenario solutions, and low-altitude digital infrastructure resource integration, covering areas such as drones and low-altitude inspection. Through in-depth cooperation with leading enterprises, research institutions, and laboratories in the industry, we promote the commercialization of advanced technologies. We were successfully selected as a core unit of the China Academy of Information and Communications Technology's low-altitude intelligent connectivity cloud service capability system and shortlisted as a supplier for China Mobile's low-altitude video connectivity "Qianliyan" project, thereby securing more business opportunities for ecosystem partners.



For consumer level segment, by virtue of professional marketing ability, we help manufacturers push their products to the market rapidly. We deeply grasp market and customer demands, build channel systems covering the whole country and possess tens of thousands of core agents. By keeping stable and long-term cooperation with product suppliers and core agents, we fully ensure benefits for all parties in the supply chain, form a sound distribution system and provide good service assurances by relying on perfect after-sales service and advanced and speedy logistics operations. At the same time, we actively cope with changes in the digital intelligence era, comprehensively improve our intelligent distribution service capabilities, and have built an intelligent management and operation system by means of advanced technologies such as big data and AI, to meet the personalized and customized needs of ecosystem partners in the business process and achieve the efficient, accurate, and intelligent distribution in all aspects. Our digital collaboration capabilities have already achieved direct system connectivity with brand partners such as Lenovo, Huawei, Apple, and Microsoft, enabling deep collaboration ranging from real-time data integration to flexible supply chain forecasting. By empowering our partners, we have significantly improved overall business timeliness: the "AI intelligent allocation system" serves the supply side by helping brand manufacturers gain insights into the pace of market demand, ensuring stable supply and improving response speed by 30%; the "all-domain data cockpit" enables visualized inventory data management and serves the decision-making side by helping channel partners optimize inventory structure and improve turnover efficiency by 10%; the mini-program specially developed for terminal stores covers more than 20,000 stores across tier-1 to tier-6 cities and, through online training, marketing campaigns, and incentive mechanisms, achieves compliant, standardized, and refined management, supporting and promoting sales, with total transaction value per store increasing by more than 120% quarter on quarter. We provide omni-channel digital marketing services for integrated retail scenarios, and provide multi-brand product portfolios by virtue of store resources such as Sam's Club, Walmart Supermarket, Costco, Pangdonglai, and Freshippo. We also provide comprehensive and standardized channel services, including counter design, display plans, top gondola materials, and training services. We have entered dozens of stores in Beijing, Shanghai, and other cities, helping many partner brands to quickly develop offline growth channels. In integrated e-commerce scenarios, our digital intelligence capabilities cover both traditional and emerging platforms such as Tmall, JD.com, and Douyin, enabling us to provide support services including refined operations, customer service and after-sales service, as well as marketing and promotion. The innovative AC+ mini program empowers consumer-to-consumer business processes and has dropshipping capabilities. It has supported multi-platform and multi-level drop shipping of million-yuan-level orders for well-known brands in many industries. Received the Best Supplier - Non-food Division award from Sam's Club, the Best Ecosystem Partner award from Tmall Campus, and the 2025 IDC China Ecosystem Award - Channel Collaboration Leader award, in 2025.



Since 2008, we had held a "Jiahua Good Partners" gratitude meeting every year to summarize the operation of the previous year, release the strategies for the next year, provide a platform for communication between the upstream and downstream partners, and explore new paths for future development with the partners. So far, the appreciation event has been held for 18 consecutive years. Since its inception, the "Jiahua Good Partners" appreciation event has attracted a cumulative total of nearly 50,000 manufacturer participants and more than 61,000 distributor partner participants. Leaders from 451 manufacturers have extended their best wishes to the Company and its partners. Publicity related to the "Jiahua Good Partners" appreciation event generated more than 25 million brand impressions, while views on video channels exceeded 500,000. Related branded articles were also published in authoritative media outlets such as Economic Information Daily, China Electronics News, and the Xinhua News client. Total annual online and offline brand exposure exceeded 120 million, making it one of the Group's signature branding events and earning wide acclaim from partners.

The Group strives to give full play to its role as a connector in the ICT ecosystem. Rooted in technology services, it continues to deepen its digital intelligence service capabilities, break through the boundaries of the traditional ecosystem, and work collaboratively with partners to build a friendly and mutually trusting ecosystem, jointly create ecosystem value, jointly expand new opportunities, and achieve a win-win future of high-quality development.

The Group is always committed to the concept of helping growth and supporting success, and is committed to strengthening the observation and identification of environmental and social risks of suppliers, and always monitor the operation of channel partners.

QUALITY ASSURANCE

The quality of products and services determines the survival and reputation of the enterprise. To strengthen quality management, the Group has established and continuously improved the quality management system to ensure that the Group's products and services meet customer needs. We have passed ISO9001 (Quality Management System Certification), ISO20000 (Information Technology Service Management Standard), ISO27001 (Information Security Management System Certification), AEO (Authorized Economic Operator) Advanced Certification, Level 2 of ITSS (Information Technology Service Operation and Maintenance Service Capability Maturity), Level 2 ITSS Cloud Computing Service Capability Standard Conformity Certification, CMMI Level 3 Certification, CSMM Level 3 Certification, Level 3 Certification under the CS Information System Construction and Service Capability Evaluation System, Level 3 Certification for Information Security Service Qualification of CCRC, and Level 1 Certification for Information Security Service Qualification issued by the China Information Technology Security Evaluation Center. Our own-brand products have also passed CCC (China National Compulsory Product Certification), China Energy Saving Product Certification, and other certifications.

As an ICT integrated service provider, the Group sales products for distribution by the proxy pattern, and the Group will review supplier's product qualification. In 2025, no recall because of safety and health reasons, no complaints about products and services. If the customer found the problem when received product acceptance, the Group will actively coordinate with supplier according to the laws and regulations, and request to return or replace according to the contract with supplier.

The Group has established an environmental and occupational health and safety management system that conforms to international standards, formed a self-monitoring and self-improvement mechanism, continuously improved the internal management level and the awareness of all staff, strictly complied with the requirements of laws and regulations, avoided risks arising from environmental and occupational health and safety issues, continued to maintain a sense of social responsibility, and established a good corporate reputation and image. We have passed the certification for ISO14001 Environmental Management System certification. and certification for ISO45001 Occupational Health and Safety Management System Certification.



INFORMATION SECURITY

Information security is one of the basic guarantees for the sustainable development of enterprises. The Group strictly abides by national and regional laws and regulations such as the Cybersecurity Law of the People's Republic of China (《中華人民共和國網絡安全法》). The Group attaches great importance to information security management and carries out focused work in the areas of institutional system building, security capacity building, internal security governance and deepening of security awareness to ensure that the various security strategies and objectives are effectively implemented and to enhance the overall level of information security protection of the Group's companies. Enhancing employee computer security and business system access protection through the construction of a zero-trust protection system to ensure the physical security, operation security, information assets security and personnel security of the information system and to guarantee the integrity, availability, confidentiality and controllability of the Group's information. We have passed ISO27001 (Information Security Management System Standard).

By establishing a zero-trust protection framework, we comprehensively strengthen endpoint device security, trusted identity verification, and business access control, thereby achieving dynamic and granular security protection. We are committed to safeguarding the physical security, operational security, information asset security, and personnel security of information systems, so as to ensure the integrity, availability, confidentiality, and controllability of the Group's information. Currently, the Group has obtained ISO 27001 Information Security Management System certification, marking a more standardized and well-regulated level of information security management.

The Group has promulgated the "Information Security Emergency Response System" (《信息安全應急響應制度》) and "Information Security Policy", (《信息安全政策》) and has established a relatively complete information system emergency response mechanism to enhance prevention, timely control risks, and minimize the harms and impacts of various emergencies. The Group has established a dedicated information security emergency response team to be responsible for organizing, coordinating and directing emergency response through standardized emergency response procedures upon the occurrence of an information security incident. The team also provides regular information security awareness training for employees and strengthens cooperation and exchanges with relevant institutions and enterprises, to share experience and resources and jointly improve the level of information security protection. Through these measures, we are committed to creating a more secure and reliable information environment to ensure the continuity of the Group's business and the security of data.




RESPONSIBLE MARKETING AND PROMOTION

The Group has formulated the Regulations on the Administrative Measures for External Information Release (《對外信息發佈管理辦法》), the Administration of Media Communication (《媒體傳播管理規定》), the Administration of PUBLIC INFORMATION (《公共資料管理規定》), the Regulations on the Administration of Domain Name and Website (《域名及網站管理規定》), the Executive Manual of Market Activities (《市場活動執行手冊》), and Regulations on Crisis Prevention and Management of Public Relations (《公共關係危機預防與管理規定》) and strictly abides by national and regional laws and regulations such as Advertising Law of the People's Republic of China (《中華人民共和國廣告法》) and the Law of the People's Republic of China on the Protection of Consumer Rights and Interests (《中華人民共和國消費者權益保護法》) ensuring that the content of communication conforms to the relevant national laws and regulations, adhere to the authenticity of the published content and strictly eliminate false publicity, exaggeration and misleading and other undesirable content, to build a high-quality enterprise brand and establish a good corporate image. If there is any misleading information in the Group's advertising or marketing activities, the Group will explain to the customers and modify or withdraw the relevant advertisements.

CUSTOMER PRIVACY

The Group strictly abides by national and regional laws and regulations such as Anti-Unfair Competition Law of the People's Republic of China (《中華人民共和國反不正當競爭法》), The Group takes necessary security measures for the receipt, transmission, use, copying, preservation and destruction of customer data, and requires its employees to sign an undertaking to keep the company's secrets, not to disclose the company's commercial secrets, business channels, customer information, production and operation information in any way, and not to utilize such information for personal gain. The Group strictly complies with the Law of the People's Republic of China on the Protection of Personal Information (《中華人民共和國個人信息保護法》) and relevant laws and regulations, and will only use customers' personal information within the scope prescribed by law and within the scope of authorized business purposes. Each employee signed a confidentiality agreement with the Group to ensure that employees strictly abide by confidentiality requirements.



The Group has established detailed privacy policies through upstream cooperation agreements and downstream supplier contracts, which stipulate that customer information shall not be disclosed to any third party without written consent. Regular training is provided to staff on customer privacy protection, and internal audits and inspections are conducted periodically to assess the effectiveness of privacy protection measures. Regular security audits of the Group's information systems have been conducted to ensure that customer information is stored and transmitted securely to prevent leakage or unauthorized access. By continuously upgrading the customer account management system, we fully ensure the security and effectiveness of the authentication mechanism and related applications, and effectively ensure the security of customer accounts.

Once the privacy leakage problem is found, the affected customers will be notified as soon as possible, and a professional team will be organized to conduct internal investigation. According to the investigation results, the existing security measures will be strengthened, and ensure that the customer privacy leakage problem is handled in a legal and compliant manner.

RESPECT INTELLECTUAL PROPERTY

The Group attaches great importance to the protection and management of intellectual property rights, strictly abides by national and regional laws and regulations such as Copyright Law of the People's Republic of China (《中華人民共和國著作權法》), Trademark Law of the People's Republic of China (《中華人民共和國商標法》), Patent Law of the People's Republic of China (《中華人民共和國專利法》), and also requires the partners to respect intellectual property rights in making cooperation. The Group has formulated the Intellectual Property Management Policy, the Brand Identity Management Rules, the Trademark Management Measures, and the Administrative Standards for Quality Assessment of Trademark Authorization in accordance with all applicable laws and regulations, so as to prohibit infringement of intellectual property rights. The Group pays attention to the development and protection of intellectual property rights in the process of business development, and respects the intellectual property rights and other legitimate rights and interests of others, and does not allow infringement on external intellectual property rights. In case of potential intellectual property risks, the Group will immediately take measures to stop suspicious risk behaviors and actively communicate with relevant parties to reach a solution.

COMMUNITY

Responding to the pledge of the government to employ disabled persons, the Group started the disabled recruitment project officially in 2016 and gave preference to offering employment opportunities to disabled persons nearby the community and one disabled person was successfully recruited. In 2025, we set up special posts for the disabled in many departments, and accepted qualified disabled persons to join in the enterprise to achieve employment. A total of 16 disabled persons were employed. In order to improve the employees' anti-fraud awareness, we have carried out several anti-fraud publicity activities by sending emails to all employees, reminding them to beware of various fraud traps. In response to the national initiative on national fitness, green travel and low-carbon life, we have organized "Yue Bu" for all employees since 2015 to encourage more walking and less driving. This activity has been held for 11 consecutive years. This year, the employees actively participated in the activity, and the number of walking steps during the activity exceeded 35 million.

In 2025, the Company, together with its brand partners, organized the "Protect the Ocean Together" public welfare activity on World Oceans Day to promote and popularize knowledge of beach waste sorting, lead by example in advocating waste sorting actions, and carry out a beach cleanup after the event, collecting 30 jin of waste, including both recyclable and non-recyclable waste.



OUTLOOK

Looking ahead to 2026, geopolitical conflicts and trade tensions are expected to persist, posing downward risks to the global economy and trade. In 2026, the Chinese economy will adhere to the principles of pursuing progress while ensuring stability and improving quality and efficiency, implementing proactive fiscal policies and moderately loose monetary policies. Efforts will be focused on expanding domestic demand, boosting consumption and investment, and vigorously developing new quality productive forces, driving high-quality economic development by pursuing innovation and excellence. The rapid advancement of technologies such as artificial intelligence, big data, and cloud computing is driving the global economy's digital transformation. China's 15th Five-Year Plan explicitly calls for accelerating technological innovation in digital intelligence, including artificial intelligence, and fully implementing the "AI+" action to empower all industries and sectors comprehensively. In 2026, by adopting the business policy of "Building a friendly ecosystem together, creating ecological value, and achieving win-win high-quality growth" and relying on technology services, the Group will deepen its digital intelligence service capabilities, break through traditional ecological boundaries, and collaborate with partners to build a friendly and mutually trusting ecosystem. Together, we will create ecological value, explore new opportunities, and forge a future of win-win, high-quality growth, and deliver greater contributions to shareholders.

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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 and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Emissions	20
KPI A1.1	The types of emissions and respective emissions data.	Air pollution emissions	20
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Hazardous waste and non-hazardous waste	21
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	21
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	Emissions	20
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.	Emissions	21

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Aspect A2: Use of Resources

General Disclosure	Policies on the efficient use of resources including energy, water and other raw materials.	Use of resources	22
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).	Emission from the use of electricity, Use of fuel	21
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Use of water	23
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Use of water	22
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.	Use of water	23
KPI A2.5	Total packaging material used for finished products (in tons) and, if applicable, with reference to per unit produced.	Use of packaging materials	24

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Aspect A3: The Environment and Natural Resources

General Disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources.	The environment and natural resources	25
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	The environment and natural resources	25

B. Social

Employment and Labour Practices

Aspect B1: Employment

General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to remuneration and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Employment	26
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Employment	26
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Employment	26

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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. Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Health and safety	29
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	29
KPI B2.2	Lost days due to work injury.	Health and safety	29
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Health and safety	29

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	30
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management, etc.).	Development and training	30
KPI B3.2	The average training hours completed per employee by gender and employee category.	Development and training	30

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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.	Labour standard	32
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Labour standard	32
KPI B4.2	Description of steps taken to eliminate such non-compliance practices when discovered.	Labour standard	32

Operating Practices

Aspect B5: Supply Chain Management

General Disclosure	Policies on managing environmental and social risks of the supply chain.	Upstream and downstream collaboration and operation management	32
KPI B5.1	Number of suppliers by geographical region.	Upstream and downstream collaboration and operation management	32
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Upstream and downstream collaboration and operation management	32

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KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Upstream and downstream collaboration and operation management	32
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Upstream and downstream collaboration and operation management	32

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, labeling and privacy matters relating to products and services provided and methods of redress.	Quality assurance	37
		Responsible marketing and promotion	39
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Quality assurance	37
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Quality assurance	37
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Respect intellectual property	40
KPI B6.4	Description of quality assurance process and recall procedures of products.	Quality assurance	37
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Information security	38

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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	14
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	14
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Anti-corruption	14
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Anti-corruption	14

Community

Aspect B8: Community Investment

General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Community	41
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Community	41
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Community	41

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PART D: CLIMATE-RELATED DISCLOSURES

(I) Governance	<p>19. An issuer shall disclose information about:</p> <p>(a) The governance body or bodies, which may include a board, committee or equivalent body charged with governance, or individual or individuals responsible for oversight of climate-related risks and opportunities.</p> <p>(b) management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities.</p>		15
(II) Strategy	<p>20. Climate-related risks and opportunities</p> <p>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.</p>		16
	<p>21. Business model and value chain</p> <p>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.</p>	<p>We have applied the reasonable information relief because, at the reporting date, we are unable to obtain all reasonable and supportable information available without undue cost or effort to determine the scope of our value chain.</p>	17

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<p>22. Strategy and decision-making 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: 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.</p>	<p>We are formulating our plan by integrating internal resources and processes.</p>	17
<p>23. An issuer shall disclose the progress of plans disclosed in previous reporting periods in accordance with paragraph 22 (a).</p>		17
<p>24. Financial position, financial performance, and cash flow An issuer shall disclose the following qualitative and quantitative information: (a) how climate-related risks and opportunities have affected the issuer's financial position, financial performance and cash flows for the reporting period; and (b) when there is a significant risk of a material adjustment within the next reporting year to the carrying amounts of assets and liabilities reported in the related financial statements, information about the climate-related risks and opportunities identified in paragraph 24(a).</p>	<p>We have applied the financial effects relief. We will further assess the financial effects of climate-related risks and opportunities in the future.</p>	17

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25. Anticipated financial effects

An issuer shall disclose the following qualitative and quantitative information:

(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 the following consideration.

(b) how the issuer reasonably expects its financial performance and cash flows to change over the short, medium and long term, taking into consideration its strategy for managing climate-related risks and opportunities.

We have applied the reasonable information relief. We will further assess the financial effects of climate-related risks and opportunities in the future.

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26. Climate resilience

After considering the climate-related risks and opportunities that the issuer has identified, the issuer shall disclose information that enables an understanding of the resilience of the issuer's strategy and business model to climate-related changes, developments or uncertainties. An issuer shall use climate-related scenario analysis to assess its climate resilience in a manner commensurate with its circumstances. When quantitative information is provided, an issuer may disclose a single amount or a range.

We have applied the reasonable information relief. We do not currently disclose climate-related scenario analysis, but will explore its feasibility in the future.

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(III) Risk
Management

27. An issuer shall disclose the following information:
(a) the processes and related policies the issuer uses to identify, assess, prioritize and monitor climate-related risks.
(b) the processes the issuer uses to identify, assess, prioritise and monitor climate-related opportunities, including 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 the issuer's overall risk management process.

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(IV) Metrics
and Targets

28. Greenhouse gas emissions
An issuer shall disclose its absolute gross greenhouse gas emissions generated during the reporting period, expressed in metric tonnes of carbon dioxide equivalent, classified as:
(a) Scope 1 greenhouse gas emissions;
(b) Scope 2 greenhouse gas emissions;
(c) Scope 3 greenhouse gas emissions.

We have applied the reasonable information relief. Going forward, we will continue to collect more comprehensive data so as to gradually expand and improve the disclosure coverage of Scope 3 categories that are material to the Group's business.

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29. An issuer shall:
unless otherwise required by a jurisdictional authority or an exchange on which the issuer is listed, measure its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004);
(b) disclose the approach it uses to measure its greenhouse gas emissions;
(c) in relation to Scope 2 greenhouse gas emissions disclosed under paragraph 28(b), disclose its location-based Scope 2 greenhouse gas emissions and provide information about any contractual instruments necessary to understand those emissions; and
(d) in relation to Scope 3 greenhouse gas emissions disclosed under 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).

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30. Climate-related transition risks
An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related transition risks.

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31. Climate-related physical risks

An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related physical risks.

We have applied the reasonable information relief. We will strengthen the methodologies and processes for assessing the financial effects of climate-related risks and opportunities in future reports.

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32. Climate-related opportunities

An issuer shall disclose the amount and percentage of assets or business activities aligned with climate-related opportunities.

We have applied the reasonable information relief. We will strengthen the methodologies and processes for assessing the financial effects of climate-related risks and opportunities in future reports.

33. Capital deployment

An issuer shall disclose the amount of capital expenditure, financing or investment deployed toward climate-related risks and opportunities..

Given the nature of the Group's business, it is subject to limited direct impact from climate-related risks. At present, the Group has not established a dedicated statistical system for climate-related capital inputs or special accounting therefor. Such inputs are incorporated into ordinary operating capital and are therefore difficult to quantify separately with precision. Going forward, the Group will gradually improve its statistical system in light of its business characteristics..

N/A

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34. Internal carbon pricing

An issuer shall disclose the following:

- (a) whether and how the issuer applies a carbon price in decision-making, for example, investment decisions, transfer pricing and scenario analysis; and
- (b) the price per metric tonne of greenhouse gas emissions the issuer uses to assess the costs of its greenhouse gas emissions; or an appropriate negative statement if the issuer does not apply a carbon price in decision-making.

The Group does not currently apply an internal carbon price in decision-making, but will explore the feasibility of implementation in the future.

N/A

35. Remuneration

An issuer shall disclose whether and how climate-related considerations are factored into remuneration policy, or provide an appropriate negative statement. This may form part of the disclosure made under paragraph 19(a)(iv).

We have not yet incorporated climate-related factors into the remuneration of senior management, and will explore the possibility of doing so in the future.

36. Industry-based metrics

The Exchange encourages issuers to disclose industry-based metrics associated with one or more particular business models, activities or other common features that characterise participation in an industry.

We have applied the reasonable information relief. We do not currently disclose any industry-based metrics, but will explore their feasibility in the future.

37. Climate-related targets

An issuer shall disclose: (a) the climate-related qualitative and quantitative targets it has set to monitor progress toward achieving its strategic goals; and (b) any targets it is required to meet by law or regulation, including any greenhouse gas emissions targets.

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38. An issuer shall disclose its approach to setting and reviewing each target and how it monitors progress against each target.

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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.

40. For each greenhouse gas emissions target disclosed under paragraphs 37-39.

41. Applicability of cross-industry metrics and industry-based metrics
When preparing disclosures to comply with paragraphs 21 to 26 and 37 to 38, an issuer shall refer to and consider the applicability of: (i) cross-industry metrics in paragraphs 28 to 35; and (ii) industry-based metrics in paragraph 36.

We have applied the reasonable information relief. We do not currently disclose any cross-industry metrics or industry-based metrics, but will explore their feasibility in the future.

N/A